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

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

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

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

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

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

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

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

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

I want to congratulate the gentleman from Iowa (Mr. Nussle), our budget chairman, and his ranking member and his staff and this entire team, for working to decrease the size of government and for making this Congress an effective and efficient Congress.
Without missing a beat, they are trying to finance the tax cut, as well as the skyrocketing debt, on the backs of the poor, the disabled, the elderly, and the middle class. As a result, working Americans will pay more and get less.

For instance, the budget bill cut student aid by $1.43 billion, which will make college more expensive, or totally unaffordable, for you and your children and will ensure that literally millions of students will not have the means to achieve a higher education.

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

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

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

Unfortunately, this majority sees fit to pull what little these victims have left right out from under their feet. The result of this budget will be the denial of affordable medical service to those who have nowhere else to turn and the unprecedented health care premiums for those who can least afford them.

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

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

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

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

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

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

I ask you of every value that America can do better than this. We can do better than turning the American Dream into a privilege for the few, instead of a right for all. We must do better, and we need to start today by rejecting this bill.

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

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

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

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

Earlier this year, this Congress began engaging Governors from all across this great Nation about ways in which we could make Medicaid spending and Medicaid programs work more efficiently across this government. I participated with the gentleman from Iowa (Mr. NUSSLE) in meetings with Mark Warner, who is a Democrat Governor from Virginia, and Tom Vilsack, who is a Governor from Iowa.

We talked about ways that this Congress could go about giving the Governors more flexibility and the ability to manage those processes and programs that they have in place. The Budget Committee, as a result of work that has been done by other committees, one-eight of the bills which we bring tonight simply talk about...
ways that we can make sure that the spending that is done tonight is done more efficiently and more effectively, but done in a way that will create better services to the American public. What we find now, as we come to the floor to do the things that literally Governors all over this country have asked for, the flexibility to run their programs without just giving them waivers, but to let them run their own programs, we are told we are cutting services to poor people and how mean we are.

The truth could not be further from that which is said, Mr. Speaker. The fact of the matter is that we are going to put more money than ever in Medicaid that will allow States the opportunity to take care of their problems. I am proud of this bill tonight. I support it, and I hope that the American people see it for what it is, a great opportunity to take care of their problems. Medicaid that will allow States the opportunity.

Mr. Speaker, this budget reconciliation is a Republican raid on student aid: cutting $4 billion in cuts to Federal student aid programs, cuts that add $5,800 to the costs of the average student's education, $5,800. That is a lot of money for any family, especially the poor and the working poor.

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

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

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

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

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

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

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

Mr. Speaker, I yield 2 minutes to the gentleman from California (Ms. WOOLSEY).

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

Mr. Speaker, this budget reconciliation is a Republican raid on student aid: cutting $4 billion in cuts to Federal student aid programs, cuts that add $5,800 to the costs of the average student's education, $5,800. That is a lot of money for any family, especially the poor and the working poor.

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

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

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

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

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

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

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

We must pass this reform package. Ms. SLAUGHTER. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. CARDOZA).

Mr. CARDOZA. Mr. Speaker, before I begin my presentation, I want to just say I cannot believe the comments from the gentleman just spoke. Today, the national debt stands at over $8 trillion. That is more than $27,000 for every man, woman, and child in America. This fiscal mess is a direct result of the policies put in place by the leadership of this Congress and the Bush White House.

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

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

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

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

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

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

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

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

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

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

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

Yesterday’s USA Today showed what spending will be like in 2050, a time when my children and grandchildren will be trying to bear this burden that we are currently after. Albert Einstein said, “Most problems are not problems at all, but an ignorance of the fact.” That is great if you have got a savings account that you are adding to periodically and you are rolling that interest in there. But compound interest on the spending side is a disaster of biblical proportions. We will see in 2050 what compound spending growth will do.

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

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

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

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

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

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

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

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

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time after time after time when given the opportunity to truly do something about it, they just fade away. They just go back to the porch. Instead of taking the tough votes, instead of bringing real reform and making government work better so future generations of men and women and children and all aspects, instead of guaranteeing a bright future for all Americans, they just choose to talk about it.

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

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

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

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

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

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

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

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

Mr. SCOTT of Georgia. Mr. Speaker, I cannot begin to tell my Republican friends how disappointed I am, and I see the hypocrisy of a party that squandered billions and billions of dollars in surplus in the last 4 years and then come down here and say you have done more than any President in modern times to add to the deficit. And then the worst thing you want to do is to squeeze in a tax cut of $70 billion and then to do it on the backs of those that can least afford it.

You say we do not have a plan. We have a 12-point plan. We have tried to institute pay-as-you-go principles from day one. We have begged, we have pleaded with the President of the United States to make sure that we rein in the deficit. So when you see Blue Dogs coming down here mad as hell, you have to understand that the reason we are mad is because we are not going to stand idly by and see the hypocrisy of a party that squandered billions and billions of dollars in surplus in the last 4 years and then come down here and say you are leading the fight to cut deficits, when you have done more than any President in the history of this Congress to increase the deficit. And tonight Congress is going to figure out how to pay for it.

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

In the Deficit Reduction Act, Congress will achieve more than $50 billion
Mr. KINGSTON. Mr. Speaker, I want to show you a picture of a place I think all of us know. It is Disneyland, the Magic Kingdom, the Magic Castle where fantasy is real. And we go down and we all pretend to be boys and girls for the day.

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

POINT OF ORDER

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

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

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

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

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

Well, here is another place where fantasy becomes reality. It is our office building, the United States Capitol. Only here can you call a 7 percent increase a cut. And what are the lap dogs, I mean, the blue dogs barking about? What I am saying is, when you increase the budget 7 percent—
quarters of $1 million of net worth. Now, is that harsh folks? Let us get real. Who out there in the real world believes that that is overly harsh, that to be on a welfare program, to be nursing home eligible, you have to have less than 3 quarters of $1 million worth of net worth? Not the world that I came from.

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

Mr. TANNER. Mr. Speaker, I guess that there is enough hot air that comes from this place to float any balloon, and I wish I was making up what I am about to say. But if you go to the www.publicdebt.treas.gov, you will find the things that I am about to say are there on the government Web site from the United States Treasury. The record is simply this. In 2002, this Congress raised the debt ceiling by $450 billion. In 2003, by $864 billion. In 2004, by $500 billion. In this budget reconciliation process, there is another $781 billion of debt increase, amounting to $3.01 trillion, all of which is done in the last 4 years.

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

Now, if that is not bad enough, 85 percent of the money that has been borrowed by the Treasury and each one of us has paid for and paid interest on is not American. It is not the American people that we borrowed from. It is so bad right now because it is going to interest. I yield the balance of my time to the gentleman from Mississippi (Mr. BAIRD).

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

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

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

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

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

Mr. TAYLOR of Mississippi. Mr. Speaker, this reconciliation process increases the deficit, not decreases it. And the American people want one thing, and I do not care whether it is Democrat or Republican, they want a government that will realign them, and they want a government that does not enslave them in debt. What has happened here over the last 4 years is unprecedented. The amount of money that has been borrowed in our name by you, the majority, and the White House. It is not an argument. This is a fact. It is absolutely sickening. We are now, February 9, I want the American people to understand, February 9 are bringing back the 30-year bond. We have to because we owe so much money to primarily now foreigners.

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

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

Mr. Speaker, that is exactly what we are seeing. We have before us a deficit reduction plan that would put us on a track to re forming government and yielding a savings. It is a good solid plan. It is a good solid start. Unfortunately, our friends across the aisle do not get it. Ronald Reagan had it right.

There is nothing so close to eternal life on earth as a Federal Government program. And the reason that is true is because these folks built a bureaucracy to themselves out of 40 years of Democratic control and they have chosen to support the bureaucracy. They have chosen not to reduce those programs even when Democrat governors of our own State in Tennessee say the Medicaid programs have to be reformed. They choose not to support those.

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

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

Mr. MURPHY. Thank my distinguished colleague. Mr. Speaker, some people want to scare others that this budget cuts services for needy Americans. Medicaid is one of those areas where facts are distorted. This bill increases Medicaid spending by $97 billion the first year alone, and it provides no increase in Medicaid benefits for people who need them. Savings come from reducing Medicaid fraud like New York where there is $18 billion in fraud. It prevents wealthy families with more than $750,000 in home equity from earning Medicaid benefits they don't need. We incorporated many of the changes that the National Governors Association has asked for with unprecedented flexibility.

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

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

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

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

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

We know that these programs are filled with that kind of abuse and it is absolutely essential that we bring about this reform. Democrats and Republicans alike, Mr. Speaker, have the opportunity to bring about reforms to ensure that those who are truly in need have those needs met.
the people who have electricity, who might be at a VFW hall or a parish church hall, who are living in two- and three-man igloo tents waiting for Congress to do something, have absolutely got to think this place has lost their minds. Congress this year voted to give the wealthiest 1 percent of Americans tax breaks every time. Every time. Without a tax break. Out of the goodness of their hearts, no? To help their contributors.

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

Folks, this is insane. I have sat here. I remember the vote. May 9, 2001. I remember who said we could cut taxes, increase spending and pay down the debt. We are $2.4 trillion deeper in debt than that night. I did not vote for that. Almost all of you did. I do not tell the folks who make hundreds of millions of dollars a year, you deserve a tax break. You did. I voted for offsets for the war in Iraq because, yes, we went to war. My goodness, kids from Mississippi are dying in the war and for an emergency. And so, now you borrow money is when you go to hurt in Katrina. Mississippi has paid the phone to help folks who were there. I have got a kid who lost both of his parents, a dozen Mississippians are fighting tonight, 15 have already come home dead, a dozen more have been to Walter Reed, who never asked the Iraqis for an offset. They didn’t want to talk about the facts.

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

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

But once you peel back the rhetoric and look at what is in this legislation, you realize why they only have cute slogans. They don’t want to talk about reforms that will save and strengthen Medicaid.

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

They don’t want to talk about supporting first responders by giving them bandwidth so they don’t have to lay off employees.

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

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

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

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

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

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

The previous question was ordered.

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

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the resolution, as amended.
The resolution, as amended, was agreed to. A motion to reconsider was laid on the table.

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

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida? There was no objection.

SEC. 1001. SHORT TITLE; TABLE OF CONTENTS.

This title may be cited as the “Deficit Reduction Act of 2005”.

SEC. 2. TABLE OF TITLES.

The table of titles is as follows:

TITLE I—COMMITTEE ON AGRICULTURE

TITLE II—COMMITTEE ON EDUCATION AND THE WORKFORCE

TITLE III—COMMITTEE ON ENERGY AND COMMERCE

TITLE IV—COMMITTEE ON FINANCIAL SERVICES

TITLE V—COMMITTEE ON THE JUDICIARY

TITLE VI—COMMITTEE ON RESOURCES

TITLE VII—COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE

TITLE VIII—COMMITTEE ON WAYS AND MEANS

TITLE I—COMMITTEE ON AGRICULTURE

SECTION 101. SHORT TITLE; TABLE OF CONTENTS.

(a) Short Title.—This title may be cited as the “Agricultural Reconciliation Act of 2005”.

(b) Table of Contents.—The table of contents of this title is as follows:

Sec. 1001. Short title; table of contents.

Subtitle A—Commodity Programs

Sec. 1005. Percentage reduction in amount of direct payments for covered commodities.

Sec. 1006. Reduction in percentage of direct payment amount authorized to be paid in advance.

Subtitle B—Commodity Assistance Programs

Sec. 1010. Conservation programs.

Sec. 1011. Initiative for future food and agriculture systems.

Sec. 1012. Rural business investment program.

Sec. 1013. Rural business strategic investment grants.

Sec. 1014. Rural firefighters and emergency personnel grants.

Sec. 1015. Development of rural telecommunications services in rural areas.

Sec. 1016. Value-added agricultural product market development grants.

Sec. 1017. Direct payment amount reduction—Notwithstanding subsection (f), the amount as so provided for those crops, will be reduced by an amount equal to 1 percent of the direct payment amount otherwise determined for that farm and that covered commodity for that crop year. No reduction shall be made under this subsection if direct payments are made for a subsequent crop year of a covered commodity.

Sec. 1018. Disaster food stamp program.

Sec. 1019. Allotments for disaster assistance program.

Sec. 1020. Reduction in percentage of direct payment amount authorized to be paid in advance.

Sec. 1021. Cotton competitiveness provisions.

Sec. 1022. Conservation programs.

Sec. 1023. Initiative for future food and agriculture systems.

Sec. 1024. Rural business investment program.

Sec. 1025. Rural business strategic investment grants.

Sec. 1026. Rural firefighters and emergency personnel grants.

Sec. 1027. Development of rural telecommunications services in rural areas.

Sec. 1028. Value-added agricultural product market development grants.

Sec. 1029. Direct payment amount reduction—Notwithstanding subsection (f), the amount as so provided for those crops, will be reduced by an amount equal to 1 percent of the direct payment amount otherwise determined for that farm and that covered commodity for that crop year. No reduction shall be made under this subsection if direct payments are made for a subsequent crop year of a covered commodity.

Sec. 1030. Disaster food stamp program.

Sec. 1031. Allotments for disaster assistance program.

Sec. 1032. Conservation programs.

Sec. 1033. Initiative for future food and agriculture systems.

Sec. 1034. Rural business investment program.

Sec. 1035. Rural business strategic investment grants.

Sec. 1036. Rural firefighters and emergency personnel grants.

Sec. 1037. Development of rural telecommunications services in rural areas.

Sec. 1038. Value-added agricultural product market development grants.

Sec. 1039. Direct payment amount reduction—Notwithstanding subsection (f), the amount as so provided for those crops, will be reduced by an amount equal to 1 percent of the direct payment amount otherwise determined for that farm and that covered commodity for that crop year. No reduction shall be made under this subsection if direct payments are made for a subsequent crop year of a covered commodity.

Sec. 1040. Disaster food stamp program.

Sec. 1041. Allotments for disaster assistance program.

Sec. 1042. Conservation programs.

Sec. 1043. Initiative for future food and agriculture systems.

Sec. 1044. Rural business investment program.

Sec. 1045. Rural business strategic investment grants.

Sec. 1046. Rural firefighters and emergency personnel grants.

Sec. 1047. Development of rural telecommunications services in rural areas.

Sec. 1048. Value-added agricultural product market development grants.

Sec. 1049. Direct payment amount reduction—Notwithstanding subsection (f), the amount as so provided for those crops, will be reduced by an amount equal to 1 percent of the direct payment amount otherwise determined for that farm and that covered commodity for that crop year. No reduction shall be made under this subsection if direct payments are made for a subsequent crop year of a covered commodity.

Sec. 1050. Disaster food stamp program.

Sec. 1051. Allotments for disaster assistance program.

Sec. 1052. Conservation programs.
(1) in clause (i), by inserting before the period at the end the following: “, except fiscal years 2007 through 2010”;
(2) in clauses (ii) and (iii), by striking “2007” and both places it appears and inserting “2006”.

Subtitle C—Energy
SEC. 1301. TERMINATION OF USE OF COMMODITY CREDIT CORPORATION FUNDS TO CARRY OUT RENEWABLE ENERGY SYSTEMS AND ENERGY EFFICIENCY PROGRAM.

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

Subtitle D—Rural Development
SEC. 1401. ENHANCED ACCESS TO BROADBAND TELECOMMUNICATIONS SERVICES IN RURAL AREAS.
(a) TERMINATION OF FISCAL YEAR 2007 FUNDING.—Subparagraph (B) of section 601(j)(1) of the Rural Electrification Act of 1936 (7 U.S.C. 950bb(j)(1)) is amended by striking “2006” and inserting “2005”.

(b) TERMINATION OF MULTI-YEAR AVAILABILITY OF FUNDS.—Funds which were available under such section and unobligated as of September 30, 2006, are hereby rescinded effective on that date.

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

SEC. 1402. VALUE-ADDED AGRICULTURAL PRODUCTS PROGRAM.
(a) TERMINATION OF FISCAL YEAR 2007 FUNDING.—Section 231(b)(4) of the Agricultural Risk Protection Act of 2000 (Public Law 106-224; 7 U.S.C. 16121 note) is amended by striking “October 1, 2006” and inserting “October 1, 2005”.

(b) TERMINATION OF MULTI-YEAR AVAILABILITY OF FUNDS.—Funds which were available under such section for a fiscal year and unobligated as of September 30, 2006, are hereby rescinded effective on that date.

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

SEC. 1403. URBAN RURAL BUSINESS INVESTMENT PROGRAM.

(b) TERMINATION OF MULTI-YEAR AVAILABILITY OF FUNDS.—Funds which were available under such section and unobligated as of September 30, 2006, are hereby rescinded effective on that date.

Sec. 1404. RURAL BUSINESS STRATEGIC INVESTMENT GRANTS.
(a) TERMINATION OF MULTI-YEAR AVAILABILITY OF FUNDS.—Subsection (a) of section 383E of the Consolidated Farm and Rural Development Act of 2002 (7 U.S.C. 2002k-13(d)(1)) is amended by striking “180 days after the end of the fiscal year beginning on October 1, 2006” and inserting “July 1, 2006”.

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

Sec. 1405. RURAL FIREFIGHTERS AND EMERGENCY PERSONNEL GRANTS.
(a) TERMINATION OF FISCAL YEAR 2007 FUNDING.—Section 6405(c) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 2556(c)) is amended by striking “2007” and inserting “2006”.

(b) TERMINATION OF MULTI-YEAR AVAILABILITY OF FUNDS.—Section 9 is further amended by striking “1996,” to remain available until expended”.

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

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

(b) TERMINATION OF MULTI-YEAR AVAILABILITY OF FISCAL YEAR 2006 FUNDS.—Paragraph (b) of section 6 is amended to read as follows:“(b) AVAILABILITY OF FUNDS.—(1) TWO-YEAR AVAILABILITY.—Except as provided in subparagraph (A), funds for grants under this section shall be available to the Secretary for a 2-year period beginning on the date of the transfer of the funds under subsection (b).

(2) AVAILABILITY OF FUNDS.—In the case of the funds required to be transferred by subsection (b)(3)(C), the funds shall be available to the Secretary for obligation for the 1-year period beginning on October 1, 2006.

Subtitle F—Nutrition
SEC. 1601. ELIGIBLE HOUSEHOLDS.
(a) ELIGIBLE HOUSEHOLDS.—The Food Stamp Act of 1977 (7 U.S.C. 2001 et seq.) is amended—
(1) in section 5—
(A) in the 24th sentence of subsection (a); and
(B) in subsection (j)—by striking ‘‘receives benefits’’ each place it appears and inserting ‘‘in fiscal years 2006 through 2010 receives cash assistance, and in any other fiscal year receives benefits’’;
(2) in section 5(a) by adding at the end the following:“Notwithstanding any other provisions of this Act except sections 6(b), 6(d)(2), and 6(g), and section 3(i)(4), households in which each member receives substantial and ongoing noncash benefits under a State program and the member receives benefits under a State program shall be eligible for food stamps if the household satisfies the resource limits prescribed under subsection (g).”

SEC. 1602. AVAILABILITY OF COMMODITIES FOR THE EMERGENCY FOOD ASSISTANCE PROGRAM.
Section 27(a) of the Food Stamp Act of 1977 (7 U.S.C. 2036a(a)) is amended—
(1) by striking “2007,” and inserting “2006” and for each of the fiscal years 2007 through 2011; and
(2) by inserting “, and for fiscal year 2006 the Secretary shall purchase $152,000,000,” after “1997,”; and
(3) by adding at the end the following:“Of the funds used to purchase commodities in accordance with this subsection for fiscal year 2006, $12,000,000 shall be used to purchase commodities for distribution to States that received a Presidential designation of a major disaster under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121–5206) as a result of Hurricane Katrina or Hurricane Rita and States contiguous to those States.”

SEC. 1603. RESIDENCY REQUIREMENT.
Section 462(a)(2)(L) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (42 U.S.C. 612a(a)(2)(L)) is amended by striking “5 years or more” and inserting “7 years or more effective until September 30, 2010, and for a period of 5 years or more beginning” and inserting the following:“for a period—
(1) effective until September 30, 2010—
(A) for an alien—
(i) who is 60 years of age or older; or
(ii) with respect to whom—
(aa) an application for naturalization under Immigration and Nationality Act is approved; or
(bb) an application is pending under such Act and no previous application for naturalization has been rejected under such Act; and

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

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

(2) effective beginning on October 1, 2010, of 5 years or more beginning.”

(c) CERTIFICATION FOR SCHOOL LUNCH PROGRAM.
Section 9 of the Richard B. Russell National School Lunch Act (42 U.S.C. 1758) is amended—
(1) in subsection (b)(12)—
(A) in subparagraph (A), and
(i) in clause (v), by striking “;” or” and inserting a semicolon;
(ii) in clause (vi), by striking the period and inserting “;” or”;

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

(2) in subsection (b)(12), by striking “;” or” and inserting a semicolon;

(3) in clause (vi), by striking the period and inserting “;” or”; and

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

Sec. 2041. Program coordination demonstration projects.

PART 5—EFFECTIVE DATE

Sec. 2051. Effective date.
Subtitle B—Higher Education

Sec. 2101. Short title.

PART 1—AMENDMENTS TO THE HIGHER EDUCATION ACT OF 1965

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

PART 2—HIGHER EDUCATION RELIEF

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

Sec. 2201. Increases in PBGC premiums.

Subtitle A—Welfare Reform

PART 1—SHORT TITLE; REFERENCES

Sec. 2002. References.

PART 2—TANF

Sec. 2012. Waiver authority to expand the availability of services under Child Care and Development Block Grant Act of 1990.

PART 4—STATE AND LOCAL FLEXIBILITY

Sec. 2041. Program coordination demonstration projects.

(a) Modification of State Plan Requirements.—Section 402(a)(1)(A) (42 U.S.C. 620a(1)(A)) is amended by striking clauses (ii) and (iii) and inserting the following:

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

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

(b) Establishment of Family Self-Sufficiency Plans.—

(A) in general.—Section 408(b) (42 U.S.C. 608(b)) is amended to read as follows:

“(b) Family Self-Sufficiency Plans.—

“(1) in general.—A State to which a grant is made under section 403 shall—

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

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

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

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

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

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

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

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

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

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

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

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

“(5) PENALTY FOR FAILURE TO EMBRACE SELF-SUFFICIENCY PLAN.—Section 409(a)(3) (42 U.S.C. 609(a)(3)) is amended—

“(A) in the paragraph heading, by inserting ‘OR Establish Family Self-Sufficiency Plan’ after ‘default’;

“(B) in subparagraph (A), by inserting ‘or 408(b)’ after ‘408(a)’.”
SEC. 407. WORK PARTICIPATION REQUIREMENTS.

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

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

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

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

(b) WORK PARTICIPATION REQUIREMENTS.—

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

‘‘SEC. 407. WORK PARTICIPATION REQUIREMENTS.

‘‘(a) PARTICIPATION RATE REQUIREMENTS.—

‘‘(1) Section 407 (42 U.S.C. 607) is amended in paragraphs (1)(B) and (2)(B) of subsection (b) by striking ‘‘(1)(B)’’.

‘‘(2) Section 407 (42 U.S.C. 607) is amended by striking subparagraph (B).

‘‘(3) Section 407(c)(2)(D) (42 U.S.C. 607(c)(2)(D)) is amended by striking ‘‘paragraph (B) of subsection (b)’’ and inserting ‘‘subsection (b)(1)(B)’’.

‘‘(b) COUNTING FAMILIES DEFINED.—

In subsection (b) of section 407(b)(3) (42 U.S.C. 607(b)(3)) is amended by adding at the end the following:

‘‘(i) the total number of countable hours in a month, then the number of countable hours with respect to the family for the month shall be zero.

‘‘(ii) the total number of countable hours in the preceding 12-month period.

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

‘‘(c) RECALCULATION OF CASELOAD REDUCTION CREDIT.—

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

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

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

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

‘‘(c) BASE YEAR DEFINED.—In this paragraph, the term ‘base year’ means, with respect to a fiscal year:

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

‘‘(ii) if the fiscal year is fiscal year 2007, fiscal year 1997;

‘‘(iii) if the fiscal year is fiscal year 2008, fiscal year 2002; or

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

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

‘‘(4) SUPERACHIEVER CREDIT.—

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

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

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

‘‘(B) SUPERACHIEVER STATE.—For purposes of subparagraph (A), a State is a superachiever State if the State caseload for fiscal year 2001 has declined by at least 60 percent from the State caseload for fiscal year 1996.

‘‘(C) SUPERACHIEVER CREDIT.—The superachiever credit applicable to a State under this section shall be the number of percentage points (if any) by which the actual rate referred to in subparagraph (B) exceeds 60 percent.

‘‘(D) DEFINITIONS.—In this paragraph:

‘‘(i) the term ‘State caseload for fiscal year 2000’ means the average monthly number of families that received assistance under fiscal year 2000 under the State program funded under this part.

‘‘(ii) the term ‘State caseload for fiscal year 1995’ means the average monthly number of families that received aid under the State plan approved under part A as in effect on September 30, 1995, during fiscal year 1995.

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

‘‘(c) COUNTABLE HOURS.—

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

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

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

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

‘‘(C) SPECIAL RULES.—For purposes of paragraph (i):

‘‘(A) PARTICIPATION IN QUALIFIED ACTIVITIES.—

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

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

‘‘(I) substance abuse counseling or treatment;

‘‘(II) rehabilitation treatment services and treatment;

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

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

‘‘(V) any other activity that addresses a purpose specified in section 401(a), subject to the provisions of this subsection.

‘‘(3) LIMITATION.—

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

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

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

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

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

‘‘(D) PARENTAL PARTICIPATION IN SCHOOLS.—

Each work-eligible individual in a family shall make verifiable visits at least twice per school year to the school of each of the individual's minor children required to attend school under the law of the State in which the minor children reside, during
the period in which the family receives assistance under the program funded under this part. Hours spent in such activity may be specified by the State as countable hours for purposes of this subsection (c).

(33) Direct Work Activity.—In this section, the term ‘direct work activity’ means—

(1) employment;

(2) subsidized private sector employment;

(3) subsidized public sector employment;

(4) on-the-job training;

(5) their parents’, which would allow for parents or relatives to participate, if so designated by a State agency;

(6) supervised community service.”.

(34) Penalties Against Individuals.—Section 407(e)(4) (42 U.S.C. 607(e)(4)) is amended to read as follows:

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

(A) For purposes of paragraph (2), the term

(B) Special Rule.—

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

(ii) Limitation.—Clause (i) of this subparagraph applies after the 1-year period that begins with the date of enactment of this subsection, and after the State determines that the individual has resumed full participation in the activities, subject to such good cause exceptions as the State may establish.

(2) Work-related Performance Improvement.—Section 411 (42 U.S.C. 611) is amended by adding at the end the following:

“(b) Report on Annual Performance Improvement.—Section 413 (42 U.S.C. 613) is amended by adding at the end the following:

“(c) Annual Report on Performance Improvement.—Beginning with fiscal year 2007, each eligible State shall submit to the Secretary a report on achievement and improvement during the preceding fiscal year under the numerical goals and measures under the State program funded under this part with respect to the matter described in section 402(a)(1)(A)(vii).”.

(3) Annual Reporting of States—Section 413(d)(1) (42 U.S.C. 613(d)(1)) is amended by striking “long-term private sector jobs,” and inserting “private sector jobs, the success of the recipients in retaining employment, the ability of the recipients to increase their wages.”.

(4) Performance Improvement.—Section 413 (42 U.S.C. 613) is amended by adding at the end the following:

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

SEC. 2014. REPORT ON COORDINATION.

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

SEC. 2015. FATHERHOOD PROGRAM.

(a) Short Title—This section may be cited as the “Promoting Responsible Fatherhood and Healthy Marriage Act of 2005”.

(b) Fatherhood Program.—

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

“SEC. 117. FATHERHOOD PROGRAM.

“(a) In general.—Title IV (42 U.S.C. 601—679b) is amended by inserting after part B the following:

“PART C—FATHERHOOD PROGRAM

“SEC. 441. FINDINGS AND PURPOSES.

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

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

(2) If current trends continue, half of all children born today will live apart from one of their parents by the age of 18, with both of their parents raising children, at some point before they turn 18.

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

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

(5) An estimated 19,400,000 children (27 percent) live apart from their biological father. An estimated 18,200,000 children (25 percent) live apart from their biological mother. An estimated 18,600,000 children (25 percent) live apart from both parents.

(6) To secure care advancement by age, ESP, and to avoid or leave welfare programs by assisting them to take full advantage of education, job training, and job search programs, to improve work habits and work skills, and to avoid financial transactions, time management, and home maintenance.

(7) Encouraging the abilities and commitment of unemployed or low-income fathers to provide material support for their families and children to avoid or leave welfare programs by assisting them to take full advantage of education, job training, and job search programs, to improve work habits and work skills, and to avoid financial transactions, time management, and home maintenance.

(2) To promote the development of emotional, social, security, and behavioral stability and social adjustment,
and reduced risk of delinquency, crime, sub-
stance abuse, child abuse and neglect, teen
sexual activity, and teen suicide.

(3) To evaluate the effectiveness of various
approaches to eliminate or mitigate outcomes
concerning outcomes and other information
in order to encourage and facilitate the re-
plification of effective approaches to accomplishing
these purposes.

SEC. 442. DEFINITIONS.

In this part, the terms "Indian tribe" and
"tribal organization" have the meanings
given them in subsections (e) and (l), respec-
tively, of the Indian Self-Determina-


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

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

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

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

(4) ADDRESSING CONCERNS RELATING TO SUBSTANCE ABUSE AND SEXUAL ACTIVITY.—A commitment by the applicant to direct a majority of project resources to activities serving low-income families and individuals with substance abuse and sexual contact, including those receiving HIV/AIDS, to coordinate with providers of services addressing such problems, as appropriate.

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

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

(d) FEDERAL SHARE.—

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

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

SEC. 445. ECONOMIC INCENTIVE DEMONSTRATION PROJECTS.

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

(b) ELIGIBLE ENTITIES.—An eligible entity for a grant under this section must be a national nonprofit foundation promoting organizations that meet the following requirements:

(1) EXPERIENCE WITH FATHERHOOD PROGRAMS.—The organization must have substantial experience in designing and successfully conducting programs involving the entire families of clients served, in order to facilitate ongoing and final oversight and evaluation of the project, by means including affording the Secretary access to the project and to project-related records and documents, staff, and clients.

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

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

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

(1) QUALIFICATIONS.—

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

(B) OTHER.—Such other information as the Secretary may find necessary to demonstrate the entity’s capacity to carry out the project, including the entity’s ability to incorporate appropriate policy changes proposed to address barriers to employment.

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

(A) IN GENERAL.—A detailed description of the proposed project design and employment and child support enforcement.

(B) OTHER.—Such other information as the Secretary may find necessary to demonstrate the entity’s capacity to carry out the project, including the entity’s ability to incorporate appropriate policy changes proposed to address barriers to employment.

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

(d) FEDERAL SHARE.—

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

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

SEC. 446. EVALUATION.

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

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

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

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

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

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

(1) An implementation evaluation report covering the first 24 months of the activities
under this part to be completed by 36 months after initiation of such activities.

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

SEC. 447. PARTS OF NATIONAL SIGNIFICANCE.

The Secretary is authorized, by grant, contract, or cooperative agreement, to carry out parts of the purposes of national significance relating to fatherhood promotion, including—

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

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

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

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

SEC. 448. NONDISCRIMINATION.

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

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

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

(b) (1) The amount appropriated under this section for each fiscal year, not more than 35 percent shall be available for the costs of the multicity, multicounty, multistate demonstration projects under section 441, the economic incentives demonstration projects under section 445, evaluations under section 446, and projects of national significance under section 447, with not less than $5,000,000 allocated to the economic incentives demonstration project under section 445.

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

"Sec. 117. Fatherhood program..."

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

Section 408 (42 U.S.C. 668) is amended by adding at the end the following:

(h) STATE OPTION TO MAKE TANF PROGRAMS MANDATORY PARTNERS WITH ONE-STOP EMPLOYMENT TRAINING CENTERS.—For purposes of section 121(b) of the Workforce Investment Act of 1998, a State program funded under part A of title IV of the Social Security Act shall be considered a program referred to in paragraph (1)(B) of such section, unless, after the enactment after this subsection, the Governor of the State notifies the Secretary of Health and Human Services and Labor in writing of the decision of the Governor to make the State program a mandatory partner."

SEC. 2017. SENSE OF THE CONGRESS.

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

SEC. 2018. PROHIBITION ON OFFSHORING.

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

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

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

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

PART 3—CHILD CARE

SEC. 2021. SHORT TITLE.

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

SEC. 2022. GOALS.

(a) GOALS.—Section 685B(c)(3)(B) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9801 note) is amended—

(1) in paragraph (3) by striking “encouraging” and inserting “assisting”,

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

"(d) to assist States to provide child care to low-income parents;”,

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

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

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

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

(b) CONFORMING AMPENDMENT.—Section 685B(c)(3)(B) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9801(c)(3)(B)) is amended by striking "through (5)" and inserting "through (7)"

SEC. 2023. AUTHORIZATION OF APPROPRIATIONS.

Section 685B of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9801) is amended—

(1) by striking “is” and inserting “are”, and

(2) by striking "$1,000,000,000 for each of the fiscal years 1996 through 2002" and inserting "$2,300,000,000 for the fiscal years 1996 through 2002, $2,500,000,000 for fiscal year 2003, $2,700,000,000 for fiscal year 2008, $2,900,000,000 for fiscal years 2009 and 2010, and $3,100,000,000 for fiscal year 2011.""

SEC. 2024. APPLICATION AND PLAN.

Section 685B(c)(2) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9801(c)(2)) is amended—

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

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

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

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

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

(IV) for each fiscal year after fiscal year 2010, the report on the progress of States to achieve such targets during the then preceding fiscal year.

(2) by inserting at the end the following:

"(II) the availability of assistance to obtain child care services; and

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

(IV) for each fiscal year after fiscal year 2010, the report on the progress of States to achieve such targets during the then preceding fiscal year."
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“(iii) RULE OF CONSTRUCTION.—Nothing in this subparagraph shall be construed to require that the State apply measures for evaluating quality to specific types of child care providers.”

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

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

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

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

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

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

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

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

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

SEC. 2026. REPORTS AND AUDITS.

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

“SEC. 2026. REPORTS AND AUDITS.

‘‘(a) REPORT BY SECRETARY.—Not later than October 1, 2007, and biennially thereafter, the Secretary shall prepare and submit to the Congress a report that contains the following:

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

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

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

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

SEC. 2028. DEFINITIONS.

(a) ELIGIBLE CHILDREN.—Section 658P(4)(B) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858n(4)(B)) is amended by striking “45 percent of the State median income” and inserting “income levels as established by the State, prioritized by need.”

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

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

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

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

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

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

“(C) comes from an environment in which a language that is not English has had a significant impact on the individual’s level of English language proficiency; or

“(D) migrates, has a native language that is not English, and comes from an environment in which the language that is not English is dominant; and

“(E) has difficulty in speaking or understanding the English language to an extent that may be sufficient to deny such individual—

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

‘‘(ii) the opportunity to fully participate in society.’’

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

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

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

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

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

(4) preventing children designated as evacuees from receiving priority for child care services covered by the Act, except that children residing in a State and currently receiving services should not lose such services in order to accommodate evacuee children, for purposes of easing State fiscal burdens and providing child care services to children orphaned, or of families displaced, as a result of a Gulf hurricane disaster.

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

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

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

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

PART 4—STATE AND LOCAL FLEXIBILITY

SEC. 2041. PROGRAM COORDINATION AND DEMONSTRATION PROJECTS.

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

(b) DEFINITIONS.—In this section—

(1) ADMINISTERING SECRETARY.—The term ‘‘administering Secretary’’ means, with respect to any qualified program, the Federal agency responsible for administering the program.

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

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

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

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

(3) INDIVIDUAL ADVERSELY AFFECTED BY A GULF HURRICANE DISASTER.—The term ‘‘individual adversely affected by a Gulf hurricane disaster’’ means an individual who, on August 29, 2005, was living, working, or attending school in a county in which the President has declared to exist a Gulf hurricane disaster.
the satisfaction of the administering Secretary, in consultation with the Director of the Office of Management and Budget, that the proposed project is reasonably expected to meet the applicable cost neutrality requirements of subsection (d)(4).

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

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

(d) APPROVAL OF APPLICATIONS.—

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

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

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

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

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

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

(i) civil rights or prohibitions of discrimination;

(ii) purposes or goals of any program;

(iii) maintenance of effort requirements;

(iv) health or safety;

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

(vi) environmental protection;

(B) with respect to section 241(a) of the Higher Education Act of 1965; or

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

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

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

(F) except as otherwise provided by statute, if the waiver would waive any funding restriction or limitation of a program authorized under an Act which is not an appropriations Act (but not including program requirements such as application procedures, performance reporting, reporting requirements, or eligibility standards), or would have the effect of transferring funds from a program for which there is direct spending (as defined in section 250(b)(1) of the Balanced Budget and Emergency Deficit Control Act of 1985) to another program.

(3) AGREEMENT OF EACH ADMINISTERING SECRETARY.—

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

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

(C) COST-NEUTRALITY REQUIREMENT.—

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

(B) SPECIAL RULE.—If an applicant submits to the Director of the Office of Management and Budget a request to apply the rules of this subparagraph to the programs in the State in which an entity conducting a demonstration project proposed in an application submitted by the applicant pursuant to this section is located that are affected by a demonstration project proposed in an application submitted by the applicant pursuant to this section, during such period and in such manner as determined by the Director, the estimated total amount that the Federal Government would have paid for the programs if the project had not been conducted, as determined by the Director, shall be considered to be the estimated total amount that the Federal Government would have paid for the fiscal year with respect to the programs if the project had not been conducted.

(4) 90-DAY APPROVAL DEADLINE.—

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

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

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

(B) DEADLINE EXTENDED IF ADDITIONAL INFORMATION REQUESTED.—If a deadline is extended under this subparagraph to the programs in the State in which an entity conducting a demonstration project under this section is located, the deadline for approval of the application for such period as is requested in the application shall be extended by 90 days from the date the additional information is provided.

(C) DEADLINE EXTENDED IF ADDITIONAL INFORMATION IS REQUESTED.—If an application is submitted to the Director of the Office of Management and Budget with respect to the programs in the State in which an entity conducting a demonstration project under this section is located, the deadline for approval of the application for such period as is requested in the application shall be extended by 90 days from the date the additional information is provided.

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

(f) REPORTS TO CONGRESS.—

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

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

(A) the projects approved for each applicant;

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

(C) how well each project for which a waiver is granted is improving or enhancing programs or evaluations (including courses offered by telecommunication as defined in section 484(1) of the Higher Education Act of 1965) to meet the applicable cost neutrality requirements of subsection (d)(4); and

(D) to the extent consistent with this section, each project approved under this section and the estimated total amount that the Federal Government would have paid for the fiscal year with respect to the programs if the project had not been conducted, as determined by the Director of the Office of Management and Budget.

PART 5—CONGRESSIONAL RECORD

SEC. 201. EFFECTIVE DATE.

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

(b) EXCEPTION.—In the case of a State plan under part A of title IV of the Social Security Act which the Secretary of Health and Human Services or the Secretary of Education is required to approve under section 1115 of such Act, if the Secretary receives an application for approval of a plan or amendment to, or replacement of, a section 1115 State plan that requires the State to conduct a demonstration project under this Act, then, notwithstanding any other provision of law, the Secretary may reasonably be expected to meet the applicable cost neutrality requirements of subsection (d)(4).

SEC. 211. ADDITIONS TO THE TITLE.—

(a) REFERENCES.—Except as otherwise provided in this title, each reference to the Higher Education Act of 1965 in this title shall be considered to be a separate regular session of the State legislature that begins after the date of enactment of this Act. For purposes of the preceding sentence, in the case of a State that has a single session legislative year, each year of the session shall be considered to be a separate regular session of the State legislature.

SUBTITLE B—Higher Education

PART 5—FAMILY EDUCATION LOAN PROGRAM

SEC. 2112. MODIFICATION OF 50/50 RULE.

Section 421(a)(3) (20 U.S.C. 1071(a)(3)) is amended—

(1) in subparagraph (A), by inserting “(excluding courses offered by telecommunication as defined in section 484(1)”) after “courses by correspondence”;

(2) by striking “50/50” and inserting “55/45”.

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

(a) AUTHORIZATION OF APPROPRIATION.—Section 421(b)(5) (20 U.S.C. 1071(b)(5)) is amended by striking “the cost allowance” and inserting “a loan processing and issuance fee”.

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SEC. 2111. REFERENCES; EFFECTIVE DATE.

(a) REFERENCES.—Except as otherwise provided in this title, this subtitle and the amendments made by this subtitle shall take effect on the date of the enactment of this Act.
SEC. 2114. LOAN LIMITS.

(a) FEDERAL INSURANCE LIMITS.—Section 422(a)(1)(A) (20 U.S.C. 1076(a)(1)(A)) is amended—

(1) in clause (i)(I), by striking ‘‘$2,625’’ and inserting ‘‘$3,500’’; and
(2) in clause (i)(II), by striking ‘‘$3,500’’ and inserting ‘‘$4,500’’.

(b) GUARANTEE LIMITS.—Section 422(b)(1)(A) (20 U.S.C. 1076(b)(1)(A)) is amended—

(1) in clause (i)(I), by striking ‘‘$2,625’’ and inserting ‘‘$3,500’’; and
(2) in clause (i)(II), by striking ‘‘$3,500’’ and inserting ‘‘$4,500’’.

(c) COUNTING OF CONSOLIDATION LOANS AGAINST LIMITS.—Section 422(a)(3)(B) (20 U.S.C. 1076(a)(3)(B)) is amended by adding at the end the following new clause—

‘‘(II) Loans made under this section shall, to the extent used to pay off the outstanding principal balance on loans made under this title, excluding capitalized interest, be counted against the applicable limitations on aggregate indebtedness contained in sections 422(a)(2), 422(b)(1)(B), 422(d)(1), 422(d)(2), and 422(d)(4).’’

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

SEC. 2115. INTEREST RATES AND SPECIAL ALLOWANCES.

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

(1) in clause (i), by striking ‘‘Before July 1, 2006’’ and inserting ‘‘Before July 1, 2006, and before July 1, 2006’’;

(A) by striking ‘‘, and before July 1, 2006’’ in the heading of such subsection; and

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

(2) by striking subsection (l); and

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

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

(1) in paragraph (6)–

(A) by striking ‘‘, and before July 1, 2006’’ in the heading of such paragraph; and

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

(2) by striking paragraph (7); and

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

(c) CONSOLIDATION LOAN INTEREST RATES.—

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

(A) in the heading of paragraph (4), by inserting ‘‘Before July 1, 2006’’ after ‘‘LOANS’’;

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

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

‘‘5. CONSOLIDATION LOANS ON OR AFTER JULY 1, 2006.—

(A) BORROWER ELECTION.—With respect to any consolidation loan under section 429C for which the application is received by an eligible lender on or after July 1, 2006, the applicable rate of interest shall, at the election of the borrower at the time of application for the loan, be either at the rate determined under subparagraph (B) or the rate determined under subparagraph (C).

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

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

(ii) 2.3 percent, except that such rate shall not exceed 8.25 percent.

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

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

(ii) 2.3 percent.

‘‘(D) CONSOLIDATION OF PLUS LOANS.—In the case of any such consolidation loan that is used to repay loans each of which was made under section 427A(k) (or a Federal Direct PLUS Loan (or both), the rates determined under clauses (ii) and (iii) of this subparagraph shall be applied by substituting ‘‘3.1 percent’’ for ‘‘2.3 percent’’;’’.

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

(A) by inserting ‘‘Before July 1, 2006’’ after ‘‘LOANS’’;

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

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

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

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

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

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

(ii) 2.3 percent, except that such rate shall not exceed 8.25 percent.

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

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

(ii) 3.3 percent, except that such rate shall not exceed 8.25 percent.

‘‘(IV) CONSOLIDATION OF PLUS LOANS.—In the case of any such Federal Direct Consolidation Loan that is used to repay loans each of which was made under section 427A(k) (or a Federal Direct PLUS Loan (or both), the rates determined under clauses (ii) and (iii) of this clause shall be determined—

(I) by substituting ‘‘3.1 percent’’ for ‘‘2.3 percent’’;

(II) by substituting ‘‘4.1 percent’’ for ‘‘3.3 percent’’; and

(III) by substituting ‘‘9.0 percent’’ for ‘‘8.25 percent’’.’’.

‘‘(2) EFFECTIVE DATE.—Except as provided in this subparagraph, the rates determined under section 427A(k) (or a Federal Direct PLUS Loan (or both), the rates determined under clause (iii) of this paragraph shall be applied by substituting ‘‘3.1 percent’’ for ‘‘2.3 percent’’;’’.

‘‘(3) EFFECTIVE DATE.—Except as provided in this subparagraph, the rates determined under section 427A(k) (or a Federal Direct PLUS Loan (or both), the rates determined under clause (ii) of this paragraph shall be applied by substituting ‘‘3.1 percent’’ for ‘‘2.3 percent’’.

‘‘(b) COUNTING OF CONSOLIDATION LOANS.—In the case of any such consolidation loan that is used to repay loans each of which was made under section 427A(k) (or a Federal Direct PLUS Loan (or both), the rates determined under clauses (ii) and (iii) of this subparagraph shall be applied by substituting ‘‘3.1 percent’’ for ‘‘2.3 percent’’;’’.

‘‘(c) EFFECTIVE DATE.—Except as provided in this subparagraph, the rates determined under section 427A(k) (or a Federal Direct PLUS Loan (or both), the rates determined under clause (ii) of this paragraph shall be applied by substituting ‘‘3.1 percent’’ for ‘‘2.3 percent’’.

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

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

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

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

(cc) four.

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

‘‘The amendments made by this section shall not apply with respect to any special allowance payment

SEC. 2116. ADDITIONAL LOAN TERMS AND CONDITIONS.

(a) FEDERAL DEFAULT FEES.—

(1) IN GENERAL.—Section 428B(h)(1) (20 U.S.C. 1078(b)(1)(H)) is amended to read as follows:

"(H) provides—

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

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

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

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

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

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

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

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

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

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

(2) in clause (ii), by striking "or an eligible foreign institution"

(c) REPAYMENT PLANS.—

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

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

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

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

and

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

"(iv) a delayed repayment plan under which the borrower makes scheduled payments for not more than 2 years that are annually not less than the amount of interest due or $600, whichever is greater, and then makes payments in accordance with clause (i), (ii), or (iii); and"

(2) DIRECT LOANS.—Section 455(d)(1) (20 U.S.C. 1087e(d)(1)) is amended—

(A) by redesigning subparagraph (D) as subparagraph (A); and

(B) by striking paragraphs (A), (B), and (C) and inserting the following:

"(A) a standard repayment plan, consistent with subsection (a)(1) of this section and with section 428C (20 U.S.C. 1078(c)(1)),

(B) a graduated repayment plan, consistent with section 428(b)(9)(A)(ii),

(C) an extended repayment plan, consistent with section 428(b)(9)(A)(iii),

and

(D) an extended repayment plan under which the borrower annually repay a minimum amount determined by the Secretary in accordance with section 428(b)(1)(L).

(D) a delayed repayment plan under which the borrower makes scheduled payments for not more than 2 years that are annually not less than the amount of interest due or $600, whichever is greater, and then makes payments in accordance with subparagraph (A), (B), or (C); and

(3) W AIVERS AND REPAYMENT INCENTIVES.

Beginning with loans made on or after July 1, 2006, the Secretary is prohibited—

(A) from waiving any amount of the loan fee that is charged under an offset charge in an amount not to exceed 1.0 percent of the first disbursement of principal is made on or after July 1, 2010.

(B) from providing any repayment incentive under section 455(b)(7); and

(C) by striking the designation and heading of such paragraph and inserting the following:

"(3) AMOUNT OF ORIGINATION FEES.—

(A) IN GENERAL.—

and

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

"(B) SUBSEQUENT REDUCTIONS.—Subparagraph (A) shall be applied to loans made under this part, other than Federal Direct consolidation loans made under sections 428C and 439(o)—

(i) by substituting "2.0 percent" for "3.0 percent" with respect to loans for which the first disbursement of principal is made on or after July 1, 2006, and before July 1, 2007;

(ii) by substituting "1.5 percent" for "3.0 percent" with respect to loans for which the first disbursement of principal is made on or after July 1, 2007, and before July 1, 2008;

(iii) by substituting "1.0 percent" for "3.0 percent" with respect to loans for which the first disbursement of principal is made on or after July 1, 2008, and before July 1, 2009;

(iv) by substituting "0.5 percent" for "3.0 percent" with respect to loans for which the first disbursement of principal is made on or after July 1, 2009, and before July 1, 2010; and

(v) by substituting "0.0 percent" for "3.0 percent" with respect to loans for which the first disbursement of principal is made on or after July 1, 2010."

(2) DIRECT LOAN PROGRAM.—Subsection (c) of section 455 (20 U.S.C. 1087e(c)) is amended to read as follows:

"(c) LOAN FEE.—

(1) IN GENERAL.—The Secretary shall charge the borrower of a loan made under this part a consolidation loan origination fee of 0.4 percent of the principal amount of loan.

(2) SUBSEQUENT REDUCTION.—Paragraph (1) shall be applied to loans made under this part, other than Federal Direct Consolidation loans and Federal Direct PLUS loans—

(A) by substituting "not more or less than 3.0 percent" for "4.0 percent" with respect to loans for which the first disbursement of principal is made on or after July 1, 2006, and before July 1, 2007;

(B) by substituting "not more or less than 2.5 percent" for "4.0 percent" with respect to loans for which the first disbursement of principal is made on or after July 1, 2007, and before July 1, 2008;

(C) by substituting "not more or less than 2.0 percent" for "4.0 percent" with respect to loans for which the first disbursement of principal is made on or after July 1, 2008, and before July 1, 2009;

(D) by substituting "not more or less than 1.5 percent" for "4.0 percent" with respect to loans for which the first disbursement of principal is made on or after July 1, 2009, and before July 1, 2010; and

(E) by substituting "not more or less than 1.0 percent" for "4.0 percent" with respect to loans for which the first disbursement of principal is made on or after July 1, 2010.

(3) W AIVERS AND REPAYMENT INCENTIVES.

Beginning with loans made on or after July 1, 2006, the Secretary is prohibited—

(A) from waiving any amount of the loan fee that is charged under an offset charge in an amount not to exceed 1.0 percent of the first disbursement of principal is made on or after July 1, 2006, in lieu of the insurance premium authorized under section 455(b)(7); and

(B) from providing any repayment incentive before the borrower enters repayment.

(4) CONSOLIDATION LOAN OFFSET CHARGE.—

(1) FFEL CONSOLIDATION LOANS.—Section 438(c) (20 U.S.C. 1078-1(c)) is further amended—

(A) in paragraph (1)(A), by inserting after "paragraph (2) of this subsection" the following:

"and the amount the lender is authorized to collect as a consolidation loan offset charge in accordance with paragraph (9) of this subsection;"

(B) in paragraph (1)(B)—

(i) by inserting "and consolidation loan offset charge" after "origination fee"; and

(ii) by inserting "and consolidation loan offset charge" after "origination fee" each place it appears;

(C) in paragraphs (3) and (4), by inserting "and consolidation loan offset charge" after "origination fee"; and

(D) in paragraph (5)—

(i) by inserting "or consolidation loan offset charge" after "origination fee";

(ii) by inserting "or consolidation loan offset charge" after "origination fee";

(E) in paragraph (7)—

(i) by inserting "and consolidation loan offset charge" after "origination fee"; and

(ii) by striking "428A or"; and

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

"(9) CONSOLIDATION LOAN OFFSET CHARGE.—

For any loan under section 428C, the lender is authorized to collect a consolidation loan offset charge in an amount not to exceed 1.0 percent of the principal amount of the loan. Such amount may be added to the principal amount of the loan for repayment by the borrower.

(2) DIRECT LOANS.—Section 455(c) (20 U.S.C. 1087e(c)), as amended by subsection (d)(2) of this section, is further amended by adding at the end the following new paragraph:

"(4) CONSOLIDATION LOAN OFFSET CHARGE.—For any Federal Direct Consolidation Loan, the Secretary shall collect a consolidation loan offset charge in an amount not more or less than 1.0 percent of the principal amount of the loan. Such amount may be added to the principal amount of the loan for repayment by the borrower. Such amount is not subject to the requirements of paragraph (3) of this subsection."
“(V) an individual may obtain a subsequent consolidation loan under section 455(g) only for the purposes of obtaining an income contingent repayment plan, and only if the loan has been submitted to the guaranty agency for default aversion.”; and

(2) in subsection (b)(5), by striking the first sentence and inserting the following: “In the event that an individual requests a loan under this section, the guaranty agency shall advise the borrower that an income contingent repayment plan is available for the borrower’s loan.”

(b) REPEAL OF IN-SCHOOL CONSOLIDATION.—

(1) DEFINITION OF REPAYMENT PERIOD.—Section 428(b)(7)(A) (20 U.S.C. 1078(b)(7)(A)) is amended by striking “shall begin—” and all that follows through “earlier date.” and inserting the following: “shall begin the day after the date the student ceases to carry at least one-half the normal full-time academic workload (as determined by the institution).”.


(c) INTEREST PAYMENT REBATE FEE.—Section 428(b)(12) (20 U.S.C. 1078-2(b)(12)) is amended—

(1) by striking “SPECIAL RULE.” and inserting “SPECIAL RULE.”; and

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

“(B) For consolidation loans based on applications received on or after July 1, 2006, if 80 percent or more of the total principal and accrued unpaid interest outstanding on the loans held, directly or indirectly, by any holder is comprised of principal and accrued unpaid interest owed on consolidation loans, the rebate described in paragraph (1) for such holder shall equal to 1.30 percent of the principal plus accrued unpaid interest on such loans.”

(d) ADDITIONAL AMENDMENTS.—Section 428C (20 U.S.C. 1078-3) is amended—

(1) in subsection (a)(3), by striking subparagraph (C); and

(2) in subsection (b)(1)—

(A) by striking everything after “under this section” the first place it appears in subparagraph (B) and inserting the following: “that, if all the borrower’s loans under this part are held by a single holder, the borrower has notified such holder that the borrower is seeking to obtain a consolidation loan under this section;”;

(B) by striking “which” and all that follows through “and” in subparagraph (C); and

(C) by striking “and” at the end of subparagraph (E);

(D) by redesignating subparagraph (F) as subparagraph (G); and

(E) by inserting after subparagraph (E) the following new subparagraph:

“(F) The lender of the consolidation loan shall, upon application for such loan, provide the borrower with a clear and conspicuous notice of at least the following information:

(i) the effects of consolidation on total interest rates, and fees to be paid, and length of repayment;

(ii) the effects of consolidation on a borrower’s underlying loan benefits, including loan forgiveness, deferment, and reduced interest rates on those underlying loans; and

(iii) the ability of the borrower to prepay the loan, on a shorter schedule, and to change repayment plans;

(iv) that borrower benefit programs may vary from different loan holders, and a description of how the borrower benefits may vary among different loan holders;

(v) the tax benefits for which borrowers may be eligible;

(vi) the consequences of default; and

(vii) that by making the application the applicant is not obligated to agree to the consolidation.”

(e) EFFECTIVE DATE FOR SINGLE HOLDER AMENDMENT.—The amendment made by subsection (a) shall take effect as if the underlying loan made under section 428C of the Higher Education Act of 1965 (20 U.S.C. 1078-3) for which the application is received by an eligible lender on or after July 1, 2006, is amended by inserting—

“(C) section 428C shall be known as ‘Federal Direct Consolidation Loans’;” and

“(F) the effects of consolidation on total interest rates, and fees to be paid, and length of repayment;”

(2) in subsection (a)(2)—

(A) by striking “and” at the end of subparagraph (D); and

(B) by redesignating subparagraph (C) as subparagraph (D); and

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

“(C) section 428C shall be known as ‘Federal Direct Consolidation Loans’;” and

“appears in subparagraph (B) and inserting the following:

“(B) section 428C shall be known as ‘Federal Direct Consolidation Loans’;” and

“(D) the effects of consolidation on total interest rates, and fees to be paid, and length of repayment;”

(f) RULE OF CONSTRUCTION.—Nothing in the amendments made by this section shall be construed to authorize any refunding of any repayment of a loan.

(g) EFFECTIVE DATE.—The amendments made by this section shall apply to loans for which the final disbursement is made on or after July 1, 1990.

(h) Tying provisions.—The provisions of this section are not intended to (I) to encourage highly trained individuals to enter and continue in service in areas of national need; and

(ii) to reduce the burden of student debt for Americans who dedicate their careers to service in areas of national need.
(b) Program Authorized.—

(1) In general.—The Secretary is authorized to carry out a program of assuming the obligation to repay, pursuant to subsections (c) and (d), a qualified loan amount for a loan made, insured, or guaranteed under this part or part D (other than loans made under section 428B and 428C) and comparable loans made under part D, for any new borrower after the date of enactment of the Higher Education Reconciliation Act of 2005, who—

(A) has been employed full-time for at least 5 consecutive complete school, academic, or calendar years, as appropriate, in an area of national need described in subsection (c) and subject to the availability of appropriations.

(b) is not in default on a loan for which the borrower seeks forgiveness.

(2) Award basis.—Loan repayment under this section shall be on a first-come, first-served basis pursuant to the designation under subsection (c) and subject to the availability of appropriations.

(3) Regulations.—The Secretary is authorized to issue such regulations as may be necessary to carry out the provisions of this section.

(c) Areas of National Need.—

(1) Statutory categories.—For purposes of this section, an individual shall be deemed as employed in an area of national need if the individual is employed full-time and is any of the following:

(A) Early childhood educators.—An individual who is employed as an early childhood educator in an eligible preschool program or child care facility in a low-income community who is involved directly in the care, development and education of infants, toddlers, or young children through age five.

(B) Nurses.—An individual who is employed—

(i) as a nurse in a clinical setting; or

(ii) as a member of the nursing faculty at an accredited school of nursing (as those terms are defined in section 811 of the Public Health Service Act (42 U.S.C. 296c)).

(C) Foreign language specialists.—An individual who has obtained a baccalaureate degree in a critical foreign language and is employed—

(i) in an elementary or secondary school as a teacher of a critical foreign language; or

(ii) is employed full-time to be eligible for loan repayment pursuant to the designation under section (2) and has completed a baccalaureate or advanced degree related to such area.

(D) Designation of additional areas of national need.—After consultation with appropriate Federal, State, and community-based agencies and organizations, the Secretary may designate additional areas of national need in which an individual may be employed full-time to be eligible for loan repayment under this section. In making such designations, the Secretary shall take into account the extent to which—

(A) the national interest in the area is compelling;

(B) the area suffers from a critical lack of qualified personnel; and

(C) other Federal programs support the area concerned.

(2) Qualified loan amount.—Subject to the availability of appropriations, the Secretary shall repay not more than $5,000 in the aggregate of the loan obligation on a loan made under section 428 or 428H that is outstanding after the completion of the fifth consecutive school, academic, or calendar year, as appropriate, described in subsection (b)(1).

(2) CONSTRUCTION.—Nothing in this section shall be construed to authorize the re-funding of any repayment of a loan made under section 428 or 428H.

(f) Ineligibility of national service award recipients.—A borrower, who may, for the same service, receive a benefit under this section and subject D of title I of the National and Community Service Act of 1990, see—

(g) Ineligibility for double benefits.—No borrower may receive a reduction of loan obligations for both this section and section 423A or 428.

(h) Definitions.—In this section

(1) Child care facility.—The term ‘child care facility’ means a facility, including a home, that—

(A) provides for the education and care of children from birth through age 5; and

(B) meets any applicable State or local government licensing, certification, approval, or registration requirements.

(2) NATIONAL SECURITY EDUCATION.—The term ‘critical foreign language’ includes the languages of Arabic, Korean, Japanese, Chinese, Pashto, Persian-Farsi, Serbian-Croatian, Russian, and other language identified by the Secretary of Education, in consultation with the Defense Language Institute, the Foreign Service Institute, and the National Security Education Program, as a critical foreign language need.

(3) Early childhood educator.—The term ‘early childhood educator’ means an early childhood educator employed in an eligible preschool program who has completed a baccalaureate or advanced degree in early childhood development, early childhood education, or in a field related to early childhood education.

(4) Eligible preschool program.—The term ‘eligible preschool program’ means a program that provides for the care, development, education, or education-related purposes, or young children through age 5, meets any applicable State or local government licensing, certification, approval, and registration requirements, and is operated by a child care program, including a child care home.

(5) Low-income community.—In this subsection, the term ‘low-income community’ means a community in which 75 percent of households earn less than 85 percent of the State median household income.

(6) Nurse.—The term ‘nurse’ means a nurse who meets all of the following:

(A) The nurse graduated from—

(i) an accredited school of nursing (as those terms are defined in section 811 of the Public Health Service Act (42 U.S.C. 296c));

(ii) a nursing program; or

(iii) an academic health center that provides nursing training.

(B) The nurse holds a valid and unrestricted license to practice nursing in the State in which the nurse practices in a clinical setting.

(C) The nurse holds one or more of the following:

(i) a graduate degree in nursing, or an equivalent degree.

(ii) A nursing degree from a collegiate school of nursing (as defined in section 811 of the Public Health Service Act (42 U.S.C. 296c)).

(iii) A nursing degree from an associate degree school of nursing (as defined in section 811 of the Public Health Service Act (42 U.S.C. 296c)).

(iv) A nursing degree from a diploma school of nursing (as defined in section 811 of the Public Health Service Act (42 U.S.C. 296c)).

(v) Speech-language pathologist.—The term ‘speech-language pathologist’ means a speech-language pathologist who meets all of the following:

(A) The speech-language pathologist has received, at a minimum, a graduate degree in speech-language pathology and communication sciences and disorders from an institution of higher education accredited by an Institution of higher education accredited by an
agency or association recognized by the Secretary pursuant to section 496(a) of this Act; and

(B) the speech-language pathologist meets the requirements described in section 1861(b)(3) of the Social Security Act (42 U.S.C. 1395xv(3)).

(i) Authorization of Appropriations.—There is hereby authorized to be appropriated to carry out this section such sums as may be necessary for the fiscal years 2006 and such sums as may be necessary for each of the 5 succeeding years.

SEC. 2120. UNSUBSIDIZED STAFFORD LOANS.

(a) Amendment.—Section 428H(d)(2)(C) (20 U.S.C. 1078-8(b)(2)(C)) is amended by striking "$12,000" and inserting "$12,000."

(b) Effective Date.—The amendment made by subsection (a) shall apply to loans for which the first disbursement of principal is made on or after July 1, 2007.

SEC. 2121. ELIMINATION OF TERMINATION DATES FROM TAXPAYER-TEACHER PROTECTION ACT OF 2004.

(a) Extension of Limitations on Special Allowance for Loans from the Proceeds of Tax Exempt Issues.—Section 438(b)(2)(B) (20 U.S.C. 1087-1(b)(2)(B)) is amended—

(i) in clause (iv), by striking “and before January 1, 2006,”; and

(ii) by adding at the end thereof the following new paragraph:

“(I) as being proficient in teaching the essential components of reading instruction as defined in section 1208 of the Elementary and Secondary Education Act of 1965; and

(II) as having obtained a separate reading instruction credential from the State in which the teacher is employed under this section if such individual is employed under this section for which the first disbursement of principal was made on or after July 1, 2006.”.

(b) Effective Date.—Section 428H(c)(1) (20 U.S.C. 1078-8(c)(1)) is amended by redesignating subparagraph (G) as subparagraph (H), and moving such subparagraph 2 em spaces to the left; and

(B) by inserting after subparagraph (P) the following new subparagraph:

“(G)(i) Notwithstanding any other provi-
sion of this section, in the case of exempt
claims, the Secretary shall apply the provi-
sions of—

(1) the fourth sentence of subparagraph
(A) by substituting ‘100 percent’ for ‘96 per-
cent’;

(2) subparagraph (B)(i) by substituting
‘100 percent’ for ‘95 percent’; and

(3) subparagraph (C)(ii) by substituting
‘100 percent’ for ‘75 percent’.

(ii) For purposes of clause (i) of this sub-
paragraph, the term ‘exempt claims’ means
claims with respect to loans for which it is
determined that the borrower (or the student
on whose behalf a parent has borrowed),
without the lender’s or the institution’s
knowledge at the time the loan was made,
provided false or erroneous information or
took actions that caused the borrower or the
student to be ineligible for all or a portion of
the loan or for interest benefits thereon.

(b) Reduction of Insurance Percentage.—

(1) Insurance Percentage Reduction.—
Section 428H(b)(1)(G) as amended by sub-
section (a)(1) is further amended by inserting
after the matter inserted by such subsection the
following: ‘‘except, for any loan for which the first disbursement of principal is made on or after July 1, 2006, the preceding provisions of this subparagraph shall be
applied by substituting ‘96 percent’ for ‘96 per-
cent’.

(2) Increase Insurance for Exceptional Performance.—Section 428H (20 U.S.C. 1078-9) is amended to read as follows:

“SEC. 428H. SPECIAL INSURANCE AND REINSURANCE
RULES FOR EXCEPTIONAL PERFORMANCE.

“(a) Designation of Lenders and Servicers.—

“(1) IN GENERAL.—Whenever the Secretary determines that an eligible lender or servicer meets the performance measures required by clause (2) of section 1202, the Secretary shall designate that eligible lender or servicer, as the case may be, for exceptional performance. The Secretary shall notify each appropriate guar-

anty agency of the eligible lenders and

servicers designated under this section.

“(2) Performance Measures.—

(A) In determining whether to award a lender or servicer the exceptional perform-

ance designation, the Secretary shall require

that the lender or servicer be performing at

or above the 90th percentile of the industry,

and demonstrate increased performance

against the lender’s or servicer’s average

of the last 3 years on the factors described

in subparagraph (B).

(B) The factors on which the Secretary

shall require improvement shall include—

(i) delinquency rates;
“(ii) the rate at which delinquent accounts are restored to good standing;
“(iii) default rates;
“(iv) the rate of rejected claims; and
“(v) any other performance measure as determined by the Secretary.

“(C) In addition, the Secretary shall not make any award of such a designation unless the Secretary reasonably determines that submission of any information other than information in its possession regarding an eligible lender or servicer-desiring designation is relevant to the Secretary’s determination under paragraph (1), including but not limited to any information suggesting that the application of a lender or servicer for designation should not be approved.

“(4) Determinations by the Secretary.

“(A) The Secretary shall designate an eligible lender or servicer for exceptional performance if the eligible lender or servicer meets the performance measures required by paragraph (2).

“(B) The Secretary shall make the determination under paragraph (1) based upon the documentation submitted by the eligible lender or servicer as specified in regulation, supplemented by any additional information furnished by such guaranty agency under paragraph (3), and any information in the possession of the Secretary or submitted by any other agency or office of the Federal Government.

“(C) The Secretary shall inform the eligible lender or servicer and the appropriate guaranty agency that its application for designation as an exceptional performance lender or servicer has been approved or disapproved.

“(5) Transition.

“(A) Any eligible lender or servicer designated for exceptional performance as of the day before the date of enactment of the Higher Education Budget Reconciliation Act of 2005 shall continue to be so designated, and subject to the requirements of this section, as in effect on that day (including revocation), until the performance standards described in paragraph (2) are established.

“(B) The Secretary shall not designate any additional eligible lenders or servicers for exceptional performance until those performance standards are established.

“(B) Payment to Lenders and Servicers—A guaranty agency shall pay to each eligible lender (as defined in section 422A) an eligible lender designated under subsection (a), 98 percent of the unpaid principal and interest of all loans for which claims are submitted for payment by that eligible lender or servicer for the one-year period following the receipt by the guaranty agency of the notification of designation under this section, or until the designation under subsection (a) has been revoked.

“(c) Revocation Authority—

“(1) The Secretary shall revoke the designation of a lender or a servicer under subsection (a) if the Secretary reasonably determines that the lender or servicer has failed to meet the performance standards required by subsection (a)(2).

“(2) Notwithstanding any other provision of this section, a designation under subsection (a) may be revoked at any time by the Secretary, in the Secretary’s discretion, if the Secretary determines that the lender or servicer has failed to meet the criteria and performance standards established by the Secretary in regulation, or if the Secretary determines that the lender or servicer may have engaged in fraud in securing designation under subsection (a), or is failing to service loans in accordance with program regulations.

“(d) Documentation—Nothing in this section shall restrict or limit the authority of the Secretary to require the submission of any documentation evidencing servicing performed on loans, except that the Secretary may not require greater documentation than that required for lenders and servicers not designated under subsection (a).

“(e) Special Rule—Reimbursements made by the Secretary on loans submitted for claim by an eligible lender or loan servicer designated for exceptional performance under this section shall not be subject to additional review by the Secretary or repayment by the guaranty agency for any reason other than a determination by the Secretary that the eligible lender or loan servicer engaged in fraud or other purposeful misconduct in obtaining designation for exceptional performance.

“(f) Limitation—Nothing in this section shall be construed to affect the processing of claims on student loans of eligible lenders not subject to this section.

“(g) Claims—A lender or servicer designated under subsection (a) failing to service loans with appropriate and reliable program regulations shall be considered in violation of section 3729 of title 31, United States Code.

“(h) Termination—The Secretary may terminate the designation of lenders and servicers under this section if he determines that the designation is not serving in the fiscal interest of the United States.

“(1) Definitions—As used in this section—

“(I) the term ‘eligibility limits’ means a loan made, insured, or guaranteed under this part; and

“(II) the term ‘servicing’ means an entity servicing and collecting consumer loans or student loans;

“(B) has business systems which are capable of meeting the requirements of this part;

“(D) has adequate personnel who are knowledgeable about the student loan programs authorized under this title; and

“(E) does not have any owner, majority shareholder, director, or officer of the entity who has been convicted of a felony.

“(2) Expiration of Designations—The amendments made by this subsection shall apply with respect to loans for which the first disbursement of principal is made on or after July 1, 2006.

“(c) Documentation of Forbearance Agreements—Section 428(c) (20 U.S.C. 1078(c)) is further amended—

“(1) in subsection (a) as paragraphs (2) and (3), respectively; and

“(2) by striking “in writing” and inserting “in writing,” and

“(B) by inserting “and documented in accordance with paragraph (10) after approval of the loan” after “(A) by striking “in writing”; and

“(C) by adding at the end the following new paragraphs:

“(1) in agency regulations for—

“(A) by inserting “and” after “including” and

“(B) by inserting before the semicolon at the end the following: ‘‘and (1) requirements establishing procedures to preclude consolidation lending from being an excessive proportion of guaranty agency recoveries on defaulted loans under this part;’’;

“(B) by redesignating paragraphs (2) and (3) as paragraphs (2)(A) and (2)(B); by striking ‘‘(A)’’ and inserting ‘‘(A)’’; and

“(2) in paragraph (6) (A) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively; and

“(3) by adding at the end the following new subparagraphs:

“(B) a guaranty agency shall—

“(I) after October 1, 2009, refuse to guarantee or insure any loan that is paid off through consolidation by the borrower under this title; and

“(II) remit to the Secretary a portion of the collection charge under subsection (i) equal to 8.5 percent of the outstanding principal and interest of such defaulted loan; and

“(ii) on and after October 1, 2009, remit to the Secretary the entirety of an award under clause (i)(I) with respect to each defaulted loan that is paid off with excess consolidation proceeds.

“(c) For purposes of paragraph (b), the term ‘excess consolidation proceeds’ means, with respect to any guaranty agency for any Federal fiscal year beginning on or after October 1, 2009, the proceeds or consolidation of defaulted loans under this title that exceed 45 percent of the agency’s total collections on defaulted loans in such Federal fiscal year.

“(d) Collection Retention Percentages.—Clause (ii) of section 428(c)(6)(B) (20 U.S.C. 1078(c)(6)(B)), as redesignated by subsection (d)(3) of this section, is amended to read as follows:

“(ii) an amount equal to 24 percent of such payments for use in accordance with section 422B, except that—

“(I) beginning on October 1, 2003, and ending on October 1, 2006, this clause shall be applied by substituting ‘23 percent’ for ‘24 percent’; and

“(II) beginning on October 1, 2006, this clause shall be applied by substituting ‘20 percent’ for ‘23 percent’.

“(e) Voluntary Flexible Agreements.—Section 428A (20 U.S.C. 1078–1) is amended—

“(1) in subsection (a)(1)(B), by striking ‘unlawful’ and inserting ‘unlawful or otherwise prohibited’;

“(2) in paragraph (2)(D), by striking ‘unlawful or otherwise prohibited’;

“(3) in paragraph (4)(B) of subsection (a), by striking ‘and any waivers provided to other guaranty agencies under paragraph (3)’;

“(4) by redesigning paragraphs (3) and (4) of subsection (a) as paragraphs (2) and (3), respectively; and

“(5) by striking paragraph (3) of subsection (a) and inserting the following:

“(B) Notice to Borrowers—On or before December 31 of each year, the Secretary shall publish in the Federal Register a notice that invites interested parties to comment on the proposed agreement. The notice shall state how to obtain a copy of the tentative agreement in principle under this section, the Secretary shall publish in the Federal Register a notice that invites interested parties to comment on the proposed agreement. The notice shall state how to obtain a copy of the tentative agreement in principle under this section, the Secretary shall publish in the Federal Register a notice that invites interested parties to comment on the proposed agreement.

“(c) Fraud: Repayment Required.—Section 428B(a)(1) (20 U.S.C. 1078–2(a)(1)) is amended—

“(1) by striking ‘and’ at the end of subparagraph (A); and

“(2) by redesigning subparagraph (B) as subparagraph (C); and
(3) by inserting after subparagraph (A) the following new subparagraph:

“(B) in the case of a parent who has been convicted of, or has pled nolo contendere or guilty to, a crime involving drug trafficking funds under this title, such parent has completed the repayment of such funds to the Secretary, or to the holder in the case of a loan under this title obtained by fraud; and”;

(h) DefaulT REDUCTION PROGRAM.—Section 429F(a)(1) (20 U.S.C. 1078-6(a)(1)) is amended—

(1) in subparagraph (A), by striking “concurrent payments for 12 months” and inserting “9 payments made within 20 days of the due date during 10 consecutive months”;

(2) by redesignating subparagraph (C) as subparagraph (D); and

(3) by inserting after subparagraph (A) the following new subparagraph:

“(C) A guaranty agency may charge the borrower and retain collection costs in an amount not to exceed 13.5 percent of the outstanding principal and interest at the time of sale of a loan rehabilitated under subparagraph (A).”;

(i) FInANCIAL AND ECONOMIC LITERACY.—

(1) DefaulT REDUCTION PROGRAM.—Section 429F is further amended by adding at the end the following:

“(i) FINANCIAL AND ECONOMIC LITERACY.

(1) Default Reduction Management.

Section 429F(c)(1) (20 U.S.C. 1078-6(c)(1)) is amended by striking “and offering” and all that follows through the period and inserting “, offering loan repayment matching provisions of employee benefit packages, and providing employees with financial and economic education and counseling.”;

(2) PROGRAM ASSISTANCE FOR BORROWERS.—

Section 429F(c)(1) (20 U.S.C. 1078-6(c)(1)) is amended by striking paragraph (3); and

(3) ADDITIONAL TECHNICAL AMENDMENTS.

— Paragraph (2) of Section 437(c)(1) (20 U.S.C. 1087s) is amended to read as follows:

“(2) REQUIREMENTS FOR ELIGIBLE INSTITUTIONS.

“(A) In General.—To be an eligible lender under this part, an eligible institution—

(i) shall employ at least one person whose full-time salary is limited to the administration of programs of financial aid for students attending such institution;

(ii) shall not be a home school school;

(iii) shall not—

(A) make a loan to any undergraduate student;

(B) make a loan other than a loan under section 422B or 422H to a graduate or professional student; or

(C) enter into any contract for financing, servicing, or administration of loans under this title on a competitive basis;

(v) shall offer loans that carry an origination fee, a disbursement fee, or both, that are not less than such fee or rate authorized under the provisions of this title; and

“(B) in the case of a parent who has been convicted of, or has pled nolo contendere or guilty to, a crime involving drug trafficking funds under this title, such parent has completed the repayment of such funds to the Secretary, or to the holder in the case of a loan under this title obtained by fraud; and”;

(iii) shall not—

(A) make a loan to a borrower who is not enrolled at that institution;

(B) enter into any contract for financing, servicing, or administration of loans under this title on a competitive basis;

(v) shall offer loans that carry an origination fee, a disbursement fee, or both, that are not less than such fee or rate authorized under the provisions of this title; and

(7) Section 432(m)(1)(B) (20 U.S.C. 1082(m)(1)(B)) is amended—

(A) in clause (1), by inserting “and” after the semicolon at the end; and

(c) BUDGET JUSTIFICATION.—No funds may be expended under this section unless the Secretary includes in the Department of Education’s annual budget justification to Congress a detailed description of the specific activities for which the funds made available by this section have been used in the prior year (and current year, if applicable), the activities and costs planned for the budget year, and the projection of activities and costs for each remaining year for which administrative expenses under this section are made available.”;

SEC. 2125. SIGNIFICANTLY SIMPLIFYING THE STUDENT AID APPLICATION PROCESS.

(a) Expanding the Auto-Zero and Further Simplifying the Simplified Needs Test.—

(1) SIMPLIFIED NEEDS TEST.—Section 479 (20 U.S.C. 1087ss) is amended—

(A) in clause (1), by striking “and” after the semicolon at the end; and

(2) Section 438(b)(4)(H) (20 U.S.C. 1078-1(b)(4)(H)) is amended by striking “shall be computed using the interest rate described in section 3902(a) of title 31, United States Code,”.

SEC. 2124. FUNDS FOR ADMINISTRATIVE EXPENSES.

Section 458 is amended to read as follows:

“SEC. 458. FUNDS FOR ADMINISTRATIVE EXPENSES.

“(a) ADMINISTRATIVE EXPENSES.—

(1) MANDATORY FUNDS FOR FISCAL YEAR 2006.—For fiscal year 2006, there shall be available to the Secretary, from funds not otherwise appropriated, funds to be obligated for—

(A) administrative costs under this part and part B, including the costs of the direct student loan programs under this part and part B, and account maintenance fees payable to guaranty agencies under part B and calculated in accordance with subsections (b) and (c), not to exceed (from such funds not otherwise appropriated) $320,000,000 for fiscal year 2006.

“(2) AUTHORIZATION FOR ADMINISTRATIVE COSTS BEGINNING IN FISCAL YEAR 2007.—For each of the fiscal years 2007 through 2011, there are authorized to be appropriated such funds as may be necessary for administrative costs under this part and part B, including the costs of the direct student loan programs under this part and part B, and account maintenance fees payable to guaranty agencies under part B and calculated in accordance with subsection (b), not to exceed (from such funds not otherwise appropriated) $390,000,000 for fiscal year 2006.

“(2) CONTINUING MANDATORY FUNDS FOR ACCOUNT MAINTENANCE FEES.—For each of the fiscal years 2007 through 2011, there shall be paid quarterly and deposited in the AGENCY OPERATING Fund established under section 422B—

“(a) MANDATORY FUNDS FOR FISCAL YEAR 2006.—For fiscal year 2006, there shall be available to the Secretary, from funds not otherwise appropriated, funds to be obligated for account maintenance fees payable to guaranty agencies under part B and calculated in accordance with subsection (b), not to exceed (from such funds not otherwise appropriated) $390,000,000 for fiscal year 2006.

“(b) MANDATORY FUNDS FOR FISCAL YEARS 2007 THROUGH 2011.—For each of fiscal years 2007 through 2011, there are authorized to be appropriated such funds as may be necessary for account maintenance fees payable to guaranty agencies under part B and calculated in accordance with subsection (b), not to exceed (from such funds not otherwise appropriated) $390,000,000 for fiscal year 2006.”;

“(3) CONTINUING MANDATORY FUNDS FOR ACCOUNT MAINTENANCE FEES.—For each of the fiscal years 2007 through 2011, there shall be paid quarterly and deposited in the AGENCY OPERATING Fund established under section 422B—

“(a) MANDATORY FUNDS FOR FISCAL YEAR 2006.—For fiscal year 2006, there shall be available to the Secretary, from funds not otherwise appropriated, funds to be obligated for account maintenance fees payable to guaranty agencies under part B and calculated in accordance with subsection (b), not to exceed (from such funds not otherwise appropriated) $390,000,000 for fiscal year 2006.

“(b) MANDATORY FUNDS FOR FISCAL YEARS 2007 THROUGH 2011.—For each of fiscal years 2007 through 2011, there are authorized to be appropriated such funds as may be necessary for account maintenance fees payable to guaranty agencies under part B and calculated in accordance with subsection (b), not to exceed (from such funds not otherwise appropriated) $390,000,000 for fiscal year 2006.”;

“(b) CALCULATION BASIS.—Account maintenance fees payable to guaranty agencies under paragraph (a) shall be calculated on the basis of 0.10 percent of the original principal amount of outstanding loans on which insurance was issued under part B.

“(b) CALCULATION BASIS.—Account maintenance fees payable to guaranty agencies under paragraph (a) shall be calculated on the basis of 0.10 percent of the original principal amount of outstanding loans on which insurance was issued under part B.

“(c) FUNDING.—No funds may be expended under this section unless the Secretary includes in the Department of Education’s annual budget justification to Congress a detailed description of the specific activities for which the funds made available by this section have been used in the prior year (and current year, if applicable), the activities and costs planned for the budget year, and the projection of activities and costs for the remaining year for which administrative expenses under this section are made available.”;

SEC. 2125. SIGNIFICANTLY SIMPLIFYING THE STUDENT AID APPLICATION PROCESS.

(a) Expanding the Auto-Zero and Further Simplifying the Simplified Needs Test.—

(1) SIMPLIFIED NEEDS TEST.—Section 479 (20 U.S.C. 1087ss) is amended—

(A) in clause (1), by striking “and” after the semicolon at the end; and

(b) BUDGET JUSTIFICATION.—No funds may be expended under this section unless the Secretary includes in the Department of Education’s annual budget justification to Congress a detailed description of the specific activities for which the funds made available by this section have been used in the prior year (and current year, if applicable), the activities and costs planned for the budget year, and the projection of activities and costs for the remaining year for which administrative expenses under this section are made available.”;

SEC. 2125. SIGNIFICANTLY SIMPLIFYING THE STUDENT AID APPLICATION PROCESS.
“(I) the student’s parents’ file, or are eligi-
ble to file, a form described in paragraph (3) or
certify that they are not required to file an in-
come tax return, and the student files, or is
eligible to file, such a form or certifies that
the student is not required to file an in-
come tax return, or the student’s parents, or
the student, receives benefits at some time
during the previous 12-month period under a
means-tested Federal benefit program as de-
defined in subsection (d); and”;

(ii) by striking clause (i) of subparagraph
(B) and inserting the following:

“(I) the student (and the student’s spouse,
if any) files, or is eligible to file, a form de-
scribed in paragraph (3) or certifies that the
student (and the student’s spouse, if any) is
not required to file an income tax return, or
the student (and the student’s spouse, if any)
receives benefits at some time during the
previous 12-month period under a means-
tested Federal benefit program as defined
under subsection (d); and”;

and

(iii) in paragraph (3), by striking “A stu-
dent or family files a form described in this
subsection, or subsection (c), as the case may
be, if the student or family, respectively,
files” and inserting “In the case of an inde-
pendedent student, or in the case of a depen-
dent student, the parent, files a form
described in this subsection, or sub-
section (c), as the case may be, if the student
or family, respectively, files”;

(B) in subsection (c)—

(i) in paragraph (1), by striking subpara-
graph (A) and inserting the following:

“(A) the student’s parents’ file, or are eligi-
ble to file, a form described in subsection
(b)(3) or certify that they are not required to
file an income tax return, and the student
files, or is eligible to file, such a form or
certifies that the student is not required to file
an income tax return, or the student’s par-
ents, or the student, receives benefits at some
time during the previous 12-month period
under a means-tested Federal benefit pro-
gram as defined in subsection (d); and”;

and

(ii) in paragraph (2), by striking subpara-
graph (A) and inserting the following:

“(A) the student (and the student’s spouse,
if any) files, or is eligible to file, a form de-
scribed in subsection (b)(3) or certifies that
the student (and the student’s spouse, if any)
is not required to file an income tax return,
or the student (and student’s spouse, if any)
receives benefits at some time during the
previous 12-month period under a means-
tested Federal benefit program as defined
in subsection (d); and”;

and

(C) at the end of the following new sub-
section:

“(d) DEFINITION OF MEANS-TESTED FEDERAL
BENEFIT PROGRAM.—For the purposes of
this section, the term ‘means-tested Federal
benefit program’ means a mandatory spend-
ing program of the Federal Government, other
than a program under this title, in which eli-
gibility for the program’s benefits, or the
amount of such benefits, or both, are deter-
mined on the basis of income or resources
of the individual or family seeking the benefit,
and may include such programs as the sup-
plemental security income program under
title XVI of the Social Security Act, the food
stamp program under the Food Stamp Act of
1977, the free and reduced price school lunch
program established under the Richard B.
Russell National School Lunch Act, and the
women, infants and children program established under
Section 17 of the Child Nutrition Act of 1966, and
other programs identified by the Secretary.

(e) REGULATING.—The Secretary shall
regularly evaluate the impact of the eligi-
bility guidelines in subsections

(b)(1)(A)(ii), (b)(1)(B)(ii), (c)(1)(A) and (c)(2)(A)
of this section. In particular, the Secretary
shall evaluate whether using receipt of bene-
fits under a means-tested Federal benefit
program as defined in subsection (d); and

(ii) the student (and the student’s spouse,
if any) files, or is eligible to file, a form de-
scribed in paragraph (3) or certifies that the
student (and the student’s spouse, if any) is
not required to file an income tax return, or
the student (and the student’s spouse, if any)
receives benefits at some time during the
previous 12-month period under a means-
tested Federal benefit program as defined
under subsection (d); and”;

and

(ii) in paragraph (3), by striking “A stu-
dent or family files a form described in this
subsection, or subsection (c), as the case may
be, if the student or family, respectively,
files” and inserting “In the case of an inde-
pendedent student, or in the case of a depen-
dent student, the parent, files a form
described in this subsection, or sub-
section (c), as the case may be, if the student
or family, respectively, files”;

(B) in subsection (c)—

(i) in paragraph (1), by striking subpara-
graph (A) and inserting the following:

“(A) the student (and the student’s spouse,
if any) is

(ii) the student (and the student’s spouse,
if any) files, or is eligible to file, a form de-
scribed in paragraph (3) or certifies that the
student (and the student’s spouse, if any) is
not required to file an income tax return, or
the student (and the student’s spouse, if any)
receives benefits at some time during the
previous 12-month period under a means-
tested Federal benefit program as defined
under subsection (d); and”;

and

(ii) in paragraph (3), by striking “A stu-
dent or family files a form described in this
subsection, or subsection (c), as the case may
be, if the student or family, respectively,
files” and inserting “In the case of an inde-
pendedent student, or in the case of a depen-
dent student, the parent, files a form
described in this subsection, or sub-
section (c), as the case may be, if the student
or family, respectively, files”;

(B) in subsection (c)—

(i) in paragraph (1), by striking subpara-
graph (A) and inserting the following:

“(A) the student’s parents’ file, or are eligi-
ble to file, a form described in subsection
(b)(3) or certify that they are not required to
file an income tax return, and the student
files, or is eligible to file, such a form or
certifies that the student is not required to file
an income tax return, or the student’s par-
ents, or the student, receives benefits at some
time during the previous 12-month period
under a means-tested Federal benefit pro-
gram as defined in subsection (d); and”;

and

(ii) in paragraph (2), by striking subpara-
graph (A) and inserting the following:

“(A) the student (and the student’s spouse,
if any) files, or is eligible to file, a form de-
scribed in subsection (b)(3) or certifies that
they are not required to file an income tax
return, or the student (and student’s spouse, if
any) is not required to file an income tax return,
or the student (and student’s spouse, if any)
receives benefits at some time during the
previous 12-month period under a means-
tested Federal benefit program as defined
in subsection (d); and”;

and

(C) at the end of the following new sub-
section:

“(d) DEFINITION OF MEANS-TESTED FEDERAL
BENEFIT PROGRAM.—For the purposes of
this section, the term ‘means-tested Federal
benefit program’ means a mandatory spend-
ing program of the Federal Government, other
than a program under this title, in which eli-
gibility for the program’s benefits, or the
amount of such benefits, or both, are deter-
mined on the basis of income or resources
of the individual or family seeking the benefit,
and may include such programs as the sup-
plemental security income program under
title XVI of the Social Security Act, the food
stamp program under the Food Stamp Act of
1977, the free and reduced price school lunch
program established under the Richard B.
Russell National School Lunch Act, and the
women, infants and children program established under
Part A of title IV of the Social Security Act, and the
children program established under Section
17 of the Child Nutrition Act of 1966, and
other programs identified by the Secretary.

(e) REGULATING.—The Secretary shall
regularly evaluate the impact of the eligi-
bility guidelines in subsections
assistance purposes only the data elements required to make a determination of whether the applicant meets the requirements under subsection (b) or (c) of section 479.

"(iii) The Secretary shall include on the simplified electronic application forms such data items as may be necessary to award state financial assistance, as provided in paragraph (b), except that the Secretary shall not require applicants to complete data required by any State other than the applicant’s State of residence.

"(iv) STREAMLINING.—The data collected by means of the simplified electronic application forms shall be available to higher education, guaranty agencies, and States in accordance with paragraph (9).

"(v) TESTING.—The Secretary shall conduct appropriate testing on the forms developed under this subparagraph.

"(D) USE OF FORMS.—Nothing in this subsection shall be construed to prohibit the use of the forms developed by the Secretary pursuant to this paragraph by an eligible institution, lender, guaranty agency, State grant agency, private computer software provider, or any such other entities as the Secretary may designate.

"(E) PRIVACY.—The Secretary shall ensure that data collection under this paragraph complies with section 522(a) of title 5, United States Code, and that any entity using the electronic version of the collection forms shall develop a system pursuant to this paragraph that shall maintain reasonable and appropriate administrative, technical, and physical safeguards to ensure the integrity and confidentiality of the information, and to protect against security threats, or unauthorized uses or disclosures of the information provided under this section.

"(F) FEE PROHIBITED.—Notwithstanding any other provision of this Act, the Secretary may not charge a fee by any entity, including the Secretary, for the collection, processing, or delivery of student aid information forms such data as those described in paragraphs (3)(B), (4)(C), or (5)(A)(iv) shall not be counted towards the reduction referred to in this paragraph unless those data elements are reduced for all applicants.

"(G) REPORT.—The Secretary shall annually report to the House of Representatives and the Senate on the progress made of reducing data elements.

"(H) STATE REQUIREMENTS.—

"(A) IN GENERAL.—The Secretary shall include on the forms developed under this subsection, such State-specific data items as the Secretary determines are necessary to meet State requirements for State need-based financial aid under section 443C, except as provided in paragraphs (3)(B)(iii) and (4)(C)(i)(II) of this subsection. Such items shall be selected in consultation with State agencies in order to assist in the awarding of State financial assistance in accordance with the terms of this subsection, except as provided in paragraphs (3)(B)(iii) and (4)(C)(i)(II) of this subsection. The number of such data items shall not be less than the number included on the form on October 7, 1998, unless a State notifies the Secretary that the State no longer requires those data items for the purposes of determining eligibility for State need-based financial aid.

"(B) ANNUAL REVIEW.—The Secretary shall conduct an annual review to determine if States can be assisted to reduce the data required on the simplified electronic application forms described in paragraphs (3)(B) and (4)(C) of this subsection.

"(C) USE OF SIMPLIFIED FORMS.—The Secretary shall encourage States to take such steps as necessary to encourage the use of simplified electronic application forms, including those described in paragraphs (3)(B) and (4)(C), in order to reduce the number of such data items following the date of enactment. Reductions of data elements under paragraph (3)(B), (4)(C), or (5)(A)(iv) shall not be counted towards the reduction referred to in this paragraph unless those data elements are reduced for all applicants.

"(D) APPLICATION PROCESSING CYCLE.—The Secretary shall publish an annual basis a notice in the Federal Register requiring State agencies to inform the Secretary—

"(i) if the State agency is unable to permit applicants to utilize the simplified application forms described in paragraphs (3)(B) and (4)(C); and

"(ii) of the State-specific data that the State agency requires for delivery of State need-based financial aid.

"(E) STATE NOTIFICATION TO THE SECRETARY.—

"(i) IN GENERAL.—Each State agency shall notify the Secretary that the State permits an applicant to use the simplified application forms described in paragraphs (3)(B) or (4)(C) of this subsection for purposes of determining eligibility for State need-based financial aid; and

"(ii) The Secretary shall notify the State that the State agency requires for delivery of State need-based financial aid.
(a) Income Protection Allowance for Dependent Students.—Section 476(e)(2)(D) (20 U.S.C. 1087tv(d)(2)) is amended by striking ‘‘$2,200’’ and inserting ‘‘$3,000’’.
(b) Conforming Amendment.—Section 478(b) (20 U.S.C. 1087rr(b)) is amended by adding at the end the following new paragraph:

(3) Revised amounts after increase.—Notwithstanding paragraph (2), for each academic year after academic year 2006–2007, the Secretary shall publish in the Federal Register a revised income protection allowance for the purpose of section 476(e)(2)(D). Such revised allowance shall be developed by increasing the dollar amount contained in such section by an estimated percentage equal to the estimated percentage increase in the Consumer Price Index (as determined by the Secretary) between December 2005 and the December next following the commencement of the academic year, and rounding the result to the nearest $10.

(3) Effective date.—The amendments made by this subsection shall apply with respect to determinations of need for periods of enrollment beginning on or after July 1, 2006.

(b) Parent's Expense Allowance.—Section 478(b) (20 U.S.C. 1087rr(b)) is amended—

(1) by striking ‘‘$466(b)(4)(B);’’ and
(2) by inserting ‘‘two full-time or full-time equivalent employees of the designated beneficiary; or

(c) Discretion of Student Financial Aid Administrators.—Section 479(a) (20 U.S.C. 1087tt(a)) is amended—

(1) by striking ‘‘(a) in general—’’ and inserting the following:

(a) Authority to Make Adjustments.—

(1) Adjustments for Special Circumstances.—

(2) by inserting before ‘‘Special circumstances may’’ the following:

(c) by inserting the following new subparagraph:

(2) a student’s status as a ward of the court at any time prior to attaining 18 years of age, as more readily ascertainable by the holder of the guardianship; or

(d) by inserting ‘‘a student’s status as a ward of the court at any time prior to attaining 18 years of age, as more readily ascertainable by the holder of the guardianship; or

(e) by inserting after paragraph (b) the following:

(1) a small business with not more than 100 full-time or full-time equivalent employees (or any part of such a small business that is owned and controlled by the family); or

(f) Designated Assistance.—Section 480(b) (20 U.S.C. 1087tv(i)) is amended by adding after paragraph (2) (as redesignated by subsection (f)(2)(D) of this section) the following new paragraph:

(3) Notwithstanding paragraph (1) and section 11(2), assistance not received under this title may be excluded from both estimated financial assistance and cost of attendance, if that assistance is provided by a State and designated by such State to offset a specific component of the cost of attendance. If that assistance is excluded from either estimated financial assistance or cost of attendance, it shall be excluded from both.

SEC. 212. DEFINITION OF ELIGIBLE PROGRAM.

Section 481(b) (20 U.S.C. 1087bb(b)) is amended by adding at the end the following new paragraph:

(3) For purposes of this title, an eligible program includes an instructional program that utilizes direct assessment of student learning to determine eligibility for aid. If the Secretary of the Treasury, in cooperation with the Secretary of Education, determines that it is in the public interest to do so, the Secretary of the Treasury is authorized to enter into agreements with educational institutions to enable students to be determined eligible for the first time under this section, such determination shall be made by the Secretary before such program is considered to be eligible. The Secretary shall provide an annual report to Congress identifying the programs made eligible under this section.

SEC. 213. DISTANCE EDUCATION.

(a) Distance Education: Eligible Program.—Section 481(b) (20 U.S.C. 1087bb(b)) is amended by adding after paragraph (3) and inserting the following:

(4) An otherwise eligible program that is offered in whole or in part through telecommunication for the purposes of this title if the program is offered by an institution, other than a foreign institution, that has been evaluated and determined (before or after the date of enactment of this paragraph) to have the capability to effectively deliver distance education programs by an accrediting agency or association that is recognized, as described in section 496(n)(3).

(b) Correspondence Courses.—Section 484(a)(4) (20 U.S.C. 1091(a)(4)) is amended—

(1) by striking ‘‘(A) by striking ‘‘year or years’’ and inserting ‘‘(A) by striking ‘‘for a program of study of one year or longer’’; and
(2) by striking ‘‘unless the total’’ and all that follows through ‘‘courses at the institution’’; and
(2) by amending subparagraph (B) to read as follows:

‘‘(B) Exception.—Subparagraph (A) does not apply to an institution or school described in section 333(c) of the Carl D. Perkins Vocational and Technical Education Act of 1998.

SEC. 218. STUDENT ELMIGIBILITY.

(a) Fraud: Reimbursement.—Section 484(a) (20 U.S.C. 1091(a)) is amended—

(1) by striking the period at the end of paragraph (5) and inserting ‘‘and’’; and
(2) by adding at the end the following new paragraph:

(6) if the student has been convicted of, or has pled nolo contendere or guilty to, a crime involving fraud in obtaining funds under this title, has completed the repayment of such funds to the Secretary, or to the holder in the case of a loan under this title obtained by fraud.

(b) Technical Amendment.—Section 484(b)(5) (20 U.S.C. 1091(b)(5)) is amended by inserting ‘‘or parent (on behalf of a student)’’ after ‘‘student’’.

(c) Loan Ineligibility Based on Involuntary Civil Commitment for Sexual Offenses.—Section 484(b)(5) (20 U.S.C. 1091(b)(5)) is further amended by inserting before the period the following: ‘‘, and no student who is subject to involuntary civil commitment upon completion of a period of incarceration for a sexual offense (as determined under regulations of the Secretary) is eligible to receive a loan under this title’’.

(d) Freely Associated States.—Section 484(a) (20 U.S.C. 1091(a)) is amended by inserting ‘‘and shall be eligible only for assistance under part 1 of part A thereafter’’ after ‘‘part C’’.

(e) Verification of Income Date.—Paragraph (1) of section 484(g) (20 U.S.C. 1091(g)) is amended by adding at the end the following:

‘‘(1) Confirmation with IRS.—The Secretary of the Treasury, in cooperation with the Secretary of Education, is authorized to confirm with the Internal Revenue Service the information specified in section
SEC. 2130. INSTITUTIONAL REFUNDS.

Section 461H (20 U.S.C. 1091b) is amended—
(1) in subsection (a)(1), by inserting “subpart 4 of part A or” after “received under”;
(2) in subsection (a)(2), by striking “take a leave” and by inserting “takes one or more leaves”;
(3) in subsection (a)(3)(B)(i), by inserting “(as determined in accordance with subsection (d))” after “student has completed”;
(4) in subsection (a)(4), by amending sub-subparagraph (c)(1) to read as follows:

"(c)(1) GRANT OVERPAYMENT REQUIREMENTS—

(1) IN GENERAL.—Notwithstanding standing sub-subparagraphs (A) and (B), a student shall only be required to repay grant assistance in the amount (if any) by which—

(A) the amount to be returned by the student as determined under sub-subparagraphs (A) and (B), exceeds

(B) 50 percent of the total grant assistance received by the student under this title for the payment period or period of enrollment.

(2) MINIMUM.—A student shall not be required to return amounts of $50 or less; and

(3) in subsection (d), by striking “(a)(5)(i)” and “(a)(5)(b)”.

SEC. 2131. COLLEGE ACCESS INITIATIVE.

Part G is further amended by inserting after section 485C (20 U.S.C. 1092c) the following new section:

"SEC. 485D. COLLEGE ACCESS INITIATIVE.

(a) STATE-BY-STATE INFORMATION.—The Secretary shall direct each guaranty agency with which the Secretary has entered into an agreement under section 428(c) to provide to the Secretary the information necessary for the development of web sites and access for students and families to a comprehensive listing of the postsecondary education opportunities, programs, publications, Internet Web sites, or other information available from States for which such agency serves as the designated guarantor.

(b) GUARANTY AGENCY ACTIVITIES.—

(1) PLAN AND ACTIVITY REQUIRED.—Each guaranty agency with which the Secretary has an agreement under section 428(c) shall require each guaranty agency to comply with the activity and cooperation necessary to gather the information required under subsection (a) and to make such information available to the public and to the Secretary in a timely and orderly manner as prescribed by the Secretary.

(2) ACTIVITIES.—Each guaranty agency shall undertake such activities as are necessary to provide the postsecondary education for students through providing information on college planning, career preparation, and paying for college. The guaranty agency shall publicize such information and coordinate such activities with other entities that either provide or distribute such information in the States for which such guaranty agency serves as the designated guarantor.

(c) ACCESS TO INFORMATION.—

(1) SECRETARY’S RESPONSIBILITY.—The Secretary shall ensure the availability of the information provided by guaranty agencies in accordance with this section to students, parents, and other interested individuals, through web links or other methods prescribed by the Secretary.

(2) GUARANTY AGENCY RESPONSIBILITY.—The guaranty agencies shall ensure that the information required by this section is available without charge in a format suitable for students and parents requesting such information.

(d) PUBLICITY.—Within 270 days after the date of enactment of the Higher Education Budget Reduction Act of 2005, the Secretary and guaranty agencies shall publicize the availability of the information required by this section, with special emphasis on ensuring that populations that are traditionally underrepresented in postsecondary education are made aware of the availability of such information.

SEC. 2132. CANCELLATION OF STUDENT LOAN INDEBTEDNESS FOR SURVIVORS OF VICTIMS OF THE SEPTEMBER 11, 2001 ATTACKS.

(a) DEFINITIONS.—For purposes of this section—

(1) ELIGIBLE PUBLIC SERVANT.—The term ‘eligible public servant’ means an individual who, as determined in accordance with regulations of the Secretary—

(A) served as a police officer, firefighter, other safety or rescue personnel, or as a member of the Armed Forces; and

(B) died (or dies) or became (or becomes) permanently and totally disabled due to injuries suffered in the terrorist attacks on September 11, 2001.

(2) ELIGIBLE VICTIM.—The term ‘eligible victim’ means an individual who, as determined in accordance with regulations of the Secretary—

(A) served as a police officer, firefighter, other safety or rescue personnel, or as a member of the Armed Forces; and

(B) died (or dies) or became (or becomes) permanently and totally disabled due to injuries suffered in the terrorist attacks on September 11, 2001.

(3) ELIGIBLE PARENT.—The term ‘eligible parent’ means the parent of an eligible victim if—

(A) the parent owes a Federal student loan that is a consolidation loan that was used to repay a PLUS loan incurred on behalf of such eligible victim; or

(B) the parent owes a Federal student loan that is a PLUS loan incurred on behalf of an eligible victim.

(b) CANCELLATION.—(1) IN GENERAL.—The term ‘Secretary’ means the Secretary of Education.

(2) ELIGIBLE VICTIM.—A student who is eligible for the payment of a loan.

(c) SEC. 1091(r)(1) IS AMENDED—

(1) IN GENERAL.—The term ‘student who is eligible for the payment of a loan’ means the parent of an eligible public servant, as determined in accordance with regulations of the Secretary, including any consolidation loan that was used jointly by the eligible public servant and his or her spouse or dependent to repay the Federal student loans of the spouse and the eligible public servant;

(2) the portion incurred on behalf of the eligible victim (other than an eligible public servant), of a Federal student loan that is a consolidation loan that was used jointly by the eligible victim and his or her spouse, as determined in accordance with regulations of the Secretary, to repay the Federal student loans of the eligible victim and his or her spouse;

(d) SEC. 2133. INDEPENDENT EVALUATION OF DISABILITY EDUCATION PROGRAMS.

SEC. 2133. INDEPENDENT EVALUATION OF DISABILITY EDUCATION PROGRAMS.

(a) INDEPENDENT EVALUATION.—The Secretary of Education shall enter into an agreement with the National Academy of Education to conduct an independent and statistically valid evaluation of the quality of distance education programs, as compared to campus-based education programs, at institutions of higher education.

(b) EVALUATION.—Such evaluation shall include—

(1) identification of the elements by which the quality of distance education programs, as compared to campus-based education programs, can be assessed, including elements such as subject matter, interaction, and student outcomes; and

(2) a comparison of distance education programs as compared to campus-based education program success, in relation to
the mission of the institution of higher education; and
(3) identification of the types of students (including classification of types of students based on age) who most benefit from distance education programs, the types of students who most benefit from campus-based education programs, and the types of students who most benefit from distance education programs, by assessing elements including access to higher education, job placement rates, undergraduate graduation rates, and graduate and professional degree attainment rates.

(b) SCOPE.—The National Academy of Sciences shall select for participation in the evaluation under subsection (a) a diverse group of institutions of higher education with respect to size, mission, and geographic distribution.

(ii) under FINAL REPORTS.—The agreement under subsection (a) shall require that the National Academy of Sciences submit to the Secretary of Education, the Committee on Health, Education, Labor and Pension of the Senate, and the Committee on Education and the Workforce of the House of Representatives:

(1) an interim report regarding the evaluation under subsection (a) not later than December 31, 2007; and
(2) a final report regarding such evaluation not later than December 31, 2009.

SEC. 2134. DISBURSEMENT OF STUDENT LOANS.

Section 422(d) of the Higher Education Amendments of 1998 (Public Law 105–244; 112 Stat. 1157) is modified to reflect any changes in the law, unless enacted with specific reference to the PGP and any loan amounts disbursed with respect to a loan amounts disbursed or on behalf of, an affected student under part B of title IV of the Act for a cancelled enrollment period.

(2) LIMITATION ON CONSOLIDATION LOANS.—A loan amount for a loan made under section 463C of the Act by a Federal Direct Consolidation Loan may be eligible for discharge under this section only to the extent that such loan amount was used to repay a loan to an affected student for a cancelled enrollment period.

(3) CONSTRUCTION.—Nothing in this section shall be construed to authorize any refunding of any repayment made under this section.

SEC. 2145. TEMPORARY DEFR EMENT OF STUDENT LOAN REPAYMENT.

An affected individual who is a borrower of a qualified student loan or a qualified parent loan shall be granted a deferment, not in excess of 6 months, during which periodic installments of principal need not be paid, and interest.

(1) shall accrue and be paid by the Secretary, in the case of a loan made under section 422B, 423C, or 432H of the Act; or shall accrue by the Secretary to the Perkins loan fund held by the institution of higher education that made the loan, in the case of a loan made under part E of title IV of the Act for an affected student; and

(3) shall not accrue, in the case of a Federal Direct Loan made under part D of such title.

SEC. 2146. NO AFFECT ON GRANT AND LOAN LIMITS.

Notwithstanding any provision of title IV of the Act or any regulation issued thereunder, the Secretary of Education shall cancel any obligation of an affected institution to return or repay any funds the institution received before the date of enactment of this Act to, or on behalf of, its students under part 1 or 3 of part A or parts B, C, D, or E of title IV of the Act for any cancelled enrollment period.

SEC. 2147. TEACHER LOAN RELIEF.

The Secretary of Education may waive the requirement of sections 428(b)(1) and 428(a) of the Higher Education Act of 1965 that the 5 years of qualifying service be consecutive academic years for any teacher whose employment was interrupted if:

(1) the teacher was fulfilling his or her obligation of qualifying service, at the time of a Gulf hurricane disaster; and

(2) the teacher resumes qualifying service not later than the beginning of academic year 2006–2007 in that school or any other school in which employment is qualifying service under such section.

SEC. 2148. EXPANDING INFORMATION DISSEMINATION REGARDING ELIGIBILITY FOR PELL GRANTS.

(a) IN GENERAL.—The Secretary of Education shall make special efforts, in conjunction with the State educational agencies and eligible students and if applicable, their parents, who qualify for means-tested Federal benefit programs, of their potential eligibility for a maximum Pell Grant, and shall disseminate such informational materials as the Secretary deems appropriate.

(b) MEANS-TESTED FEDERAL BENEFIT PROGRAMS.—For the purposes of this section, the term “means-tested Federal benefit program” means a mandatory spending program of the Federal Government, other than a program under the Act in which eligibility for the program’s benefits, or the amount of such benefits, or both, are determined on the basis of income or resources of the individual or family seeking the benefit, and may include such programs as the supplemental security income program under title XVI of the Social Security Act, the food stamp program under the Food Stamp Act of 1977, the free and reduced price school lunch program established under the Richard B. Russell National School Lunch Act, the temporary assistance to needy families program established under part A of title IV of the Social Security Act, and the women, infants, and children program established under section 17 of the Child Nutrition Act of 1966, and other programs identified by the Secretary of Education.

SEC. 2149. PROCEDURES.

(a) DEADLINES AND PROCEDURES.—Sections 482(c) and 492 of the Act (20 U.S.C. 1098(c), 1088a) shall not apply to any waivers, modifications, or actions initiated by the Secretary of Education under this part.

(b) CASE-BY-CASE BASIS.—The Secretary of Education is not required to approve any waiver or modification authority under this part on a case-by-case basis.

SEC. 2150. TERMINATION OF AUTHORITY.

The authority of the Secretary of Education to issue waivers or modifications under this part shall expire at the conclusion of the 2005-2006 academic year, but the expiration of such authority shall not affect the continuing validity of any such waivers or modifications after such academic year.

SEC. 2151. DEFINITIONS.

For the purposes of this part, the following terms have the following meanings:

(1) AFFECTED INDIVIDUAL.—The term “affected individual” means an individual who has applied for or received student financial assistance under title IV of the Higher Education Act of 1965, and

(A) who is an affected student; or

(B) whose primary place of employment or residency was, as of August 29, 2006, in an area affected by a Gulf hurricane disaster.

(2) AFFECTED INSTITUTION.—The term “affected institution” means an institution of higher education that—

(A) is located in an area affected by a Gulf hurricane disaster; and

(B) has temporarily ceased operations as a consequence of a Gulf hurricane disaster, as determined by the Secretary of Education.

(3) AFFECTED STATE.—The term “affected State” means the State of Virginia, Florida, Louisiana, Mississippi, or Texas.

(4) AFFECTED STUDENT.—The term “affected student” means an individual who has applied for or received student financial assistance under title IV of the Higher Education Act of 1965, and who—

(A) was enrolled or accepted for enrollment on August 29, 2006, in a program of higher education in an area affected by a Gulf hurricane disaster;
(B) was a dependent student enrolled or accepted for enrollment at an institution of higher education that is not in an area affected by a Gulf hurricane disaster, but whose home or workplace was located in an area affected by a Gulf hurricane disaster; or

(C) was enrolled or accepted for enrollment at an institution of higher education as of August 29, 2005, in an area affected by a Gulf hurricane disaster.

(4) AREA AFFECTED BY A GULF HURRICANE DISASTER.—The term ‘‘area affected by a Gulf hurricane disaster’’ means a county or parish in a State, that has been designated by the Federal Emergency Management Agency for disaster assistance for individuals and households as a result of Hurricane Katrina or Hurricane Rita.

(5) CANCELLED ENROLLMENT PERIOD.—The term ‘‘cancelled enrollment period’’ means any period of enrollment at an affected institution during the academic year 2005.

(6) GULF HURRICANE DISASTER.—The term ‘‘Gulf hurricane disaster’’ means a major disaster that the President declared to exist, in accordance with section 411 in the case of a Federal Stafford Disaster Relief and Emergency Assistance Act, and that was caused by Hurricane Katrina or Hurricane Rita.

(7) PREMIUMS UNDER EDUCATION.—The term ‘‘institution of higher education’’ has the meaning given such term in section 102 of the Higher Education Act of 1965, except that such term shall only include institutions under subsection (a)(1)(C) of that section.

(8) QUALIFIED STUDENT LOAN.—The term ‘‘qualified student loan’’ means any loan made, insured, or guaranteed under part B, D, or E of title IV of the Higher Education Act of 1965, other than a loan under section 428B of such title or a Federal Direct Plus loan.

(9) QUALIFIED PARENT LOAN.—The term ‘‘qualified parent loan’’ means a loan made under section 428B of title IV of the Higher Education Act of 1965 or a Federal Direct Plus loan.

Subtitle C—Pensions

SEC. 2001. INCREASES IN PBGC PREMIUMS.

(a) FLAT-RATE PREMIUMS.—Clause (a)(3)(A) of section 4102(c) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1306(a)(3)(A)) is amended by striking ‘‘$20’’ and inserting ‘‘$30’’.

(b) ADJUSTMENT FOR INFLATION.—Paragraph (3) of section 4066(a) of such Act (29 U.S.C. 1306(a)(3)) is amended by adding at the end the following subparagraph:

‘‘(F) For each plan year beginning after 2006, there shall be substituted for the $30 dollar amount in subparagraph (A)(i) the amount equal to the product derived by multiplying the premium rate, as in effect under this paragraph immediately prior to such plan year for basic benefits guaranteed by the corporation under section 4022 for single-employer plans, by the ratio of—

‘‘(i) the average wage index (as defined in section 2096(k)(1) of the Social Security Act) for the first of the 2 calendar years preceding the calendar year in which such plan year begins, to

‘‘(ii) the national average wage index (as so defined) for the first of the 3 calendar years preceding the calendar year in which the plan year begins, plus

(iii) 10 percent, if not a multiple of 1, being rounded to the next higher multiple of 1 where such product is a multiple of $0.50 but not of $1, and to the nearest multiple of $1 in any other case.

(c) ADDITIONAL DISCRETIONARY INCREASE.—Paragraph (3) of section 4066(a) of such Act (as in effect under subsection (b) of the section is further amended by adding at the end the following new subparagraph:

‘‘(D) The corporation may increase under this subparagraph, effective for plan years commencing with or during any calendar year after 2006, the premium rate otherwise payable in connection with such plan, by an amount not in excess of 10 percent of the premium rate determined for plan years commencing with or during such calendar year, as increased under this paragraph for certain terminations for which the termination date occurs or following the period described in subclause (I).

‘‘(E) The term ‘‘applicable 12-month period’’ means—

‘‘(i) the 12-month period beginning with the first month following the month in which the termination date occurs, and

‘‘(ii) each of the first two 12-month periods immediately following the period described in subclause (I).

‘‘(F) For each plan year beginning after the first month following the month which includes the earliest date as of which such person is dis- Recorder, 110th Congress, XVI

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(B) specifically provides that such decreases are to be in lieu of the decreases in Federal outlays by reason of the amendments made by this section.

TITLE III—COMPETITION AND ENERGY AND COMMERCE

Subtitle A—Medicaid

Sec. 3100. Short title of subtitle; rule of construction with regard to Katrina evacuees.

Chapter 1—Payment for Prescription Drugs

Sec. 3101. Federal upper limit (FUL).

Sec. 3102. Collection and submission of utilization data for certain physician administered drugs.

Sec. 3103. Improved regulation of drugs sold under a new drug application approved under section 505(c) of the Federal Food, Drug, and Cosmetic Act.

Sec. 3104. Children’s hospital participation in section 340B drug discount program.

Sec. 3105. Improving patient outcomes through greater reliance on science and best practices.

Chapter 2—Reform of Asset Transfer Rules

Sec. 3111. Lengthening look-back period; change in beginning date for period of ineligibility.

Sec. 3112. Disclosure and treatment of annuities and of large transactions.

Sec. 3113. Application of “income-first” rule in applying community spouse’s income before assets in providing support of community spouse.

Sec. 3114. Disqualification for long-term care assistance for individuals with substantial home equity.

Sec. 3115. Enforceability of continuing care retirement communities (CCRC) and life care communities admission contracts.

Chapter 3—Flexibility in Cost Sharing and Benefits

Sec. 3121. State option for alternative medicaid premiums and cost sharing.

Sec. 3122. Special rules for cost sharing for prescription drugs.

Sec. 3123. Emergency room copayments for non-emergent services.

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Sec. 3126. Exempting women covered under breast or cervical cancer program.

Chapter 4—Expanded Access to Certain Benefits

Sec. 3131. Expanded access to home and community-based services for the elderly and disabled.

Sec. 3132. Optional choice of self-directed personal assistance services (cash and counseling).

Sec. 3133. Expansion of State long-term care partnership program.

Sec. 3134. Health opportunity accounts.

Chapter 5—Other Provisions

Sec. 3141. Increase in medicaid payments to insular areas.

Sec. 3142. Medicaid drug use organization provider tax reform.

Sec. 3143. Medicaid transformation grants.

Sec. 3144. Enhancing third party identification for Medicare.

Sec. 3145. Improved enforcement of documentation requirements.

Sec. 3146. Reforms of targeted case management.

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Sec. 3148. Adjustment in computation of medicaid FMAP to disregard an extraordinary employer pension expenditure.

Subtitle B—Katrina Health Care Relief

Sec. 3151. Targeted medicaid relief for States affected by Hurricane Katrina.

Sec. 3152. States high risk health insurance pool funding.

Sec. 3153. Re computation of HPSA, MUA, and MUP designations within Hurricane Katrina affected areas.

Sec. 3154. Waiver of certain requirements applicable to the provision of health care in areas impacted by Hurricane Katrina.

Sec. 3155. FMAP hold harmless for Katrina impact.

Subtitle C—Katrina and Rita Energy Relief

Sec. 3156. Hurricanes Katrina and Rita energy relief.

Subtitle D—Digital Television Transition

Sec. 3161. Short title.

Sec. 3162. Findings.

Sec. 3163. Analog spectrum recovery: hard costs.

Sec. 3164. Auction of recovered spectrum.

Sec. 3165. Digital Television Conversion Fund.

Sec. 3166. Public Safety Interoperable Communications Fund.

Sec. 3167. NYC 911 Digital Transition Fund.

Sec. 3168. Low-power television transition paid through.

Sec. 3169. Consumer education regarding analog televisions.

Sec. 3170. Additional digital television transition fund.

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(i) computing the sum of the products (for each National Drug Code assigned to such drug products) of—
   (A) the manufacturer's RAMP (as defined in subsection (b)(1));
   (B) the total number of units specified under section 1847A(b)(2); and
   (ii) dividing the sum determined under clause (i) by the total number of units under clause (i)(II) for all National Drug Codes assigned to such drug products.

(2) Exception for initial sales periods.—
   (i) In general.—In the case of a single source drug during an initial sales period (not to exceed 2 calendar quarters) in which data on the drug are not sufficiently available from the manufacturer to compute the RAMP or the volume weighted average RAMP under subparagraph (C), the Federal upper limit for the ingredient cost of such drug during such period shall be the wholesale acquisition cost (as defined in clause (ii) for the drug).
   (ii) Wholesale acquisition cost.—For purposes of clause (i), the term ‘wholesale acquisition cost’ means, with respect to a single source drug, the manufacturer’s list price for the drug to wholesalers or direct purchasers in the United States, not including prompt pay or other discounts, rebates or reductions in price, for the most recent month for which information is available, as reported in wholesale price guides or other publications of drug or biological pricing data.

(3) Updates; data collection.—
   (I) Frequency of determination.—The Secretary shall update the Federal upper limits applicable under this paragraph on at least a quarterly basis, taking into account the most recent data collected for purposes of determining such limits and the Food and Drug Administration’s most recent publica
tion of Approved Drug Products With Therapeutic Equivalence Evaluations.
   (II) Collection of data.—Data on RAMP is collected under subsection (b)(3)(A)(iv).
   (III) Authority to enter contracts.—The Secretary may enter into contracts with appropriate entities to determine RAMPs and other data necessary to calculate the Federal upper limits for covered outpatient drugs established under this subsection and to calculate that payment limit.

(4) Dispensing fees.—
   (A) State which provides medical assistance for covered outpatient drugs shall pay a dispensing fee for each covered outpatient drug in accordance with this paragraph. A State may vary the amount of such dispensing fees, including taking into account the special circumstances of pharmacies that are serving rural or underserved areas or that serve the community pharmacies, so long as such variation is consistent with subparagraph (B).
   (B) Dispensing fee for multiple source drugs.—A State shall establish a dispensing fee under this title for a covered outpatient drug that is treated as a multiple source drug under paragraph (2)(A) (whether or not it may be an innovator multiple source drug) in an amount that is not less than $8 per prescription unit. The Secretary shall define what constitutes a prescription unit for purposes of the previous sentence.
   (C) Effect on state maximum allowable cost limitations.—This section shall not supersede or affect provisions in effect prior to January 1, 2007. In the December 2006 report relating to any maximum allowable cost limitation established by a State for payment by the State for covered outpatient drugs, the limitations shall be made applicable to the following section with regard to whether or not payment by the State for such drugs is subject to such a limitation or the amount of such a limitation.

(5) Evaluation of use of retail survey price methodology.—
   (A) In general.—The Secretary may develop a methodology to set the Federal upper limit based on the reported retail survey price, as most recently reported under subparagraph (C), instead of a percentage of RAMP or volume weighted average RAMP as described in paragraph (2).
   (B) Initial application.—For 2007, the Secretary may apply the methodology for determining such limits to a limited number of covered outpatient drugs, including both single source and multiple source drugs, selected by the Secretary in a manner so as to be representative of the class of drugs dispensing under this title.

(6) Determination of retail survey price for covered outpatient drugs.—
   (i) Use of vendor.—The Secretary may contract services for the determination of survey prices for covered outpatient drugs that represent a nationwide average of pharmacy sales prices for such drugs, net of all discounts and rebates. Such a contract shall be awarded for a term of 2 years.
   (ii) Use of competitive bidding.—In contracting for such services, the Secretary shall compare prices from a vendor that has demonstrated history in—
      (I) surveying and determining, on a representative market weighted average prices for ingredient costs of prescription drugs;
      (II) working with retail pharmacies, commercial payers, and States in obtaining and disseminating such price information; and
      (iii) collecting and reporting such price information on at least a monthly basis.
   (iii) Additional provisions.—A contract with a vendor under this subparagraph shall include such provisions as the Secretary may determine.

(D) Authority to establish payment limits.—
   (1) The vendor must monitor the marketplace and report to the Secretary each time there is a new covered outpatient drug available nationwide.
   (2) The vendor must update the Secretary no less often than monthly on the retail survey prices for multiple source drugs.
   (3) The vendor must apply methods for independently confirming retail survey prices.
   (4) Availability of information to States.—Information on retail survey prices obtained under this paragraph, including applicable information on single source drugs, shall be provided to States on an ongoing, timely basis.
   (5) Use of vendor.—The vendor must be responsible for the accuracy of the information. The contract shall require the vendor to comply with such regulations as the Secretary shall specify.

(2) Disclosure to States.—Subsection (b)(3)(D) of such section is amended—
   (A) by striking “and” at the end of clause (i);
   (B) by striking the period at the end of clause (ii) and inserting “;” and “;” and
   (C) by inserting after clause (iii) the following:—
      “(iv) to States to carry out this title.”

(3) Limitations on Federal financial participation.—Subsection 1902(b)(1) of such Act (42 U.S.C. 1396b(1)) is amended—
   (A) in paragraph (10)(A), by striking “and” at the end;
   (B) in paragraph (10)(B), by striking “or” at the end and inserting “and”;
   (C) by adding at the end of paragraph (10) the following:
      “(G) with respect to any amount expended for the ingredient cost of a covered outpatient drug that exceeds the Federal upper limit for that drug established and applied under section 1927(e); or”;
   (D) in paragraph (21), as inserted by section 1909(b) of Public Law 109–91, by inserting before the period at the end the following:—
      “or defined in subparagraph (B) or (C) of section 1927(d)(2)”;
   (E) Effective date.—Except as otherwise provided, the amendments made by this section take effect with respect to a State on the later of—
      (1) January 1, 2007; or
      (2) the date that is 6 months after the close of the first regular session of the State legislature that begins after the date of the enactment of this Act.

(4) GAO study on dispensing fees; estimated payment amounts, and pharmacy acquisition costs.—The Comptroller General of the United States shall conduct a study on the appropriateness in payment levels to pharmacies for dispensing fees under the medicare program, including payment to pharmacies for the estimated average payment amounts to pharmacies for covered outpatient drugs.
under the Medicaid program after implementation of the amendments made by this section are below the average prices paid by pharmacies for acquiring such drugs.

Not later than 2 years after the date of the enactment of this Act, the Secretary shall submit to Congress a report on such utilization data and coding (such as J-codes and National Drug Code numbers) for each drug that is sold under the new drug application approved under section 505(c) of the Federal Food, Drug, and Cosmetic Act, after deducting customary prompt pay discounts.

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

SEC. 3105. IMPROVING PATIENT OUTCOMES THROUGH GREATER RELIANCE ON SCIENCE AND BEST PRACTICES.

(a) In General.—Section 1927(a)(5)(B) of the Social Security Act (42 U.S.C. 1396d–8a(5)(B)) is amended by inserting before the period at the end the following:

"(ii) by striking "and" and inserting "“system" before “provides"; and"

(b) In General.—The amendments made by subsection (a) shall apply to drugs purchased on or after the date of the enactment of this Act.

(c) REPORTING.—The Secretary of Health and Human Services, in consultation with the Comptroller General of the United States, shall study the impact of the provisions of this section on the Medicare program.

(d) REPORTING.—Not later than January 1, 2006, the Secretary shall provide to Congress a report on such utilization data and coding (such as J-codes and National Drug Code numbers) for each drug that is sold under the new drug application approved under section 505(c) of the Federal Food, Drug, and Cosmetic Act, after deducting customary prompt pay discounts.

(W) The system provides that a drug review board has determined, based on the strength of the scientific evidence and standards of practice, including assessing published peer-reviewed medical literature, pharmacoeconomic studies, outcomes research data, and other scientific information as the board determines to be appropriate, that the drug on patent or otherwise permitting restrictions on its use is not likely to harm patients or increase overall medical costs.

The system provides that where a response is not received to a request for authorization of an atypical antipsychotic or other drug that is not covered under Medicare, the Secretary shall publish a list of the 20 physician administered drugs that are sold under a new drug application approved under section 505(c) of the Federal Food, Drug, and Cosmetic Act, after deducting customary prompt pay discounts.

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antidepressant drug prescribed within 24 hours after the prescription is transmitted, payment is made for a 30 day supply of a medication that the prescriber certifies is medical necessity under section

(2) in subsection (g)(3)(C), by inserting after clause (ii) the following new clause:

(iv) The development and oversight of prior authorization programs described in subsection (d)(5).

(b) Effective Date.—The amendments made by subsection (a) shall take effect on January 1, 2006.

CHAPTER 2—REFORM OF ASSET TRANSFER RULES

SEC. 3111. LENGTHENING LOOK-BACK PERIOD; CHANGE IN BEGINNING DATE FOR PERIOD OF INELIGIBILITY.

(a) Lengthening Look-Back Period for All Disposals to 5 Years.—Section 1917(c)(2)(B)(i) of the Social Security Act (42 U.S.C. 1396p(c)(2)(B)(i)) is amended by inserting—

"(ii) In the case of a transfer of asset made on or after the date of the enactment of the Medicaid Reconciliation Act of 2005, the date; and"

(b) Change in Beginning Date for Period of Ineligibility.—Section 1917(c)(1)(D) of such Act (42 U.S.C. 1396p(c)(1)(D)) is amended—

(1) by striking "(D)" and inserting "(D)(i) In the case of a transfer of asset made before the date of the enactment of the Medicaid Reconciliation Act of 2005, the date"; and

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

"(ii) In the case of a transfer of asset made on or after the date of the enactment of the Medicaid Reconciliation Act of 2005, the date specified in subparagraph (C) but for the application of the penalty period, whichever is later, and which does not occur during any other period of ineligibility under this subsection.,"

(c) Effective Date.—The amendments made by this section shall apply to transfers made on or after the date of the enactment of this Act.

(d) Availability of Hardship Waivers.—Each State shall provide for a hardship waiver in accordance with section 1917(c)(2)(D) of the Social Security Act (42 U.S.C. 1396p(c)(2)(D))—

(1) under which an undue hardship exists when application of the transfer of assets provision would deprive the individual—

(A) of medical care such that the individual’s health or life would be endangered; or

(B) for food, clothing, shelter, or other necessities of life; and

(2) which provides for—

(A) notice to recipients that an undue hardship exists when application of the transfer of assets provision would deprive the individual—

(A) of medical care such that the individual’s health or life would be endangered; or

(B) for food, clothing, shelter, or other necessities of life; and

(B) a timely process for determining whether an undue hardship waiver will be granted; and

(C) a procedure under which an adverse determination can be appealed.

(e) Additional Provisions on Hardship Waivers—(1) Application by Facility.—Section 1917(c)(2) of the Social Security Act (42 U.S.C. 1396p(c)(2)) is amended—

(A) by striking the semicolon at the end of paragraph (a) and inserting in its place a period; and

(B) by adding after and below such paragraph the following:

"The procedures established under subparagraph (D) for the facility in which the institutionalized individual is residing to file an undue hardship waiver application on behalf of the individual with the consent of the individual or the legal guardian of the individual.

(2) Authority to Make Bed Hold Payments for Hardship Applicants.—Such section is further amended by adding at the end the following: “When an application for an undue hardship waiver is pending under this subparagraph, the individual is eligible for medical assistance or in the individual’s possession or principal being withdrawn from the amount that was being withdrawn at the time of the most recent disclosure described in paragraph (1)(A). The State may make such payment into account in determining the amount of the State’s obligations for medical assistance or in the individual’s eligibility for such assistance.”

(3) In the case of such an issuer receiving notice under subparagraph (B), the State may require the issuer to notify the State or the individual of the change of income or principal being withdrawn from the amount that was being withdrawn at the time of the most recent disclosure described in paragraph (1)(A). The State may make such payment into account in determining the amount of the State’s obligations for medical assistance or in the individual’s eligibility for such assistance.”

SEC. 3112. DISCLOSURE AND TREATMENT OF ANNUITIES AND OF LARGE TRANSACTIONS.

(a) In General.—Section 1917 of the Social Security Act (42 U.S.C. 1396p) is amended by redesignating subsection (e) as subsection (f) and by inserting after subsection (f) the following new subsection:

"(g)(1) In order to meet the requirements of this section for purposes of section 1902(a)(16), a State shall, as a condition for providing medical assistance for services described in subsection (c)(1)(C)(i) (relating to long-term care services) for the institutionalization of the individual for such assistance (including any recertification of eligibility for such assistance) shall disclose the following:

"(A) A description of any interest the individual or community spouse has in an annuity (or similar financial instrument which provides for the conversion of a countable asset to a noncountable asset, as may be specified by the Secretary), regardless of whether the annuity is irrevocable or is treated as an asset.

"(B) Full information (as specified by the Secretary) concerning any transaction involving the transfer or disposal of assets during the previous period of 60 months, if the transaction exceeded $100,000, without regard to whether the transfer or disposal was for fair market value. For purposes of applying the previous sentence under this subsection, all transactions of $5,000 or more occurring within a 12-month period shall be treated as a single transaction. The dollar amounts specified in the first and second sentences of this subparagraph shall be adjusted beginning with 2007, from year to year based on the percentage increase in the consumer price index for all urban consumers (all items); but in no event shall be increased, beginning with the nearest $1,000 in the case of the first sentence and $100 in the case of the second sentence.

Such application or recertification form shall include a statement that under paragraph (2) the State becomes a remainder beneficiary under such an annuity or similar financial instrument by virtue of the provision of such medical assistance.

(2)(A) In the case of any annuity in which an individual or or community spouse has an interest, if medical assistance is furnished to the individual for services described in subsection (c)(1)(C)(i), by virtue of the provision of such assistance, the State becomes the remainder beneficiary in the first position for the total amount of such medical assistance paid on behalf of the individual within this title (or, where there is a community spouse or minor or disabled child in such first position, in the position immediately succeeding the position of such spouse or child in such first position).

(B) In the case of disclosure concerning an annuity under paragraph (1)(A), the State shall notify the issuer of the annuity of the right of the individual to make such a preferred remainder beneficiary in the annuity for medical assistance furnished to the individual. Nothing in this paragraph shall be construed as preventing such an issuer from notifying persons with any other remaining interest of the State’s remaining interest in the annuity.

(3) For purposes of subsection (c)(1), a transaction described in paragraph (1)(B) shall be deemed as the transfer of an asset for fair market value.

(b) Effective Date.—The amendments made by this section shall apply to transactions (including the purchase of an annuity) occurring on or after the date of the enactment of this Act.

SEC. 3113. APPLICATION OF “INCOME-FIRST” RULE IN APPLYING COMMUNITY SPOUSE’S INCOME TO PROVIDE SUPPORT OF COMMUNITY SPOUSE.

(a) In General.—Section 1924(d) of the Social Security Act (42 U.S.C. 1396p(d)) is amended by adding at the end the following new paragraph:

"(6) Application of “Income First” Rule Pertaining to Community Spouse Monthly Income Allowance.—For purposes of this subsection and subsection (e), any transfer or allocation made from an institutionalized spouse’s income to meet the community spouse’s monthly income allowance under paragraph (1)(B) shall be first made from income of the institutionalized spouse and, if income is not available from the resources of such institutionalized spouse.,"

(b) Effective Date.—The amendment made by subsection (a) shall apply to transfers and allocations made on or after the date of the enactment of this Act by individuals who become institutionalized spouses on or after such date.

SEC. 3114. DISQUALIFICATION FOR LONG-TERM CARE ASSISTANCE FOR INDIVIDUALS WITH SUBSTANTIAL HOME EQUITY.

(a) In General.—Section 1917 of the Social Security Act, as amended by section 3112, is further amended by redesignating subsection (f) as subsection (g) and by inserting after subsection (g) the following new subsection:

"(1) Notwithstanding any other provision of this title, subject to paragraph (2), in determining eligibility of an individual for medical assistance with respect to nursing facility services or other long-term care services, the individual shall not be eligible for such assistance if the individual’s equity interest in the individual’s home exceeds $750,000. The dollar amount specified in the preceding sentence shall be increased, beginning with 2011, from year to year based on the percentage increase in the consumer
The entrance fee does not confer an ownership interest in the continuing care retirement community or life care community. 

(C) TREATMENT IN RELATION TO SPousAL SHARE.—If determined to be an available resource to an individual applying for medical assistance and the individual has a community spousal share as defined in section 1925(c), the entrance fee shall be considered in the computation of spousal share pursuant to section 1924(c). 

CHAPTER 3—FLEXIBILITY IN COST SHARING AND ALTERNATIVE BENEFITS

SEC. 3121. STATE OPTION FOR ALTERNATIVE MEDICAID PREMIUMS AND COST SHARING

(a) In General. —Title XIX of the Social Security Act is amended by inserting after section 1916 the following new section: 

"STATE OPTION FOR ALTERNATIVE PREMIUMS AND COST SHARING. " 

"SEC. 1916A. (a) STATE FLEXIBILITY. —

(1) In general.—Notwithstanding sections 1916 and 1902(a)(10)(B), a State, at its option and through a State plan amendment, may impose premiums and cost sharing for any group of individuals (as specified by the State) and for any type of services (and may vary such premiums and cost sharing among such groups) through the use of tiered cost sharing for prescription drugs consistent with the limitations established under this section. Nothing in this section shall apply to any coverage of any type of service that is subject to the application of section 1918(a).

(2) Definitions.—In this section:

"(A) PREMIUM.—The term ‘premium’ includes any enrollment fee or similar charge.

"(B) COST SHARING.—The term ‘cost sharing’ includes any deduction, deductible, co-payment, or similar charge.

"(C) LIMITATIONS ON EXERCISE OF AUTHORITY.—

"(1) INDIVIDUALS WITH FAMILY INCOME BELOW 100 PERCENT OF POVERTY LEVEL.—In the case of an individual whose family income does not exceed 100 percent of the Federal poverty level applicable to a family of the size involved, subject to subsections (c)(2) and (e)(2)(A), the limitations otherwise provided under subsections (a) and (b) of section 1916 shall not apply to any premium that will be imposed under the plan, except that the total annual aggregate amount of cost sharing imposed (including any increase in cost sharing imposed under subsection (c) or (e)) for all individuals in the family may not exceed 5 percent of the family income of the family involved for the year involved.

"(2) INDIVIDUALS WITH FAMILY INCOME ABOVE 100 PERCENT OF POVERTY LEVEL.—In the case of an individual whose family income exceeds 100 percent of the Federal poverty level applicable to a family of the size involved, the total annual aggregate amount of premiums and cost sharing imposed (including any increase in cost sharing imposed under subsection (c) or (e)) for all individuals in the family may not exceed 5 percent of the family income of the family involved for the year involved.

"(B) ADDITIONAL LIMITATIONS.—

"(1) PREMIUMS.—No premium shall be imposed under this section with respect to:

"(i) Individuals under 18 years of age that are required to be provided medical assistance under section 1902(a)(10)(A)(i), and including individuals with respect to whom cost sharing imposed under this section pursuant to the application of section 1916(c) has been sequenced to prevent an individual from participating in the State program established under title XVI because of the receipt of medical assistance under the State’s services block grant program.

"(ii) Pregnant women.

"(iii) Any adult individual who is receiving hospice care (as defined in section 1905(o)).

"(iv) Any individual who is an inpatient in a hospital, nursing facility, intermediate care facility for the mentally retarded, or other medical institution, if such individual is provided medical assistance through the use of general revenue funds.

"(v) Individuals who are determined eligible for medical assistance with respect to nursing facility care.

"(vii) Services furnished to individuals who are required to be provided medical assistance under section 1917 of such Act (42 U.S.C. 1396p), as amended by redesignation subsection (g) as section 1916 under paragraph (1) with respect to cost sharing that is imposed under the provisions of this section.

"(B) COST SHARING.—Subject to the succeeding provisions of this section, no cost sharing shall be imposed under this section with respect to the following:

"(i) Services furnished to individuals under 18 years of age that are required to be provided medical assistance under section 1917 of such Act (as defined in section 1905(o)), as amended by sections 3112(a) and 3114(a), is lawfully residing in the individual's home.

"(ii) Services furnished to individuals with respect to whom adoption or foster care assistance is made available under part E of title IV without regard to age.

"(vi) Preventive services (such as well baby and well child care and immunizations) provided to children under 18 years of age regardless of family income.

"(vii) Services furnished to pregnant women, if such services relate to the pregnancy or to any other medical condition which may complicate the pregnancy.

"(viii) Services furnished to any individual who is receiving hospice care (as defined in section 1905(o)).

"(c) Effective Date. —The amendment made by subsection (a) shall apply to any State plan amendment that is lawfully residing in the individual’s home.

"(d) Adoption of Subsection. —The amendment made by subsection (a) applies to any State plan amendment that is lawfully residing in the individual’s home.

"(e) Enforcement. —Nothing in this section shall be construed as preventing an individual from receiving services in such institution under the State plan, to spend for costs of medical care all but a minimal amount of the individual’s income required for personal needs.

"(f) Services furnished to any individual who is lawfully residing in the individual's home.
on premiums and cost sharing under this subsection; or

(‘‘c’’) as affecting any such waiver of requirements in effect under this title before the date of the enactment of this section with regard to the imposition of premiums and cost sharing.

(d) ENFORCEABILITY OF PREMIUMS AND COST SHARING.—

(1) PREMIUMS.—Notwithstanding section 1916(c)(3) and section 1902(a)(10)(B), a State may, at its option, condition the provision of medical assistance to an individual upon prepayment of a premium authorized to be imposed under this section, or may terminate eligibility for such medical assistance on the failure of an individual to pay such a premium, but shall not terminate eligibility of an individual for medical assistance under this title on the basis of failure to pay any such premium until such failure continues for a period of not less than 60 days. A State may apply the previous sentence for some or all groups of beneficiaries as specified by the State and may waive payment of any such premium in any case where the State determines that requiring such payment would create an undue hardship.

(2) CONFORMING AMENDMENT.—Section 1902(a)(10)(B) of title 42, United States Code, is amended by inserting ‘‘and section 1916A’’ after ‘‘(b)(3)’’.

(e) GAO STUDY OF IMPACT OF PREMIUMS AND COST SHARING.—The Comptroller General of the United States shall conduct a study on the impact of premiums and cost sharing under the Medicaid program on access to, and utilization of, services. Not later than January 1, 2006, the Comptroller General shall submit to Congress a report on such study.

(f) EFFECTIVE DATE.—The amendments made by this subsection shall apply to cost sharing imposed for items and services furnished on or after January 1, 2006.

SEC. 3122. SPECIAL RULES FOR COST SHARING FOR PRESCRIPTION DRUGS.

(a) IN GENERAL.—Section 1916A of the Social Security Act (as inserted by section 3121), is amended by inserting after subsection (b) the following new subsection:

’’(c) SPECIAL RULE FOR COST SHARING FOR PRESCRIPTION DRUGS.—

(1) IN GENERAL.—In order to encourage beneficiaries to use drugs (in this subsection referred to as ‘‘prescribed drugs’’) identified by the Secretary of Health and Human Services as such that by use thereof the life or health of an individual shall not be endangered, the provisions of this title shall not apply with respect to such drugs when prescribed and furnished to an individual for whom such cost sharing may not otherwise be imposed under subsection (b)(5)(B).

(2) LIMITATIONS.—

(A) BY INCOME GROUP AS A MULTIPLE OF NOMINAL AMOUNTS.—In no case may the increase in cost sharing under paragraph (1)(A) with respect to the imposition of cost sharing for such prescription drugs for an individual whose family income is—

(i) below 100 percent of the poverty line applicable to a family of the size involved, the amount of nominal cost sharing (as otherwise determined under subsection (b));

(ii) at least 100 percent, but below 150 percent, of the poverty line applicable to a family of the size involved, two times the amount of nominal cost sharing (as otherwise determined under subsection (b)); or

(iii) at least 150 percent, but below 200 percent, of the poverty line applicable to a family of the size involved, three times the amount of nominal cost sharing (as otherwise determined under subsection (b)).

(B) LIMITATION TO NOMINAL FOR EXEMPT POPULATIONS.—In the case of an individual who is otherwise not subject to cost sharing due to the application of subsection (b)(3), any increase in cost sharing under paragraph (1)(A) with respect to a non-preferred drug may not exceed a nominal amount (as otherwise determined under subsection (b)).

(C) CONTINUED APPLICATION OF AGGREGATE CAP.—In addition to the limitations imposed under subparagraphs (A) and (B), any increase in cost sharing under paragraph (1)(A) continues to be subject to the aggregate cap on cost sharing applied under paragraph (1)(B) or (2)(B), as the case may be.

(D) TRICARE PHARMACY BENEFIT PROGRAM LIMITATIONS.—In no case may a State—

(i) treat as a non-preferred drug under this subsection a drug that is treated as a preferred drug under the TRICARE pharmacy benefit program established under section 1074g of title 10, United States Code, as such program is in effect on the date of the enactment of this section;

(ii) impose cost sharing under this subsection that exceeds the cost sharing imposed under the standards under such pharmacy benefit program, as such program is in effect as of the date of the enactment of this section;

(iii) waive.—In carrying out paragraph (1), a State shall provide for the application of cost sharing levels applicable to a preferred drug in the case of a drug that is not a preferred drug unless the prescribing physician determines that the preferred drug for treatment of the same condition either would not be as effective for the individual or would have adverse effects for the individual or both.

(4) EXCLUSION AUTHORITY.—Nothing in this subsection shall be construed as precluding a State from excluding from paragraph (1) specified drugs or classes of drugs.

(5) PRIOR AUTHORIZATION AND APPEALS PROCESS.—A State may not provide for increased cost sharing under this subsection unless the State has implemented for outpatient prescription drugs a system for prior authorization and an appeals process for determining denials regarding prior authorization.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to cost sharing imposed for items and services furnished on or after January 1, 1967.

SEC. 3123. EMERGENCY ROOM COPAYMENTS FOR NON-EMERGENCY CARE.

(a) IN GENERAL.—Section 1916A of the Social Security Act (as inserted by section 3121 and as amended by section 3122, is further amended by adding at the end the following new subsection:

’’(e) APPLICATION FOR IMPOSING COST SHARING FOR NON-EMERGENCY CARE FURNISHED IN AN HOSPITAL EMERGENCY ROOM.—

(1) IN GENERAL.—Notwithstanding section 1916(b)(3) and the previous provisions of this section, but subject to the limitations of paragraph (2), a State may, to the extent that its hospital emergency department is found by the Secretary (acting through the Health Resources and Services Administration) to be providing care and services for non-emergency services furnished to an individual (within one or more groups of individuals specified by the State) in a hospital emergency department under this section if the following conditions are met:

(A) ACCESS TO NON-EMERGENCY ROOM PROVIDER.—The individual has actually available and accessible (as such term is defined by section 1916(b)(3)) an alternate non-emergency services provider with respect to such services.

(B) TO MODIFY ANY OBLIGATIONS WITH RESPECT TO PAYMENT OR COVERAGE OF EMERGENCY SERVICES BY ANY MANAGED CARE ORGANIZATION.—Nothing in this section shall be construed to prevent a State from applying (or waiving) cost sharing otherwise permissible under this section to services described in clause (ii).

(III) THE FACT THAT SUCH ALTERNATE PROVIDER CAN PROVIDE THE SERVICES WITHOUT THE IMPOSITION OF THE INCREASE IN COST SHARING DESCRIBED IN CLAUSE (I) OR (II).—The hospital must inform the beneficiary after the appropriate screening assessment, but before providing the non-emergency services, of the following:

(i) The hospital may require the payment of the State specified cost sharing before the service can be provided.

(ii) The name and location of an alternate non-emergency services provider (described in subparagraph (A)) that is actually available and accessible (as defined in such subparagraph).

(III) THE FACT THAT SUCH ALTERNATE PROVIDER CAN PROVIDE THE SERVICES WITHOUT THE IMPOSITION OF THE INCREASE IN COST SHARING DESCRIBED IN CLAUSE (I) OR (II).—The hospital must inform the beneficiary after the appropriate screening assessment, but before providing the non-emergency services, of the following:

(i) The hospital may require the payment of the State specified cost sharing before the service can be provided.

(ii) The name and location of an alternate non-emergency services provider (described in subparagraph (A)) that is actually available and accessible (as defined in such subparagraph).

(III) THE FACT THAT SUCH ALTERNATE PROVIDER CAN PROVIDE THE SERVICES WITHOUT THE IMPOSITION OF THE INCREASE IN COST SHARING DESCRIBED IN CLAUSE (I) OR (II).—The hospital must inform the beneficiary after the appropriate screening assessment, but before providing the non-emergency services, of the following:

(i) The hospital may require the payment of the State specified cost sharing before the service can be provided.

(ii) The name and location of an alternate non-emergency services provider (described in subparagraph (A)) that is actually available and accessible (as defined in such subparagraph).

(III) THE FACT THAT SUCH ALTERNATE PROVIDER CAN PROVIDE THE SERVICES WITHOUT THE IMPOSITION OF THE INCREASE IN COST SHARING DESCRIBED IN CLAUSE (I) OR (II).—The hospital must inform the beneficiary after the appropriate screening assessment, but before providing the non-emergency services, of the following:

(i) The hospital may require the payment of the State specified cost sharing before the service can be provided.

(ii) The name and location of an alternate non-emergency services provider (described in subparagraph (A)) that is actually available and accessible (as defined in such subparagraph).

(III) THE FACT THAT SUCH ALTERNATE PROVIDER CAN PROVIDE THE SERVICES WITHOUT THE IMPOSITION OF THE INCREASE IN COST SHARING DESCRIBED IN CLAUSE (I) OR (II).—The hospital must inform the beneficiary after the appropriate screening assessment, but before providing the non-emergency services, of the following:

(i) The hospital may require the payment of the State specified cost sharing before the service can be provided.

(ii) The name and location of an alternate non-emergency services provider (described in subparagraph (A)) that is actually available and accessible (as defined in such subparagraph).

(III) THE FACT THAT SUCH ALTERNATE PROVIDER CAN PROVIDE THE SERVICES WITHOUT THE IMPOSITION OF THE INCREASE IN COST SHARING DESCRIBED IN CLAUSE (I) OR (II).—The hospital must inform the beneficiary after the appropriate screening assessment, but before providing the non-emergency services, of the following:

(i) The hospital may require the payment of the State specified cost sharing before the service can be provided.

(ii) The name and location of an alternate non-emergency services provider (described in subparagraph (A)) that is actually available and accessible (as defined in such subparagraph).
the hospital or physician. The previous sentence shall not affect any liability under section 1867 or otherwise applicable under State law based upon the provision (or failure to provide)."

(5) Definitions.—For purposes of this subsection:

(A) Non-emergency services.—The term ‘‘non-emergency services’’ means any care or services furnished in a emergency department of a hospital that the physician determines do not constitute an appropriate medical service or examination or stabilizing examination and treatment screening required to be provided by the hospital under section 1867.

(B) Alternate non-emergency services provider.—The term ‘‘alternate non-emergency services provider’’ means, with respect to non-emergency services for the diagnosis or treatment of a condition, a health care provider, such as a physician’s office, health care clinic, community health center, hospital outpatient department, or similar health care provider, that provides clinically appropriate services and that is participating in the program under this title.

(C) Payments for establishment of alternate non-emergency services providers.—Section 1903 of the Social Security Act (42 U.S.C. 1396b) is amended by adding after subparagraph (a) the following new subparagraph:

‘‘(x) Payments for Establishment of Alternate Non-Emergency Services Providers.—The Secretary shall provide preference to States that establish, or provide for, alternate non-emergency services providers (as defined in section 1916A(a)(5)(B)), networks of such providers.

(D) Limitation.—The total amount of payments under subsection (a), subject to paragraph (2), the Secretary shall provide for payments to States under such subsection shall be treated as payment of other insurance premiums described in the third sentence of section 1906(a).

(E) Qualified.—For purposes of subparagraph (A), the term ‘‘qualified coverage’’ means coverage under this subsection that shall be considered to be benchmark coverage under section 2001.

(F) Benchmark dental coverage.—For purposes of subparagraph (A), the term ‘‘benchmark dental coverage’’ means, with respect to a State, dental benefits coverage that is equivalent to or better than the dental benefits coverage of the benefit plan that covers the greatest number of individuals in the State for medical assistance under this title.

(G) Application.—(A) In general.—Except as provided in subparagraph (B), a State may require that a full-benefit eligible individual (as defined in subparagraph (F)) within the establishment of alternate non-emergency services providers (as defined in section 1916A(a)(5)(B)), or networks of such providers that—

(i) serve rural or underserved areas;

(ii) are in partnership with local community hospitals;

(iii) provide for the payment of amounts provided under this subsection.

(B) Limitation.—In providing for payments under this subsection, the Secretary shall provide for payments to States under such subsection only for the establishment of alternate non-emergency services providers (as defined in section 1916A(a)(5)(B)), or networks of such providers that—

(i) serve rural or underserved areas where beneficiaries under this title may not have regular access to providers of primary care services; or

(ii) are in partnership with local community hospitals.

(4) Form and manner of payment.—(A) Payment to a State under this subsection shall be made by the Secretary and provided for the purpose of securing the promise of such services in such form and in such manner as the Secretary shall specify. Payment to a State under this subsection shall be made in the same manner as payments under section 1903(a).

(c) Effective date.—The amendments made by this section shall apply to non-emergency services furnished on or after the date of the enactment of this Act.

SEC. 3124. USE OF BENCHMARK BENEFIT PACKAGES

Title XIX of the Social Security Act is amended by redesignating section 1936 as section 1937 and by inserting after section 1936 the following:

‘‘State Flexibility in Benefit Packages.—Sec. 1936. (a) State Option of Providing Benchmark Benefits.—

(1) Authority.—(A) In general.—Notwithstanding any other provision of this title, a State, at its option, may provide for medical assistance under this title to individuals within one or more groups of individuals specified by the State through enrollment in coverage that provides—

(i) benefits described in subsection (b)(1) and, for a qualifying child, benchmark dental coverage as defined in paragraph (F); or

(ii) benefits described in paragraph (F), and for a qualifying child, benchmark dental coverage as defined in paragraph (F).

(2) Limitation.—The State may only exercise the option under paragraph (1) for eligibility categories that had been established before the date of the enactment of this section.

(3) Option of wrap-around benefits.—In the case of coverage described in subparagraph (A), the State, at its option, may provide such wrap-around or additional benefits as the State may specify.

(4) Treatment as medical assistance.—Payments for benchmark coverage under this subsection shall be treated as payment of other insurance premiums described in the third sentence of section 1906(a).

(b) Establishment of Alternate Non-Emergency Services Providers.—Section 1903 of the Social Security Act (42 U.S.C. 1396b) is amended by adding after subparagraph (a) the following new subparagraph:

‘‘(x) Payments for Establishment of Alternate Non-Emergency Services Providers.—The Secretary shall provide preference to States that establish, or provide for, alternate non-emergency services providers (as defined in section 1916A(a)(5)(B)), or networks of such providers.

(2) Limitation.—The total amount of payments under subsection (a), subject to paragraph (2), the Secretary shall provide for payments to States under such subsection shall be treated as payment of other insurance premiums described in the third sentence of section 1906(a).

(3) Preference.—In providing for payments to States under this subsection, the Secretary shall provide preference to States that establish, or provide for, alternate non-emergency services providers (as defined in section 1916A(a)(5)(B)), or networks of such providers that—

(i) serve rural or underserved areas where beneficiaries under this title may not have regular access to providers of primary care services; or

(ii) are in partnership with local community hospitals.

(4) Form and manner of payment.—Payment to a State under this subsection shall be made by the Secretary and provided for the purpose of securing the promise of such services in such form and in such manner as the Secretary shall specify. Payment to a State under this subsection shall be made in the same manner as payments under section 1903(a).

(c) Effective date.—The amendments made by this section shall apply to non-emergency services furnished on or after the date of the enactment of this Act.

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Title XIX of the Social Security Act is amended by redesignating section 1936 as section 1937 and by inserting after section 1936 the following:

‘‘State Flexibility in Benefit Packages.—Sec. 1936. (a) State Option of Providing Benchmark Benefits.—

(1) Authority.—(A) In general.—Notwithstanding any other provision of this title, a State, at its option, may provide for medical assistance under this title to individuals within one or more groups of individuals specified by the State through enrollment in coverage that provides—

(i) benefits described in subsection (b)(1) and, for a qualifying child, benchmark dental coverage as defined in paragraph (F); or

(ii) benefits described in paragraph (F), and for a qualifying child, benchmark dental coverage as defined in paragraph (F).

(2) Limitation.—The State may only exercise the option under paragraph (1) for eligibility categories that had been established before the date of the enactment of this section.

(3) Option of wrap-around benefits.—In the case of coverage described in subparagraph (A), the State, at its option, may provide such wrap-around or additional benefits as the State may specify.

(4) Treatment as medical assistance.—Payments for benchmark coverage under this subsection shall be treated as payment of other insurance premiums described in the third sentence of section 1906(a).

(5) Reference.—For purposes of subparagraph (A), the term ‘‘qualified coverage’’ means coverage under this subsection that shall be considered to be benchmark coverage under section 2001.

(6) FEHBP-equivalent health insurance coverage.—The standard Blue Cross/Blue Shield preferred provider option service defined in paragraphs (1)(A), (1)(B), and (2)(A) of section 1295(b)(3) of the Public Health Service Act, and

(ii) has the largest insured commercial, non-medicaid enrollment of covered lives of such coverage plans offered by such a health maintenance organization in the State involved.

(2) Benchmark-equivalent coverage.—For purposes of subsection (a)(1), coverage that meets the following requirements shall be considered to be benchmark-equivalent coverage:

(A) Inclusion of basic services.—The coverage includes benefits for items and services within the following categories of basic services:

(i) Inpatient and outpatient hospital services.

(ii) Physicians’ surgical and medical services.

(iii) Laboratory and x-ray services.

(iv) Well-baby and well-child care, including immunizations.

(v) Other appropriate preventive services, as designated by the Secretary.

(B) Aggregate actuarial value equivalent benchmark coverage has an aggregate actuarial value that is at least actuarially equivalent to the benchmark benefit packages described in paragraph (1).

(3) Substantial actuarial value for additional services included in benchmark package.—With respect to each of the following categories of additional services for which coverage is provided under the benchmark benefit package used under subparagraph (B), the coverage has an actuarial value that is at least 75 percent of the actuarial value of the coverage of that category of services in such package:

(i) Coverage of prescription drugs.

(ii) Dental services.

(iii) Vision services.

(iv) Hearing services.

(6) Authority.—(A) In general.—Notwithstanding any other provision of this title, a State, at its option, may provide for medical assistance under this title to individuals within one or more groups of individuals specified by the State through enrollment in coverage that provides—

(i) benefits described in subsection (b)(1) and, for a qualifying child, benchmark dental coverage as defined in paragraph (F); or

(ii) benefits described in paragraph (F), and for a qualifying child, benchmark dental coverage as defined in paragraph (F).

(2) Limitation.—The State may only exercise the option under paragraph (1) for eligibility categories that had been established before the date of the enactment of this section.

(3) Option of wrap-around benefits.—In the case of coverage described in subparagraph (A), the State, at its option, may provide such wrap-around or additional benefits as the State may specify.

(4) Treatment as medical assistance.—Payments for benchmark coverage under this subsection shall be treated as payment of other insurance premiums described in the third sentence of section 1906(a).

(5) Reference.—For purposes of subparagraph (A), the term ‘‘qualified coverage’’ means coverage under this subsection that shall be considered to be benchmark coverage under section 2001.

(6) FEHBP-equivalent health insurance coverage.—The standard Blue Cross/Blue Shield preferred provider option service defined in paragraphs (1)(A), (1)(B), and (2)(A) of section 1295(b)(3) of the Public Health Service Act, and

(ii) has the largest insured commercial, non-medicaid enrollment of covered lives of such coverage plans offered by such a health maintenance organization in the State involved.

(2) Benchmark-equivalent coverage.—For purposes of subsection (a)(1), coverage that meets the following requirements shall be considered to be benchmark-equivalent coverage:

(A) Inclusion of basic services.—The coverage includes benefits for items and services within the following categories of basic services:

(i) Inpatient and outpatient hospital services.

(ii) Physicians’ surgical and medical services.

(iii) Laboratory and x-ray services.

(iv) Well-baby and well-child care, including immunizations.

(v) Other appropriate preventive services, as designated by the Secretary.

(B) Aggregate actuarial value equivalent benchmark coverage has an aggregate actuarial value that is at least actuarially equivalent to one of the benchmark benefit packages described in paragraph (1).

(3) Substantial actuarial value for additional services included in benchmark package.—With respect to each of the following categories of additional services for which coverage is provided under the benchmark benefit package used under subparagraph (B), the coverage has an actuarial value that is at least 75 percent of the actuarial value of the coverage of that category of services in such package:

(i) Coverage of prescription drugs.

(ii) Dental services.

(iii) Vision services.

(iv) Hearing services.
"(3) Determination of actuarial value.—The actuarial value of coverage of benchmark benefit packages shall be set forth in an actuarial opinion in an actuarial report that:

(A) by an individual who is a member of the American Academy of Actuaries;

(B) using generally accepted actuarial principles and methodologies;

(C) using a standardized set of utilization and price factors;

(D) using a standardized population that is representative of the population involved;

(E) applying the same principles and factors in comparing the value of different coverage options used;

(F) without taking into account any differences in coverage based on the method of delivery or means of cost control or utilization used; and

(G) taking into account the ability of a State to reduce benefits by taking into account the increases in actuarial value of benefits coverage offered under this title that results from the limitations on cost sharing under such coverage.

The actuary preparing the opinion shall select a memorandum on the standardized set and population to be used under subparagraphs (C) and (D).

(4) Coverage of rural health clinic and PPSQHCA. Notwithstanding the previous provisions of this section, a State may not provide for medical assistance through enrollment of an individual with benchmark coverage reduced to an equivalent coverage under this section unless—

(A) the individual has access, through such coverage or otherwise, to services described in subparagraphs (B) and (C) of section 1905(a)(2); and

(B) payment for such services is made in accordance with the requirements of section 1902(b)(5).

SEC. 3125. STATE OPTION TO ESTABLISH NON-EMERGENCY MEDICAL TRANSPORTATION PROGRAM.

(a) In general.—Section 1902(a) of the Social Security Act (42 U.S.C. 1396a(a)) is amended—

(1) in paragraph (66), by striking ‘‘and at the end;’’

(2) in paragraph (67) by striking the period at the end and inserting ‘‘and at the end;’’

(b) Conditions.—Section 1902 of such Act (42 U.S.C. 1396a) is amended by adding at the end the following new paragraph:

‘‘(28) subject to section 1902(cc), home and community-based services (within the scope of services described in paragraph (4)(B) of section 1915(c) for which the Secretary has the authority to approve a waiver and not including room and board) provided pursuant to a written plan of care for individuals—

(A) who are age 65 or older, who are disabled (as defined under the State plan), who are persons with developmental disabilities or mental retardation or persons with related conditions and within a subgroup thereof under the State plan;

(B) with respect to whom there has been a determination, in the manner described in paragraph (1) of such section, that but for the provision of such services the individuals would require the level of care provided in a hospital, a nursing facility, or an intermediate care facility for persons with mental retardation or other related conditions and mentally retarded or whose cost of which could be reimbursed under the State plan; and

(C) who qualify for medical assistance under the eligibility standards in effect in the State (which may include standards in effect under an approved waiver) as of the date of the enactment of this paragraph;’’.

(b) Conditions.—Section 1902 of such Act (42 U.S.C. 1396a) is amended by adding at the end the following new paragraphs:

‘‘(cc) Provision of home and community-based services under State plan.—

(1) Conditions.—A State may provide home and community-based services under section 1905(a)(28), other than through a waiver or demonstration project under section 1915 or 1115, only if the following conditions are met:

(A) Expiration of previous waiver.—Any State waiver or demonstration project under either such section with respect to services for individuals described in such section has expired.

(B) Information.—The State must monitor and report to the Secretary in a form and manner specified by the Secretary and on a quarterly basis, enrollment and expenditures for provision of such services under such section.

(2) Options.—Notwithstanding any other provision of this title, in a State’s provision of services under section 1905(a)(28)—

(A) the State may comply with the requirements of section 1902(a)(1) (relating to statewideness), section 1902(a)(10)(B) (relating to comparability), and section 1902(a)(11)(C)(iii) (related to resource rules applicable in the community); and

(B) a State may limit the number of individuals who are eligible for such services and may establish waiting lists for the receipt of such services; and

(C) a State may limit the amount, duration, and scope of such services.

Nothing in this section shall be construed as applying the previous sentence to any items or services other than home and community-based services provided under section 1915(c).

‘‘(3) Use of electronic data.—The State shall permit health care providers to comply with documentation and data requirements imposed with respect to home and community-based services through the maintenance of data in electronic form rather than in paper form.

‘‘(4) Effective date.—The amendments made by this section shall apply to home and community-based services furnished on or after October 1, 2009.

SEC. 3132. OPTIONAL CHOICE OF SELF-DIRECTED PERSONAL ASSISTANCE SERVICES.

(a) Exemption from certain requirements.—Section 1915 of the Social Security Act (42 U.S.C. 1396n) is amended by adding at the end the following new subsection:

‘‘(i) A State may provide, as ‘medical assistance’ payment for part or all of the cost of self-directed personal assistance services (other than room and board) under the plan which are provided pursuant to a written plan of care to individuals with respect to whom there has been a determination that, for the provision of such services, the individuals would require the level of care provided in a hospital, a nursing facility, or an intermediate care facility for persons with mental retardation or other related conditions and mentally retarded, or whose cost of which could be reimbursed under the State plan; and

(ii) A State shall not grant approval for a State self-directed personal assistance services program under this section unless the State provides assurances satisfactory to the Secretary of the following:

(A) Necessary safeguards have been taken to protect the health and welfare of individuals provided services under this subsection, to assure financial accountability for funds expended with respect to such services.

(B) The State will provide, with respect to individuals who—

(i) are entitled to medical assistance for personal care services under the plan, or receive home and community-based services under a waiver granted under subsection (c) of such section; and

(ii) are eligible for self-directed personal assistance services; and

(C) are eligible for self-directed personal assistance services; and

(iii) may require self-directed personal assistance services; and

(D) may receive such services; and

(E) shall submit, to Congress, a report on an evaluation of the need for personal care under the plan, or personal services under a waiver granted under subsection (c).

(b) Waiver.—The amendments made by subsection (a) take effect on the date of the enactment of this paragraph, but for the purpose of paragraph (1) of such section, that but for the provision of such services the individuals would require the level of care provided in a hospital, a nursing facility, or an intermediate care facility for persons with mental retardation or other related conditions and mentally retarded or whose cost of which could be reimbursed under the State plan; and

(C) who qualify for medical assistance under the eligibility standards in effect in the State (which may include standards in effect under an approved waiver) as of the date of the enactment of this paragraph;’’.

(c) Effective date.—The amendments made by this section shall apply to home and community-based services furnished on or after October 1, 2009.
“(C) Such individuals who are determined to be likely to require personal care under the plan, or home and community-based services under a waiver granted under subsection (c), are entitled to receive personal assistance services, consistent with the following:

(i) builds upon the participant’s capacity to engage in activities that promote community life and that respects the participant’s preferences, choices, and abilities; and

(ii) involves families, friends, and professionals in the planning or delivery of services or supports as desired or required by the participant.

(D) SERVICE BUDGET.—A budget for such services and supports for the participant has been established and modified by the State based on such assessment and plan and on a methodology that uses valid, reliable cost data, is open to public inspection, and includes calculation of the expected cost of such services if those services were not self-directed. The budget may not restrict access to other medically necessary care and services that are otherwise available under the plan established and modified by the State but not included in the budget.

(E) APPLICATION OF QUALITY ASSURANCE AND RISK MANAGEMENT.—There are appropriate quality assurance and risk management programs in the establishment of a plan and budget for such services, consistent with the following:

(i) involves the participation of the participant or such persons as the participant designates and/or the State Medicaid agency under section 1917(b)(5)(C)(ii) of the Social Security Act.

(ii) involves the development of a plan and budget by the State for a support services or personal assistance services program that are appropriate assessed and counseled prior to enrollment and are able to manage the support services and management support may be provided at the request of the participant.

(2) A State may provide self-directed personal assistance services under the State plan every three years.

(3) A State may provide self-directed personal assistance services under the State plan without regard to the requirements of section 1902(a)(1) and may limit the population to those persons who limit the number of persons served without regard to section 1902(a)(10)(B).

(4)(A) For purposes of this subsection, the term ‘personal assistance services’ means personal care and related services, or home and community-based services otherwise available under the plan under this subsection (c), that are provided to an eligible participant under a self-directed personal assistance services program under this section, under which individuals, within the scope of such personal assistance services plan and budget, purchase personal assistance and related services, and permits participants to hire, fire, supervise, and manage the individuals providing such services.

(B) At the election of the State—

(i) a participant may choose to use any individual capable of providing the assigned tasks including legally liable relatives as paid providers of the services; and

(ii) the individual may use the individual capable of providing the assigned tasks including legally liable relatives as paid providers of the services and the individual’s children, or in the case of a participant who is a minor child, the participant’s parent or guardian, or in the case of an incapacitated adult, another individual recognized by State law to act on behalf of the participant) exercises choice and control over the budget, planning, and purchase of self-directed personal assistance services, including the amount, duration, scope, provider, and location of service provision.

(5) For purposes of this section, the term ‘approved self-directed services plan and budget’ means, with respect to a participant, the establishment of a plan and budget for the provision of self-directed personal assistance services consistent with the following requirements:

(A) SELF-DIRECTION.—The participant or, in the case of a participant who is a minor child, the participant’s parent or guardian, or in the case of an incapacitated adult, another individual recognized by State law to act on behalf of the participant) exercises choice and control over the budget, planning, and purchase of self-directed personal assistance services, including the amount, duration, scope, provider, and location of service provision.

(B) ASSESSMENT OF NEEDS.—There is an assessment of the needs, strengths, and preferences of the participants for such services.

(C) A plan for self-directed personal assistance services (and supports for such services) for the participant has been developed and approved by the State based on such assessment through the established and modified plan.

(D) The State will provide to the Secretary an annual report of the number of individuals served and total expenditures on their behalf in the aggregate. The State shall also provide an evaluation of overall impact on the individuals served and total expenditures on their behalf in the aggregate and shall provide to the Secretary an annual report of the number of individuals served and total expenditures on their behalf in the aggregate.

(E) A State may provide a financial management entity to make payments to providers, track costs, and make reports under the plan established and modified by the State but not included in the budget.

(F) A State may use a budgeting process to evaluate and oversee the extent of services that are actually provided to participants under this section for all services for which the State determines may be appropriate to the administration of such partnerships.

(3) A State may provide self-directed personal assistance services under a waiver granted under subsection (c).

(4) A State may provide a financial management entity to make payments to providers, track costs, and make reports under the plan established and modified by the State but not included in the budget.

(E) A State may provide a financial management entity to make payments to providers, track costs, and make reports under the plan established and modified by the State but not included in the budget.

(F) A State may use a budgeting process to evaluate and oversee the extent of services that are actually provided to participants under this section for all services for which the State determines may be appropriate to the administration of such partnerships.

(V) The issuer of the policy provides regular reports to the Secretary that include, in accordance with regulations of the Secretary (promulgated after consultation with the National Association of Insurance Commissioners, State insurance commissioners, and other Federal agencies as appropriate) and consistent with the requirements of section 1938; and

(2) promotes and funds a uniform minimum data set to be reported electronically by all issuers of long-term care insurance policies under qualified State long-term care insurance partnerships with a qualified State long-term care insurance partnership (as defined in clause (iii)) after 1993; and

(iv) the individual may use the individual capable of providing the assigned tasks including legally liable relatives as paid providers of the services and the individual’s children, or in the case of a participant who is a minor child, the participant’s parent or guardian, or in the case of an incapacitated adult, another individual recognized by State law to act on behalf of the participant) exercises choice and control over the budget, planning, and purchase of self-directed personal assistance services, including the amount, duration, scope, provider, and location of service provision.

(V) The State Medicaid agency under section 1917(b)(5)(C)(ii) of the Social Security Act was approved as of May 14, 1993.

(E) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to plans and services furnished on or after January 1, 2006.

SEC. 3133. EXPANSION OF STATE LONG-TERM CARE PARTNERSHIP PROGRAM.

(a) In General.—Subsection (a)(1) of the Social Security Act (42 U.S.C. 1396b) is amended—

(1) in clause (ii), by inserting ‘‘or which has a State plan amendment that provides for a qualified State long-term care insurance partnership (as defined in clause (iii))’’ after ‘‘1993,’’ and

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

(iii) For purposes of this paragraph, the term ‘qualified State long-term care insurance partnership (as defined in clause (iii))’ after ‘‘1993,’’ and

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall be construed as affecting the treatment of long-term care insurance policies that will be, are, or were provided under a State plan amendment described in section 1917(b)(1)(C)(ii) of the Social Security Act that was approved as of May 14, 1993.

(c) CONGRESSIONAL RECORD

SEC. 3134. HEALTH OPPORTUNITY ACCOUNTS.

(a) In General.—This title XIX of the Social Security Act, as amended by section 3124, is amended—

(1) by redesignating section 1917 as section 1938; and

(2) by inserting after section 1938 the following:

SEC. 3134. HEALTH OPPORTUNITY ACCOUNTS.

(a) In General.—Notwithstanding any other provision of this title, the Secretary shall establish a demonstration program
under which States may provide under their State plans under this title (including such a plan operating under a statewide waiver under section 1115) in accordance with this section.

(7) Alternative benefits—Alternative benefits consistent with subsection (c) for eligible population groups in one or more geographic areas of the State specified by the Secretary, and under the State demonstration program covering one or more geographic areas specified by the State. After such 5-year period—

(A) unless the Secretary finds, taking into account cost-effectiveness, quality of care, and other criteria that the Secretary specifies, that a State demonstration program previously implemented has been unsuccessful, such a demonstration program may be extended or made permanent in the State; and

(B) unless the Secretary finds, taking into account cost-effectiveness, quality of care, and other criteria that the Secretary specifies, that all State demonstration programs implemented were unsuccessful, other States may implement State demonstration programs.

(3) Approval.—The Secretary shall not approve a demonstration program under paragraph (1) unless the program includes the following:

(A) Creating patient awareness of the high cost of medical care.

(B) Providing incentives to patients to seek preventive care services.

(C) Reducing inappropriate use of health care services.

(D) Enabling patients to take responsibility for health outcomes.

(E) Providing enrollment counselors and ongoing education activities.

(F) Providing transactions involving health opportunity accounts to be conducted electronically and without cash.

(G) Ensuring that negotiated provider payment rates consistent with this section.

Nothing in this section shall be construed as preventing the Secretary from providing incentives for obtaining appropriate preventive care (as defined for purposes of section 223(c)(2)(C) of the Social Security Act (42 U.S.C. 1396p)), such as additional account contributions for an individual demonstrating healthy preventive practices.

(4) No requirement for Statewide participation.—Nothing in this section or any other provision of law shall be construed to require that a State must provide for the implementation of a State demonstration program on a Statewide basis.

(5) Reports.—The Secretary shall periodically submit to Congress reports regarding the success of State demonstration programs.

(b) Eligible population groups.—

(1) General.—A State demonstration program under this section shall specify the eligible population groups consistent with paragraphs (2) and (3).

(2) Eligibility limitations during initial demonstration period.—During the initial 5 years of the demonstration program under this section, a State demonstration program shall not apply to any of the following individuals:

(A) Individuals who are 65 years of age or older.

(B) Individuals who are disabled, regardless of whether or not their eligibility for medical assistance under this title is based on such disability.

(C) Individuals who are eligible for medical assistance under this title only because they are (or were within the previous 60 days) pregnant.

(D) Individuals who have been eligible for medical assistance for a continuous period of less than 3 months.

(E) Additional limitations.—A State demonstration program shall not apply to any individual within a category of individuals described in section 1902(a)(2)(B).

(3) Limitations.—

(A) State option.—This subsection shall not be construed as preventing a State from further limiting eligibility.

(B) On oath, or affirmation of, individuals who participate in a demonstration program and who are enrolled in the State demonstration program for purposes of this title, that the individual may obtain demonstration program medical assistance services from—

(i) any participating provider under this title at the same payment rates that would be applicable to such services if the deductible described in paragraph (1)(A) was not applicable;

(ii) any provider at payment rates that do not exceed 125 percent of the payment rate that would be applicable to such services if the deductible described in paragraph (1)(A) was not applicable.

(C) Treatment under Medicaid managed care plans.—In the case of an individual who is participating in a demonstration program and is enrolled with a Medicaid managed care organization, the Secretary shall enter into an arrangement with the organization under which the individual may obtain demonstration program medical assistance services from any provider at payment rates that do not exceed the payment rate that would be applicable to such services if the deductible described in paragraph (1)(A) was not applicable.

(D) Definitions.—For purposes of this paragraph:

(i) the term ‘‘Medicaid managed care plan’’ means, with respect to an individual participating in a demonstration program, an organization with which the individual has entered into a participation agreement under which States may provide under their demonstration program medical assistance services to individuals enrolled in the organization who participate in the program under this title but for the application of the deductible described in paragraph (1)(A); and

(ii) the term ‘‘participating provider’’ means—

(I) with respect to an individual described in subparagraph (B) who is enrolled in a Medicaid managed care organization, a health care provider that has entered into an arrangement for the provision of services to enrollees of the organization under this title described in paragraph (1)(A); and

(ii) with respect to an individual described in subparagraph (B) who is enrolled in a Medicaid managed care organization, a health care provider that has entered into an arrangement for the provision of services to individuals enrolled in the organization under this title described in paragraph (1)(A).

(E) No effect on subsequent benefits.—Except as provided under paragraph (1)(A) and (2), alternative benefits for an eligible individual shall consist of the benefits otherwise available under this title, after any alternative benefits described in paragraph (2) have been met; and

(F) contribution into a health opportunity account.

(iii) Nothing in paragraph (A) shall be construed as preventing a State from providing for coverage of preventive care (referred to in subsection (a)(3)) within the alternative benefits without regard to the annual deductible.

(2) Annual deductible.—The amount of the annual deductible described in paragraph (1)(A) shall be at least 100 percent, but no more than 110 percent, of the annualized amount of contributions to the health opportunity account under subsection (d)(2)(A)(i), determined without regard to any limitations described in subsection (d)(2)(C)(i).II.

(3) Access to negotiated provider payment rates.—The provisions of section 1902(a)(10)(B) (relating to comparability) shall not apply with respect to the provision of alternative benefits (as described in this subsection) relating to cost sharing relating to such benefits.

(4) Overriding cost sharing and comparability requirements for alternative benefits.—The provisions of section 1902(a)(10)(B) (relating to comparability) shall not apply with respect to the provision of alternative benefits (as described in this subsection) relating to cost sharing relating to such benefits.

(5) Treatment as medical assistance.—Subject to subparagraphs (D) and (E) of subsection (d)(2), payments for alternative benefits under this section (including contributions to a health opportunity account) shall be treated as medical assistance for purposes of section 1903(a).

(6) Use of tiered deductible and cost sharing.—

(A) In general.—A State—

(i) may vary the amount of the annual deductible described in paragraph (1)(A) based on the income of the family involved so long as it does not favor families with higher income over those with lower income; and

(ii) may vary the maximum out-of-pocket cost sharing (as defined in subparagraph (B)) based on the income of the family involved so long as it does not favor families with higher income over those with lower income; and

(B) Treatment under Medicaid managed care plans.—In the case of an individual who is participating in a demonstration program and is enrolled with a Medicaid managed care organization, the Secretary shall enter into an arrangement with the organization under which the individual may obtain demonstration program medical assistance services from any provider at payment rates that do not exceed the payment rate that would be applicable to such services if the deductible described in paragraph (1)(A) was not applicable.

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the family involved so long as it does not favor families with higher income over those with lower income.

(2) **MAXIMUM OUT-OF-POCKET COST SHARING.—In paragraph (A)(ii), the term ‘maximum out-of-pocket cost sharing’ means, for an individual or family, the amount by which the annual deductible level applied under paragraph (1)(A) to the individual or family exceeds the balance in the health opportunity account for the individual or family.

(3) **CONTRIBUTIONS BY EMPLOYERS.—Nothing in this section shall be construed as preventing an employer from providing health benefits consisting of the contributions described in paragraph (1)(A) to individuals who are provided alternative benefits under this section.

(4) **HEALTH OPPORTUNITY ACCOUNT.—

(1) IN GENERAL.—For purposes of this section, the term ‘health opportunity account’ means an account that meets the requirements of—

(ii) contributions by other persons and organizations, including charitable organizations.

(2) **STATE CONTRIBUTION.—

(A) **LIMITATION ON ANNUAL STATE CONTRIBUTION PROVIDED AND PERMITTING IMPOSITION OF MAXIMUM ACCOUNT BALANCE.—

(i) **IN GENERAL.—A State—

(II) may limit contributions into such an account once the balance in the account reaches a level specified by the State; and—

(ii) **LIMITATION ON ANNUAL STATE CONTRIBUTION PROVIDED AND PERMITTING IMPOSITION OF MAXIMUM ACCOUNT BALANCE.—

(II) may, subject to clause (iv), be made into an account after becoming ineligible for public benefit.

(3) **USE.—

(I) Subject to subparagraph (c), the balance in the account shall be reduced by 25 percent; and—

(ii) **LIMITATION ON ANNUAL STATE CONTRIBUTION PROVIDED AND PERMITTING IMPOSITION OF MAXIMUM ACCOUNT BALANCE.—

(II) may, subject to subparagraph (c), be made into an account after becoming ineligible for public benefit.

(4) **SPECIAL RULES.—Withdrawals under this subparagraph from an account in accordance with the Federal matching requirements established under section 1903(a)(7).

(5) **TREATMENT.—Amounts in, or contributed to, a health opportunity account shall not be counted as income or assets for purposes of determining eligibility for benefits under this title.

(6) **UNAUTHORIZED WITHDRAWALS.—A State may establish procedures—

(A) to penalize or remove an individual from the health opportunity account based on nonqualified withdrawals by the individual from such an account; and—

(B) to recoup costs that derive from such nonqualified withdrawals.

CHAPTER 5—OTHER PROVISIONS

SEC. 3141. **INCREASE IN MAXIMUM PAYMENTS TO INSULAR AREAS.

Section 1108(g) of the Social Security Act (42 U.S.C. 1308(g)) is amended—

(1) in paragraph (2), by inserting ‘‘and such other similar organizations as the State finds they are not medically appropriate or necessary.’’ after ‘‘insurance coverage’’; and—

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

(2) **STATE MATCHING.—

(A) **IN GENERAL.—Subject to paragraph (2), an account holder of a health opportunity account in excess of the limitations provided under paragraph (4)(A)(i) may contribute under subparagraph (A)(ii) amounts to a health opportunity account in excess of the limitations provided under subparagraph (A)(i) to the extent consistent with the purposes of maintaining or using the account.

(B) **APPLICATION OF DIFFERENT MATCHING REQUIREMENTS.—An account holder may provide a method under which, for expenditures made from a health opportunity account for medical care for which the Federal matching rate under paragraph (2)(A)(i) exceeds the Federal medical assistance percentage, a State may obtain payment under such paragraph at such higher matching rate for such expenditures.

(C) **CONCLUSION.—There shall be no account held in a health opportunity account from which the contributions described in paragraph (1)(A) may be made into a health opportunity account.

(D) **TREATMENT.—Amounts in, or contributed to, a health opportunity account shall not be counted as income or assets for purposes of determining eligibility for benefits under this title.

(E) **UNAUTHORIZED WITHDRAWALS.—A State may establish procedures—

(A) to penalize or remove an individual from the health opportunity account based on nonqualified withdrawals by the individual from such an account; and—

(B) to recoup costs that derive from such nonqualified withdrawals.

SEC. 3142. **MANAGED CARE ORGANIZATION PROVIDER TAX REFORM.

(a) **IN GENERAL.—Section 13196(w)(7)(A)(viii) of the Social Security Act (42 U.S.C. 13196(w)(7)(A)(viii)) is amended to read as follows:

‘‘(viii) Services of managed care organizations (including health maintenance organizations, preferred provider organizations, and such other similar organizations as the Secretary may specify by regulation).’’

(b) **EFFECTIVE DATE.—

(1) **IN GENERAL.—Subject to paragraph (2), the amendment made by subsection (a) shall be effective as of the date of the enactment of this Act.

(2) **GRANDFATHER.—

(A) **GRANDFATHER.—Subject to subparagraph (B), the case of a State that has had approved as of the date of the enactment of this Act a provider tax on services described
in section 1903(w)(7)(A)(viii) of the Social Security Act, as amended by subsection (a), such amendment shall be effective as of October 1, 2008.

(b) TRANSITION RULE FOR FISCAL YEAR 2009.—In the case of a State described in subparagraph (A), the amount of any reduction in payment under subsection (a)(1) of section 1903 of the Social Security Act (42 U.S.C. 1396b) that would otherwise be required under subsection (w) of such section for calendar quarters in fiscal year 2009 because of the amount of payments made under section (a) shall be reduced by one-half.

SEC. 3143. MEDICAID TRANSFORMATION GRANTS.—
(a) IN GENERAL.—Section 1903 of the Social Security Act (42 U.S.C. 1396b), as amended by section 3121, is amended by adding at the end the following new subsection:

(1) Method for improving rates of collection from estates of amounts owed under this title.

(2) Methods for reducing waste, fraud, and abuse under the program under this title, such as reducing improper payment rates as measured by annual payment error rates through the implementation and use of electronic health records, electronic clinical decision support tools, or e-prescribing programs.

(3) Application: terms and conditions.—

(A) Limitation on funds.—The following are examples of innovative methods for which funds provided under this subsection may be used:

(A) Methods for reducing patient error rates through the implementation and use of electronic health records, electronic clinical decision support tools, or e-prescribing programs.

(B) Methods for improving rates of collection from estates of amounts owed under this title.

(C) Methods for reducing waste, fraud, and abuse under the program under this title, such as reducing improper payment rates as measured by annual payment error rate reduction (PERM) project rates.

(D) Implementation of a medication risk management program as part of a drug use review program under section 1927(g).

(E) Methods in reducing, in clinically appropriate ways, expenditures under this title for covered outpatient drugs, particularly in the categories of greatest drug utilization, by implementation of generic drug usage through the use of education programs and other incentives to promote greater use of generic drugs.

(F) Application: terms and conditions.—

(A) In general.—No payments shall be made to a State under this subsection unless the State applies to the Secretary for such payments in a form, manner, and time specified by the Secretary.

(B) Terms and conditions.—Such payments are made under this title and conditions consistent with this subsection as the Secretary prescribes.

(C) Annual report.—Payment to a State under this subsection is conditioned on the State submitting to the Secretary an annual report on the programs supported by such payment. Such report shall include information on—

(A) the specific uses of such payment;

(B) an assessment of quality improvements and clinical outcomes under such program; and

(C) estimates of cost savings resulting from such programs.

(4) Funding.

(A) Limitation on funds.—The total amount of payments under this subsection shall be equal to, and shall not exceed—

(i) $50,000,000 for fiscal year 2007, and

(ii) $25,000,000 for fiscal year 2008.

(ii) Period of time.

This subsection constitutes budget authority in advance of appropriations Acts and represents the obligation of the Secretary to provide for the payment of amounts provided under this subsection.

(5) Allocation of funds.—The Secretary shall specify a method for allocating the funds made available under this subsection among States. Such method shall provide preference for States that design programs that target health providers that treat significant numbers of medicaid beneficiaries. Such method shall provide that not less than 25 percent of such funds shall be allocated among States the population of which (as determined according to data collected by the United States Census Bureau) as of July 1, 2004, was more than 10 percent of the population of the United States (as so determined) as of April 1, 2000.

(C) Form and manner of payment.—Payment to a State under this subsection shall not exceed the amount of other payments under section 1903(a). There is no requirement for State matching funds to receive payments under this subsection.

(D) Medication risk management program.—

(1) In general.—For purposes of this subsection, the term ‘‘medication risk management program’’ means a program for targeted beneficiaries that ensures that covered outpatient drugs are appropriately used to optimize therapeutic outcomes through improved medication use and to reduce the risk of adverse events.

(2) Elements.—Such program may include the following:

(A) The use of established principles and standards for drug utilization review and best practices to analyze prescription drug claims of targeted beneficiaries and identify outlier physicians.

(B) An ongoing basis provide outlier physician.

(I) A comprehensive pharmacy claims history for each targeted beneficiary under their care;

(ii) Information regarding the frequency and cost of relapses and hospitalizations of targeted beneficiaries under the physician’s care; and

(iii) Applicable best practice guidelines and empirical references.

(C) Targeted beneficiaries.—For purposes of this paragraph, the term ‘‘targeted beneficiaries’’ means medicare beneficiaries who are identified as having high prescription drug costs and medical costs, such as individuals with behavioral disorders or multiple chronic diseases who are taking multiple medications.”.

SEC. 3144. ENHANCING THIRD PARTY IDENTIFICATION AND PAYMENT.—

(a) Clarification of third parties legally responsible for payment of a claim for a health care item or service.—Section 1902(a)(25) of the Social Security Act (42 U.S.C. 1396b(a)(25)) is amended—

(1) in subparagraph (A), by striking ‘‘and’’ and

(2) in subparagraph (G), by striking ‘‘or’’ and

(b) Requirement for third parties to provide the state with coverage eligibility and claims data.—Section 1922(a)(25) of such Act (42 U.S.C. 1396a(a)(25)) is amended—

(1) in subparagraph (G), by striking ‘‘and’’ at the end;

(2) in subparagraph (H), by adding ‘‘and’’ after the semicolon at the end; and

(3) by inserting after subparagraph (H), the following:

(‘‘i) that the State shall provide assurances satisfactory to the Secretary that the State has in effect laws requiring health insurers, and other parties that are, by statute, contract, or agreement, legally responsible for payment of a claim for a health care item or service, as a condition of doing business in the State, to—

(ii) provide eligibility and claims payment data with respect to an individual who is eligible for, or is provided, medical assistance under the State plan, upon the request of the Secretary;

(iii) accept the submission of the State to any right of an individual or other entity to payment from the party for an item or service for which payment has been made under the State plan;

(iv) respond to any inquiry by the State regarding a claim for payment for any health care item or service享受者享受者的享受者享受者的享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者的享受者
(2) by adding at the end, as amended by sections 3123 and 3143, the following new subsection:

“(a)(1) For purposes of subsection (b)(2), the requirement of paragraph (1) is satisfied, with respect to an individual declaring to be a citizen or national of the United States, that, subject to paragraph (2), there is presented satisfactory documentary evidence of citizenship or nationality as defined in paragraph (3) of the individual.

(2) The requirement of paragraph (1) shall not apply to an alien who is eligible for medical assistance under this title—

(A) and is entitled to or enrolled for benefits under section 1396a(a)(2)(A) of title XVII;

(B) on the basis of receiving supplemental security income benefits under title XVI; or

(C) on such other basis as the Secretary may specify under which satisfactory documentary evidence of citizenship or nationality had been previously presented.

(3)(A) For purposes of this subsection, the term ‘satisfactory documentary evidence of citizenship or nationality’ means—

(i) any document described in subparagraph (B) or (C) of paragraph (2) of section 1915(g) of the Social Security Act;

(ii) a document described in subparagraph (C) of paragraph (2) of section 1915(g) of the Social Security Act; or

(iii) a document described in subparagraph (C) of paragraph (2) of section 1915(g) of the Social Security Act:

(II) Development of a specific care plan based on an assessment, that specifies the goals and actions to address the medical, social, educational, and other services needed by the eligible individual, including activities as ensuring the active participation of the eligible individual and working with the individual or the individual’s authorized health care decision maker (or other successor guidance or regulations regarding allocation of costs among federal funded programs) under an approved cost allocation program.

(b) Effective Date.—The amendment made by subsection (a) shall take effect on January 1, 2006.

SEC. 3147. EMERGENCY SERVICES FURNISHED BY NON-CONTRACT PROVIDERS FOR MEDICAID MANAGED CARE ENROLLMENT AND MANAGEMENT ACTIVITY.

(a) In General.—Section 1923(b)(2) of the Social Security Act (42 U.S.C. 1396u-2(b)(2)) is amended by adding at the end the following new paragraph:

“(D) Emergency services furnished by non-contract providers for Medicaid managed care enrollment and management services that does not have in effect a contract with a Medicaid managed care health care entity that establishes payment amounts for services furnished to a beneficiary enrolled in the entity’s Medicaid managed care plan must accept as payment in full the amounts (less any payments for which the entity has been reimbursed by another program of the State) that it could collect if the beneficiary received medical assistance under this title through enrollment in such an entity.”.

(b) Effective Date.—The amendment made by subsection (a) shall take effect on January 1, 2007.

SEC. 3148. ADJUSTMENT IN COMPUTATION OF MEDICAID BENEFIT AMOUNT AND AN EXTRAORDINARY EMPLOYER PENSIION CONTRIBUTION.

(a) In General.—Only for purposes of computing the Federal medical assistance percentage under section 1902(a)(19) of the Social Security Act (42 U.S.C. 1396a(a)(19)) for a fiscal year (beginning with fiscal year 2006), any significantly disproportionate employer pension contribution that is described in subsection (b) shall be disregarded in computing the per capita income of such State, but shall not be disregarded in computing the per capita income for the continental United States (and Alaska and Hawaii).

(b) Significantly Disproportionate Employer Pension Contribution.—For purposes of subsection (a), a significantly disproportionate employer pension contribution that is described in this subsection with respect to a State for a fiscal year is an employer contribution towards pensions that is allocated to such State for a period if the aggregate amount of the employer contribution is not part of the total increase in personal income in that State for the period involved.
Subtitle B—Katrina Health Care Relief

SEC. 3201. TARGETED MEDICAID RELIEF FOR STATES AFFECTED BY HURRICANE KATRINA.

(a) 100 PERCENT FEDERAL MATCHING PAYMENTS FOR MEDICAL ASSISTANCE PROVIDED IN KATRINA IMPACTED AREAS.—

(1) IN GENERAL.—Notwithstanding section 1905(b) (42 U.S.C. 1396b) of the Social Security Act (42 U.S.C. 1396b(d)(1)), for items and services furnished during the period that begins on August 28, 2005, and ends on May 15, 2006, the Federal matching rate for providing medical assistance for such items and services under a State Medicaid plan to any individual residing in a Katrina impacted parish or county (as defined in subsection (c)) is 100 percent.

(b) APPLICATION TO CHILD HEALTH ASSISTANCE.—Notwithstanding section 3155(b) (42 U.S.C. 1397gg-45). The amount so appropriated shall be used to provide such medical assistance to any individual residing in a Katrina impacted parish or county (as defined in subsection (c)) for costs directly attributable to all administrative activities that relate to the provision of such medical assistance, shall be 100 percent.

(c) KATRINA SURVIVOR.—For purposes of subsection (a), the term ‘Katrina Survivor’ means an individual who, on any day during the period described in paragraph (1), the Federal matching rate for providing child health assistance pursuant to paragraph (2) is 100 percent.

SEC. 3202. STATE HIGH RISK HEALTH INSURANCE POOL FUNDING.

There are hereby authorized and appropriated $300,000,000 for fiscal year 2006 for grants to States for the purpose of establishing or expanding high risk insurance pools to provide health care for residents of the Katrina impacted States.

SEC. 3203. RECOMPOSITION OF HPSA, MUA, AND MUP DESIGNATIONS WITHIN KATRINA IMPACTED AREAS.

(a) IN GENERAL.—For purposes of the Public Health Service Act (42 U.S.C. 201 et seq.), the Secretary of Health and Human Services shall conduct a review of all Hurricane Katrina disaster areas and, as appropriate taking into account the lack of availability of health care providers and services due to Hurricane Katrina, redesign such areas as health professional shortage areas or medically underserved areas and designate one or more populations of each such area as a medically underserved population.

(b) HURRICANE KATRINA DISASTER AREA DEFINED.—For purposes of this section, the term ‘Hurricane Katrina disaster area’ means an area for which a major disaster has been declared in accordance with section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5170) as a result of Hurricane Katrina and which the Secretary of Health and Human Services determines before September 14, 2005, warrants individual and public assistance from the Federal Government under such Act.

SEC. 3204. WAIVER OF CERTAIN REQUIREMENTS APPLICABLE TO THE PROVISION OF HEALTH CARE IN AREAS IMPACTED BY HURRICANE KATRINA.

(a) ELIGIBLE AREA.—

(1) DEFINITION.—In this section, the term ‘eligible area’ means an area identified by the Secretary of Health and Human Services pursuant to paragraph (2).

(2) IDENTIFICATION.—Not later than 30 days after the date of enactment of this Act, the Secretary of Health and Human Services shall identify areas that—

(A) have been directly impacted by Hurricane Katrina; or

(B) are located in a State which has absorbed a significant number of Hurricane Katrina evacuees.

(b) HEALTH CENTERS.—For the purpose of determining whether an entity located in an eligible area qualifies as a health center under section 330 of the Public Health Service Act (42 U.S.C. 254b), (1) BOARD COMPOSITION.—

(A) WAIVER.—The Secretary of Health and Human Services shall waive any requirement that a majority of the governing board of any eligible area qualifies as a health center under section 330 of the Public Health Service Act (42 U.S.C. 254b). (B) RESTRICTION.

SEC. 3301. HURRICANES KATRINA AND RITA ENERGY RELIEF.

(a) FINDINGS.—The Congress finds the following:

(1) Hurricanes Katrina and Rita severely disrupted crude oil and natural gas production in the Gulf of Mexico. The Energy Information Administration estimates that as a result of these two hurricanes, the amount of crude oil production shut in by Hurricane Katrina and Rita was about 11 million barrels per day. The hurricanes also initially shut down most of the crude oil refinery capacity in the Gulf of Mexico region. These disruptions are projected to significantly increase crude oil, refined oil products, and natural gas prices.

(2) These production and supply disruptions are expected to lead to significantly higher heating costs for consumers this winter. The Energy Information Administration projects an increase in residential heating costs in the Midwest of between 16 and 20 percent. Average projected heating costs are projected to increase by about 10 percent over last winter, with the Midwest seeing the largest increase. Winter heating expenditures are projected to increase 20 percent to 36 percent over last winter, with the Midwest seeing the largest projected increase. Expenditures for home heating using electricity are expected to increase by 2 percent to 9 percent over last winter, with the South seeing the largest increase. Overall, average home heating expenditures this winter are projected to increase about 3 percent, assuming a normal winter. These significant increases in home heating costs this winter will particularly harm low-income consumers. The Low-Income Home Energy Assistance Program is designed to assist these low-income consumers in this situation. Accordingly, Congress seeks a one-time only supplemental to the Low-Income Home Energy Assistance Program fund to assist low-income consumers with the additional home heating expenditures that they will face this winter as a result of Hurricanes Katrina and Rita.

(b) RELIEF.—In addition to amounts otherwise made available, there shall be directly appropriated to the Secretary of Health and Human Services for a 1-time only obligation and expenditure $1,000,000,000 for fiscal year

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2006 for allocation under section 2604(a) through (d) of the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8623(a) through (d)), for the sole purpose of providing a cost offset to the amount of higher energy costs caused by Hurricane Katrina and Hurricane Rita.

SEC. 3402. FINDINGS.

The Congress finds the following:

(1) A loophole in current law is stalling the digital television (DTV) transition and preventing the return of spectrum for critical public safety and wireless broadband uses.

(2) In 1996, to facilitate the DTV transition, Congress gave each full-power television broadcaster an extra channel of spectrum to broadcast in digital format while continuing to broadcast in analog format on its original channel. Each broadcaster was supposed to return that extra channel to the government to take the necessary steps for the DTV transition.

(3) In 1997, Congress earmarked for public safety use some of the spectrum the broadcasters are supposed to return. Congress designated the rest of the spectrum to be auctioned for advanced commercial applications, such as wireless broadband services.

(4) Congress set December 31, 2006, as the deadline for broadcasters to return the spectrum for public safety and wireless use.

(5) By redesignating subparagraphs (C) and (D) in subparagraph (A), by striking subparagraph (B) and redesignating subparagraph (C) as subparagraph (B) and redesignating subparagraph (C) as subparagraph (B).

SEC. 3403. ANALOG SPECTRUM RECOVERY: HARD DEADLINE.

(a) Amendments.—Section 309(j)(14) of the Communications Act of 1934 (47 U.S.C. 309(j)(14)) is amended—

(1) by inserting "December 31, 2006", and inserting "December 31, 2006"; and

(2) by inserting "December 31, 2006".

(b) Release by July 31, 2007, any reconsideration of such report and order; and

(c) The Commission shall, within one year after the date of enactment of this Act, submit to the Committee on Energy and Commerce of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate every 90 days a report on the status of DTV transition and the progress toward meeting the November 17, 2005, deadline determined by the

SEC. 3405. AUCTION OF RECOVERED SPECTRUM.

(a) Deadline for auction.—Section 309(j)(15)(C) of the Communications Act of 1934 (47 U.S.C. 309(j)(15)(C)) is amended by adding at the end the following new clauses:

"(v) Additional deadlines for recovered analog spectrum.—Notwithstanding subparagraph (B), the Commission shall, on or before the date of enactment of this Act, conduct the auction of the licenses for recovered analog spectrum by commencing the bidding on or before the date of enactment of this Act, and on or before that date shall deposit the proceeds of such auction into the Treasury in accordance with paragraph (8) of such section."
Act, the Federal Communications Commission shall initiate an ongoing inquiry and study—
(A) to evaluate the participation of women, minorities, and small businesses in the auction process, including the percentage of winning bidders that are women, minorities, and small businesses; and

(B) may make recommendations to the Commission on small businesses in the auction process.

SEC. 3405. DIGITAL TELEVISION CONVERSION FUND.

(a) RESERVATION OF AUCTION PROCEEDS TO ASSIST CONVERSION.—Section 309(j)(8) of the Communications Act of 1934 (47 U.S.C. 309(j)(8)) is amended—

(1) in subparagraph (A), by striking “subsection (B) or subparagraph (D) or” and inserting “subsection (B) or subparagraph (D) or”;

(2) in subparagraph (C), by striking “the period of the offering the following sweepstakes: “—” and inserting “the period of the offering the following sweepstakes: “—”;

(3) by striking “subsection (D)” and inserting “subsection (D)”

(b) TEAR-OUT OF FUNDS FOR DIGITAL TELEVISION CONVERSION.

(1) PROCEDURES FOR DTV CONVERSION FUND.—Notwithstanding subsection (A), of the proceeds (including deposits and upfront payments from successful bidders) from the use of a competitive bidding system under this subchapter with respect to recovered analog spectrum—

(I) $900,000,000 shall be deposited in a separate fund in the Treasury to be known as the ‘Digital Television Conversion Fund’, and be available exclusively to carry out section 159 of the National Telecommunications and Information Administration Organization Act; and

(II) $500,000,000 shall be deposited in a separate fund in the Treasury to be known as the ‘Public Safety Interoperable Communications Fund’, and be available exclusively to carry out section 330 of such Act.

(2) RECOVERED ANALOG SPECTRUM.—For purposes of clause (1), the term ‘recovered analog spectrum’ has the meaning provided in paragraph (15)(C)(vi).

(b) CONVERTER BOX PROGRAM.—Part C of the National Telecommunications and Information Administration Organization Act is amended by adding at the end the following new section:—

SEC. 159. DIGITAL-TO-ANALOG CONVERTER BOX PROGRAM.

(a) CREATION OF PROGRAM.—The Assistant Secretary shall:

(1) use the funds available under subsection (d) of this section to implement and administer a program through which households in the United States may obtain, during the period of eligibility for a coupon under the program, digital-to-analog converter boxes that can be applied toward the purchase of digital-to-analog converter boxes, subject to the restrictions in this section and the regulations created thereunder; and

(2) may award one or more contracts (including a contract with another Federal agency) for the administration of some or all of the program.

(b) PROGRAM SPECIFICATIONS.—

(1) FORM OF REQUEST.—The regulations under this section shall prescribe the contents of the request for funds and the information any household seeking a coupon shall provide. The digital-to-analog converter box request shall be required to include instructions for its use, and also describe, at a minimum, the requirements and limitations to which the program to which the form and the information the household provides will be used, and to whom the form and the information will be disclosed.

(2) DISTRIBUTION OF REQUEST FORMS.—

(A) PAPER AND ELECTRONIC FORMS.—The Assistant Secretary shall provide for the distribution of request forms at Government buildings, including post offices. The Assistant Secretary shall provide for the availability to households of electronic coupon request forms and may permit such forms to be submitted electronically.

(B) ADDITIONAL DISTRIBUTION.—If the Assistant Secretary determines that doing so would make the program more successful and easier for consumers to participate in, paper and electronic coupon request forms shall also be distributed through private entities as the Assistant Secretary shall specify (such as retailers, manufacturers, broadcasters, religious organizations, and consumer groups) and shall be distributed in the manner specified by the Assistant Secretary.

(c) LIMITATIONS.—

(1) TWO-PER-HOUSEHOLD MAXIMUM.—A household may obtain coupons only by making a request as required by the regulations under this section. Any request must be submitted between January 1, 2008, and January 1, 2009. No household may receive more than two coupons for digital-to-analog converter boxes.

(2) NO COMBINATIONS OF COUPONS.—Two coupons may not be used in combination toward the purchase of a single digital-to-analog converter box.

(3) ALL COUPONS MUST BE AVAILABLE FOR 3 MONTHS POST-ISSUANCE.

(4) DISTRIBUTION OF COUPONS.—

(A) Coupons shall be distributed to requesting households before the end of the period in which the household member, the unique identifier provided on the form, shall be, at a minimum, the requirements and limitations to which the program to which the form and the information the household provides will be used, and to whom the form and the information will be disclosed.

(b) RECIPROCAL CERTIFICATION.—

(1) Any retailer desiring to qualify for conversion reimbursement or retail audits, shall, in accordance with the regulations under this section, be required to undergo a certification process to qualify for participation in the program.

(2) As part of the certification process, retailers shall be informed of the program’s details and their rights and obligations, including their obligations to honor all valid coupons that are tendered in the authorized manner, and to keep a reasonable number of eligible converter boxes in stock.

(c) COUPON REIMBURSEMENT AND RETAILER AUDITS.

(1) REIMBURSEMENT.—The regulations under this section shall establish the process by which retailers may seek and obtain reimbursement for the coupons, and shall include the option for retailers to seek and obtain reimbursement electronically.

(2) AUDITS.—Such regulations shall establish procedures for the auditing of retailer reimbursements.

(d) THE REGULATIONS UNDER THIS SECTION SHALL ESTABLISH AN APPEALS PROCESS FOR THE REVIEW AND RESOLUTION OF COMPLAINTS—

(A) by a household alleging that the household was improperly denied a coupon;

(B) by a retailer alleging that the retailer was improperly denied reimbursement for a valid coupon properly tendered and accepted under this section or such regulations.

Such complaints shall be resolved within 30 days after receipt of the complaint.

(e) ENFORCEMENT.—The regulations under this section shall provide for the termination of eligibility to participate in the program for retailers or households that engage in fraud, misrepresentation, or other misconduct in connection with the program.

(f) PROGRESS REPORT.—Beginning with a report on March 31, 2008, and ending with a report on June 30, the Commission shall submit reports to the Committee on Energy and Commerce of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate, every three months summarizing the progress of coupon distribution
and redemption, including how many coupons are being distributed and redeemed, and how quickly.

(c) PRIVACY.—The program under this section shall ensure that personally identifiable information collected in connection with the program under this section is not used or shared for any purpose other than as described in this section, except as otherwise required or authorized by law. For purposes of this subsection, the term ‘personally identifiable information’ shall have the same meaning as provided in section 338(i)(2).

(d) AVAILABILITY OF FUNDS.—

(1) In general.—From the Digital Television Transition Fund established by section 309(h)(8)(E)(i)(I) of the Communications Act of 1934, there shall be available to carry out this section such sums as may be necessary to carry out this section for fiscal years 2009 and 2010. Any sums that remain unexpended in the Fund at the end of fiscal year 2009 shall revert to and be deposited in the general fund of the Treasury.

(2) Credit.—The Assistant Secretary may borrow from the Treasury such sums as may be necessary to carry out this section. The Assistant Secretary shall reimburse the Treasury, without interest, as funds are deposited into the Digital Television Transition Fund under section 309(h)(8)(E) of such Act.

(e) ENERGY STANDARDS REQUIRED.—

(1) A digital-to-analog converter box shall not include any feature or function that is not necessary to carry out this section.

(2) A digital-to-analog converter box shall contain features or functions except those necessary to carry out this section.

SEC. 160. PUBLIC SAFETY INTEROPERABLE COMMUNICATIONS FUND.

(a) Program Authorized:—From the funds available in subsection (b), the Assistant Secretary shall carry out a grant program to assist public safety agencies in the acquisition of, deployment of, or training for the use of, interoperable communications systems, systems that utilize, or enable interoperability with communications systems that can utilize, reallocated public safety spectrum for radio communications.

(b) Terms and Conditions of Grants.—In order to obtain a grant under this section, a public safety agency shall:

(1) submit a written application to the Assistant Secretary at such time, in such form, and containing or accompanied by such information and assurances as the Assistant Secretary requires;

(2) agree that, if awarded a grant, the public safety agency shall submit annual reports to the Assistant Secretary for the duration of the grant award period with respect to—

(A) the expenditure of grant funds; and

(B) progress toward acquiring and deploying interoperable communications systems funded by the grant;

(3) agree to provide, from non-Federal sources, not less than 20 percent of the costs of acquiring interoperable communications systems acquired and deployed with funds provided under this section; and

(4) agree to remit to the Assistant Secretary any grants funds that remain unexpended at the end of the 3-year period of the grant.

(c) Duration of Grant; Recovery of Unused Funds.—Grants under this section shall be awarded in the form of a single grant for a period of not more than 3 years. At the end of 3 years, any grant funds that remain unexpended shall be remitted by the grantee to the Assistant Secretary, and, subject to subsection (b)(2), may be awarded to other eligible grant recipients. At the end of fiscal year 2010, any such reawarded grant funds that remain unexpendable shall be remitted by the grantee to the Assistant Secretary and may not be reawarded to other grantees.

(d) Oversight of Expenditures.—The Assistant Secretary shall submit to the Committees on Appropriations of the House of Representatives and the Committees on Energy and Commerce, not later than 6 months after the first award of a grant under this section, and thereafter at 6-month intervals until October 1, 2010, a report—

(1) identifying, on a State-by-State basis, using the information submitted under subsection (b)(2), the results of the program, including an identification, on a State-by-State basis, of—

(A) the public safety agencies awarded a grant;

(B) the amount of the grant;

(C) the specified use for the grant; and

(D) how each such grant was spent; and

(2) describing the amount of grants awarded, and the balance, if any, remaining in the Public Safety Interoperable Communications Fund; and

(3) in the final such report, stating the amount in the Fund that reverted to the general fund of the Treasury.

(e) Reimbursements.—The Secretary is authorized to prescribe such regulations as are necessary to carry out this section.

(f) Definitions.—For purposes of this section:

(1) ‘Public Safety Telecommunications Fund’ means the public safety telecommunications fund established by section 338(e) of the Communications Act of 1934 (47 U.S.C. 338(e)) to be administered by the Federal Communications Commission.

(2) ‘Interoperable Telecommunications System’ means an interoperable telecommunications system that is used to make two or more communications systems which enable public safety agencies to communicate with each other and with communications systems that utilize, or enable interoperability with communications systems that can utilize, reallocated public safety spectrum for radio communications.

SEC. 160A. PUBLIC SAFETY INTEROPERABLE COMMUNICATIONS FUND.

(a) Program Authorized:—From the funds available in subsection (b), the Assistant Secretary shall carry out a grant program to assist public safety agencies in the acquisition of, deployment of, or training for the use of, interoperable communications systems, systems that utilize, or enable interoperability with communications systems that can utilize, reallocated public safety spectrum for radio communications.

(b) Terms and Conditions of Grants.—In order to obtain a grant under this section, a public safety agency shall:

(1) submit a written application to the Assistant Secretary at such time, in such form, and containing or accompanied by such information and assurances as the Assistant Secretary requires;

(2) agree that, if awarded a grant, the public safety agency shall submit annual reports to the Assistant Secretary for the duration of the grant award period with respect to—

(A) the expenditure of grant funds; and

(B) progress toward acquiring and deploying interoperable communications systems funded by the grant;

(3) agree to provide, from non-Federal sources, not less than 20 percent of the costs of acquiring interoperable communications systems acquired and deployed with funds provided under this section; and

(4) agree to remit to the Assistant Secretary any grants funds that remain unexpended at the end of the 3-year period of the grant.

(c) Duration of Grant; Recovery of Unused Funds.—Grants under this section shall be awarded in the form of a single grant for a period of not more than 3 years. At the end of 3 years, any grant funds that remain unexpended shall be remitted by the grantee to the Assistant Secretary, and, subject to subsection (b)(2), may be awarded to other eligible grant recipients. At the end of fiscal year 2010, any such reawarded grant funds that remain unexpendable shall be remitted by the grantee to the Assistant Secretary and may not be reawarded to other grantees.

(d) Oversight of Expenditures.—The Assistant Secretary shall submit to the Committees on Appropriations of the House of Representatives and the Committees on Energy and Commerce, not later than 6 months after the first award of a grant under this section, and thereafter at 6-month intervals until October 1, 2010, a report—

(1) identifying, on a State-by-State basis, using the information submitted under subsection (b)(2), the results of the program, including an identification, on a State-by-State basis, of—

(A) the public safety agencies awarded a grant;

(B) the amount of the grant;

(C) the specified use for the grant; and

(D) how each such grant was spent; and

(2) describing the amount of grants awarded, and the balance, if any, remaining in the Public Safety Interoperable Communications Fund; and

(3) in the final such report, stating the amount in the Fund that reverted to the general fund of the Treasury.

(e) Reimbursements.—The Secretary is authorized to prescribe such regulations as are necessary to carry out this section.

(f) Definitions.—For purposes of this section:

(1) ‘Public Safety Telecommunications Fund’ means the public safety telecommunications fund established by section 338(e) of the Communications Act of 1934 (47 U.S.C. 338(e)) to be administered by the Federal Communications Commission.

(2) ‘Interoperable Telecommunications System’ means an interoperable telecommunications system that is used to make two or more communications systems which enable public safety agencies to communicate with each other and with communications systems that utilize, or enable interoperability with communications systems that can utilize, reallocated public safety spectrum for radio communications.
(2) in paragraph (2), by striking "746 mega-
hertz" and inserting "698 megahertz"; and
(3) by adding at the end the following new paragraph:

"(3)充滿LOW-POWER BROAD-
CASTING.—Subject to section 336(f) of the
Communications Act (47 U.S.C. 336(f)), a low-
power television station, television trans-
lator station, television booster station (as defined by Com-
mission regulations) may operate above 698 megahertz on a secondary
basis in accordance with Commission rules, including rules governing completion of the
digital television service transition for low-
power broadcasters.

(b) EXEMPTION FROM DEADLINE.—Section
309(j)(14)(A) of such Act (47 U.S.C.
309(j)(14)(A)) is amended by inserting "full-
power" before "television broadcast li-
cense.

(c) ADVANCED TELEVISION SERVICES.—Sec-
tion 336(f)(4) of such Act (47 U.S.C.
336(f)(4)) is amended by inserting "or other low-power
station" after "television translator sta-
tion" in the first sentence.

(d) LOW-Power TELEVISION DIGITAL-
TO-ANALOG CONVERSION.

"(a) CREATION OF PROGRAM. The Assistant
Secretary shall use the funds available under
subsection (d) from the Low-Power Digital-
To-Analog Conversion Fund to implement and
administer a program through which each eligi-
ble low-power television station may receive
compensation toward the cost of purchasing a digital-to-analog conver-
sion device that enables it to convert the in-
coming digital signal of its corresponding full-power television station to an an-
alog format for transmission on the low-power tele-
vision station.

"(b) ELIGIBLE STATIONS. For purposes of
this section, an eligible low-power television
station shall be a Class A station, Class A television station, television
translator station, or television booster sta-
tion.

"(c) QUALIFYING DEVICES AND AMOUNTS.—
The Assistant Secretary—

"(1) may determine the types of digital-to-
analog conversion devices for which an eligi-
ble low-power broadcast television station may receive compensation under
this section; and

"(2) shall determine the maximum amount of compensation such a low-power
broadcast television station may receive based on the average cost of digital-to-analog conver-
sion devices during the time period such
low-power broadcast television station pur-
chased the digital-to-analog conversion de-
vice, and in no case shall such compensation exceed $400.

"(d) FUNDS AVAILABLE.—From the Low-
Power Digital-To-Analog Conversion Fund
established by section 309(j)(14)(A) of the
Communications Act of 1934, there shall be
available to carry out this section such sums as may be necessary for fiscal years
2008 and 2009. Any sums that remain unex-
pended in such Fund at the end of fiscal year 2009 shall revert to and be deposited in the
general fund of the Treasury.

"(e) REPORT AND ORDER REQUIRED.—The
Federal Communications Commission shall,
not later than December 31, 2008, issue a re-
port and order specifying the methods and
schedule by which the Commission will com-
plete the digital television service transition for
low-power television stations.

SEC. 3409. CONSUMER EDUCATION REGARDING
ANALOG TELEVISIONS.

"(a) COMMISSION AUTHORITY.—Section
303 of the Communications Act of 1934 (47 U.S.C.
303) is amended by adding at the end the fol-
lowing new subsection:

"(2) require the consumer education meas-
ures specified in section 336(d) in the case of
apparatus designed to receive television sig-
nals that—

"(i) are shipped in interstate commerce or
manufactured after such date;

"(ii) have an integrated display screen or
are sold in a bundle with a display screen; and

"(iii) are not capable of receiving broadcast
signals in the digital television service.

"(b) CONSUMER EDUCATION REQUIREMENTS.—
Section 330 of the Communications Act of
1934 (47 U.S.C. 330) is amended by adding at the end the fol-
lowing new subsection:

"(3) CONSUMERS INFORMED OF THE DIGITAL-
TO-ANALOG CONVERSION.

"(A) by adding after subsection (c) the fol-
lowing new subsection:

"(B) the options consumers have after such
date of enactment of the Digital Television
Transition Act of 2005, a label containing, in
clear and conspicuous print, the warning lan-
guage required by paragraph (3); and

"(C) also include after 180 days after the
date of enactment of the Digital Television
Transition Act of 2005, such a label on all
consumer electronics manufactured in the
United States after 180 days after the
date of enactment of the Digital Television
Transition Act.

"(C) by inserting after subsection (d) the fol-
lowing new subsection:

"(3) CONSUMER EDUCATION REGARDING AN-
ALOG TELEVISION RECEIVERS.—

"(A) REQUIREMENTS FOR MANUFACTURERS.—
Any manufacturer of any apparatus de-
scribed in section 336(d) shall—

"(i) place in a conspicuous place on any
such apparatus that such manufacturer ships in
interstate commerce or manufactures in
the United States after 180 days after the
date of enactment of the Digital Television
Transition Act of 2005, a label containing, in
clear and conspicuous print, the warning lan-
guage required by paragraph (3); and

"(B) also include after 180 days after the
date of enactment of the Digital Television
Transition Act of 2005, such language
on the outside of the retail packaging
of such apparatus, in a conspicuous place and
in clear and conspicuous print, in a manner
that cannot be removed.

"(2) REQUIREMENTS FOR RETAIL DISTRIBU-
TORS.—Any retail distributor shall place con-
spicuously in the vicinity of each apparatus
described in section 336(d) that such dis-
tributor ships, displays, or rent after 45
days after the date of enactment of the
Digital Television Transition Act of 2005, a sign
containing, in clear and conspicuous print,
the warning language required by paragraph
(3). In the case of a retail distributor vend-
ing such apparatus via direct mail, catalog, or
electronic means, such as displays on the
Internet, the warning language required by
such paragraph shall be prominently dis-
played, in clear and conspicuous print, in the
vicinity of any language describing the pro-
duct.

"(3) WARNING LANGUAGE.—The warning
language required by this paragraph shall read
as follows: This television has only an ana-
logue broadcast tuner. After December 31, 2008,
television broadcasters will broadcast only
in digital format. You will then no longer be able to receive
broadcast programming on analog-only tele-
vision sets unless those televisions are con-
fined to a digital-to-analog converter box
or a cable or satellite service. The device, if any,
that a cable or satellite subscriber will need to
connect to an analog television will be
afforded by your cable or satellite service
provider. Analog-only televisions should con-
tinue to work as before, however, with
device such as VCRs, digital video record-
ers, DVD players, and video game systems. You
may be eligible for up to two coupons toward
the purchase of up to two converter-boxes.
For more information, call the Federal Com-
munications Commission at 1-888-225-5322
(TTY: 1-888-835-5322) or visit the Commis-
sion’s website at: www.fcc.gov.

"(4) COMMUNICATION AND NOTIFICATION.
Beginning within one month after the date
of enactment of the Digital Television Transi-
tion Act of 2005, the Commission and the Na-
tional Telecommunications and Information
Administration shall engage, either jointly
or separately, in a public outreach program,
which include telephone calls on their
website and in Government buildings,
such as post offices, to educate consumers
regarding the digital television transition. The
Commission and the National Tele-
communications and Information Administra-
tion may seek public comment in crafting
their public outreach program, and may seek
the assistance of private entities, such as
broadcasters, manufacturers, retailers, cable
and satellite operators, and consumer groups
in administering the public outreach pro-
grams. The program shall educate consumers
about—

"(A) the deadline for termination of analog
television broadcasting;

"(B) the device, if any, that a cable or satellite
subscriber will need to connect to an analog
television will depend on the cable or sat-
tellite service that the subscriber receives;

"(C) the converter box program under sec-
tion 330 of the National Telecommunications
and Information Administration Act.

"(5) ADDITIONAL DISCLOSURES.—
ANNOUNCEMENTS AND NOTICES RE-
QUIRED.—From January 1, 2008, through
December 31, 2008—

"(1) each television broadcaster shall air,
at a minimum, two 60-second public service announcements per day, one during the 8 to
9 a.m. hour and one during the 8 to 9 p.m.
hour;

"(ii) each multichannel video program dis-
tributor (as such term is defined in section
602 of this Act) shall include a notice in any
periodic bill.

"(B) CONTENTS OF ANNOUNCEMENTS AND
NOTICES.—The announcements and notices re-
quired by subparagraphs (A)(i) and (A)(ii), re-espectively, shall state, at a minimum, that:

"(i) After December 31, 2008, television broad-
casters will broadcast only in digital format.
You will then no longer be able to receive
broadcast programming on analog-only tele-
vision sets unless those televisions are con-
fined to a digital-to-analog converter box
or a cable or satellite service. The device, if any,
that a cable or satellite subscriber will need to
connect to an analog television will be
afforded by your cable or satellite service
provider. Analog-only televisions should con-
tinue to work as before, however, with
device such as VCRs, digital video record-
ers, DVD players, and video game systems. You
may be eligible for up to two coupons toward
the purchase of up to two converter-boxes.
For more information, call the Federal Com-
munications Commission at 1-888-225-5322
(TTY: 1-888-835-5322) or visit the Commis-
sion’s website at: www.fcc.gov.

(6) REPORT REQUIRED.—Beginning January
31, 2009, and ending July 31, 2008, the Com-
munications Commission, the National Telecommuni-
cations and Information Administration, ei-
ther jointly or separately, shall submit re-
ports every six months to the Committee on
Energy and Commerce of the House of Rep-
resentatives and the Committee on Com-
merce, Science, and Transportation of the
Senate, on the Commission’s and such Ad-
inistration’s consumer education efforts as
well as the consumer education efforts of
broadcasters, cable and satellite operators,
consumer electronics manufacturers, retail-
ers, and others engaged in consumer edu-
cation along with such Administration may solicit public
comment in preparing their reports."
(c) PRESERVING AND EXPANDING TUNER MANDATES.—The Federal Communications Commission shall, within 30 days after the date of enactment, issue a rule to require that the digital television reception capability implementation schedule under section 15.117(l) of its regulations (47 CFR 15.117(l)) to require, in the case of television reception devices that have, or are sold in a bundle with, display screens sized 13 to 24 inches, inclusive, that 100 percent of all such units must include digital television tuners effective March 1, 2007; and

(2) shall not make any other changes that extend or otherwise delay the digital television conversion implementation schedule for television reception devices that have, or are sold in a bundle with, display screens.

SEC. 3410. ADDITIONAL PROVISIONS.

(a) DIGITAL-TO-ANALOG CONVERSION.—Section 614(b) of the Communications Act of 1934 (47 U.S.C. 594(b)) is amended by adding at the end the following new paragraphs:

(1) CARRIAGE OF DIGITAL FORMATS.—

(A) PRIMARY VIDEO STREAM.—With respect to any television station that is transmitting program material exclusively in the digital television service in a local market, a cable operator of a cable system in that market shall carry the station’s primary video stream and program-related material in the digital format transmitted by the station, without material degradation, if the station has elected to offer its primary video stream in the digital format.

(B) MULTIPLE FORMATS PERMITTED.—A cable operator of a cable system may offer the primary video stream and program-related material on that cable system in that market, and

(C) CARRIAGE OF PROGRAM-RELATED MATERIAL.—The obligation to carry program-related material under this paragraph is effective only to the extent technically feasible.

(b) TIERING.—Clause (ii) of section 614(b)(7)(A)(iii)(I) of the Communications Act of 1934 (47 U.S.C. 594(b)(7)(A)(iii)) is amended to read as follows:

(ii) the primary video stream and program-related material of any television broadcast station that is provided by the cable operator to any subscriber in an analog format, and

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

(3) SPECIFIC CARRIAGE OBLIGATIONS AFTER DIGITAL TRANSITION.—

(A) CARRIAGE OF DIGITAL FORMATS.—With respect to any television station that requests carriage under this section and that is transmitting broadcast programming exclusively in the digital television service in a local market served by a United States satellite carrier (hereafter in this paragraph referred to as an eligible requesting station), a satellite carrier shall carry the digital signals of any other local television station in that market and shall thereby permit the receiving of the digital signals by any eligible requesting station.

(B) CARRIAGE OF PROGRAM-RELATED MATERIAL.—The obligation to carry program-related material under this subsection is effective only to the extent technically feasible.

(c) COMPARABLE TREATMENT OF SATELLITE CARRIERS.—Section 336 of the Communications Act of 1934 (47 U.S.C. 336) is amended—

(1) by striking subsection (a); and

(2) by striking subsection (b), by striking “subsection (a)” and inserting “subsections (a) and (b)”; and

(d) DEADLINE.—The Federal Communications Commission shall revise its regulations to implement the amendments made by this section within one year after the date of enactment of this Act.

SEC. 3411. DEPLOYMENT OF BROADBAND WIRELESS TECHNOLOGIES.

Not later than 45 days after the effective date of this Act, the Commission shall initiate a rulemaking to assess the impact of satellite service on the protection of spectrum allocated located between 767-773 megahertz and 797-803 megahertz to accommodate broadband applications. Such rulemaking shall be completed within 180 days.
ownerships on wireless companies, and the five largest wireless carriers in the United States control nearly 90 percent of United States wireless subscribers.

(2) Of households that receive their broadband services through either cable or digital subscriber line (DSL) service, and most cable and DSL providers are heavily concentrated within their geographic markets.

(3) Under the Omnibus Budget and Reconciliation Act of 1993, Congress tasked the Federal Communications Commission to promote economic opportunity by disseminating wireless communications licenses among a wide variety of applicants, including small businesses and rural telephone companies.

(4) Upcoming auctions for the returned analog broadcast spectrum in the 700 megahertz band that will be cleared following the transition from analog to digital broadcast television and Advanced Wireless Services (AWS) in the 1710-1755 megahertz and 2110-2155 megahertz bands will likely be the last reallocation opportunities for commercial wireless communications services and wireless broadband services in the foreseeable future.

(5) In the near term, wireless broadband presents the most promising opportunity to provide a third option (other than cable modem or DSL service) for broadband Internet access for new entrants, innovation, and broader use of new technologies, products, and services for broadband services in the foreseeable future.

(6) The 700 megahertz band offers a historic opportunity to avoid unjust enrichment through the concentration of licenses and by disseminating licenses because wireless signals at this frequency range pass easily through buildings, trees, and other interference.

(7) The 700 megahertz band offers a historic opportunity to provide wireless broadband access that will create new competition and incentives for new entrants, innovation, and broader service offerings.

SEC. 4000. TABLE OF CONTENTS.

The table of contents for this title is as follows:

Sec. 4002. Title.

Subtitle A—Deposit Insurance Reform

Sec. 4003. Short title.

Sec. 4004. Increase in deposit insurance coverage.

Sec. 4005. Replacement of fixed designated reserve ratio with reserve range.

Sec. 4006. Requirements applicable to the insured assessment system.

Sec. 4007. Refunds, dividends, and credits from Deposit Insurance Fund.

Sec. 4008. Deposit Insurance Fund restoration plan.

Sec. 4009. Regulations required.

Sec. 4010. Studies of FDIC structure and expenses and certain activities.

Subtitle B—FHA Asset Disposition

Sec. 4011. Short title.

Sec. 4012. FHA Asset Disposition under clause (ii) for any period is not a multiple of $10,000, the amount so determined shall be reduced to the nearest $10,000.

(III) Publication and report to the Congress.—Not later than April 5 of any calendar year in which an adjustment is required to be calculated under clause (i) to the standard maximum deposit insurance amount and the standard maximum share insurance amount (as defined in section 207(k) of the Federal Credit Union Act) applicable to depository institutions, the National Credit Union Administration Board shall:

(i) publish in the Federal Register the standard maximum deposit insurance amount and the standard maximum share insurance amount under such clause, the amount as determined under section 4011, and the adjustment in the standard maximum share insurance amount determined under subsection (a)(1)(A) for any period is not a multiple of $10,000, the amount so determined shall be reduced to the nearest $10,000.

(IV) 6-MONTH IMPLEMENTATION PERIOD.—Unless an Act of Congress enacted before July 1 of the calendar year in which an adjustment is required to be calculated under clause (i) to the standard maximum deposit insurance amount and the standard maximum share insurance amount under such clause, the National Credit Union Administration Board shall:

(i) in general.—By April 1 of 2007, and the last day of each subsequent 5-year period, the Board of Directors and the National Credit Union Administration Board shall jointly prescribe the amount by which the standard maximum deposit insurance amount and the standard maximum share insurance amount (as defined in section 207(k) of the Federal Credit Union Act) applicable to depository institutions shall be increased by calculating the product of—

(i) $130,000; and

(ii) the ratio of the value of the Personal Consumption Expenditures Chain-Type Index (or any successor index thereto), published by the Department of Commerce, as of December 31 of the year preceding the year in which the adjustment is calculated under this clause, to the value of such index as of July 1 of the calendar year in which the adjustment takes effect.

(ii) rounding.—If the amount determined under clause (i) for any period is not a multiple of $10,000, the amount so determined shall be rounded to the nearest $10,000.

SEC. 4002. MERGING THE BIF AND SAIF.

(a) IN GENERAL.—

(1) MERGER.—The Bank Insurance Fund and the Savings Association Insurance Fund shall be merged into the Deposit Insurance Fund.

(2) DISPOSITION OF ASSETS AND LIABILITIES.—All assets and liabilities of the Bank Insurance Fund and the Savings Association Insurance Fund shall be transferred to the Deposit Insurance Fund.

(3) NO SEPARATE EXISTENCE.—The separate existence of the Bank Insurance Fund and the Savings Association Insurance Fund shall cease on the effective date of the merger thereof under this section.

(b) REPEAL OF OUTDATED MERGER PROVISION.—Section 2704 of the Deposit Insurance Funds Act of 1996 (12 U.S.C. 1821 note) is repealed.

(c) EFFECTIVE DATE.—This section shall take effect on the first day of the first calendar quarter that begins after the end of the 90-day period beginning on the date of the enactment of this Act.

SEC. 4003. INCREASE IN DEPOSIT INSURANCE COVERAGE.

(a) In General.—Section 11(a)(1) of the Federal Deposit Insurance Act (12 U.S.C. 1821(a)(1)) is amended—

(1) by striking subparagraph (B) and inserting the following new subparagraph:

(‘‘B’’ NET AMOUNT OF INSURED DEPOSIT.—The net amount due to any depositor at an insured depository institution by the Federal Deposit Insurance Corporation shall not exceed the standard maximum deposit insurance amount as determined in accordance with subparagraphs (C), (D), (E) and (F) and paragraph (b); and

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

(E) STANDARD MAXIMUM DEPOSIT INSURANCE AMOUNT DEFINED.—For purposes of this Act, the term ‘‘standard maximum deposit insurance amount’’ means—

(i) until the effective date of final regulations prescribed by section 4009(a)(2) of the Federal Deposit Insurance Reform Act of 2005, $100,000; and

(ii) on and after such effective date, $130,000, as adjusted as provided under subparagraph (F).

(F) INFLATION ADJUSTMENT.—

(i) IN GENERAL.—By April 1 of 2007, and the first day of each subsequent 5-year period, the Board of Directors and the National Credit Union Administration Board shall jointly prescribe the amount by which the standard maximum deposit insurance amount and the standard maximum share insurance amount (as defined in section 207(k) of the Federal Credit Union Act) applicable to depository institutions shall be increased by calculating the product of—

(i) $130,000; and

(ii) the ratio of the value of the Personal Consumption Expenditures Chain-Type Index (or any successor index thereto), published by the Department of Commerce, as of December 31 of the year preceding the year in which the adjustment is calculated under this clause, to the value of such index as of July 1 of the calendar year in which the adjustment takes effect.

SEC. 4004. Other technical and conforming amendments.

Sec. 4005. Replacement of fixed designated reserve ratio with reserve range.

Sec. 4006. Requirements applicable to the insured assessment system.

Sec. 4007. Refunds, dividends, and credits from Deposit Insurance Fund.

Sec. 4008. Deposit Insurance Fund restoration plan.

Sec. 4009. Regulations required.

Sec. 4010. Studies of FDIC structure and expenses and certain activities.
‘‘(1) PROHIBITION ON ACCEPTANCE OF BENEFIT PLAN DEPOSITS.—An insured depository institution that is not well capitalized or adequately capitalized may not accept employee benefit plans.

‘‘(ii) Employee Benefit Plan.—The term ‘employee benefit plan’ has the same meaning as in paragraph (8)(B)(ii), and includes any eligible deferred compensation plan described in section 457 of the Internal Revenue Code of 1986.

‘‘(III) Pass-Through Deposit Insurance.—The term ‘pass-through deposit insurance’ means, with respect to an employee benefit plan, deposit insurance coverage provided on a pro rata basis to the participants in the plan, in accordance with the interest of each participant.

‘‘(E) Municipal Depositor.—In this paragraph, the term ‘municipal depositor’ means a depositor that is—

‘‘(i) a municipality;

‘‘(ii) a State or local government;

‘‘(iii) a taxing authority;

‘‘(iv) a public utility;

‘‘(v) a public agency;

‘‘(vi) a public board;

‘‘(vii) a public corporation;

‘‘(viii) a public authority; or

‘‘(ix) any other entity that is a public entity and that has been designated as a municipal depositor.

‘‘(2) In paragraphs (1) and (3) of section 7(i) of the Federal Deposit Insurance Act (12 U.S.C. 1817(i)) the term ‘municipal depositor’ is defined as follows:

‘‘(A) The term ‘municipal depositor’ means a depositor that is—

‘‘(i) a municipality;

‘‘(ii) a State or local government;

‘‘(iii) a taxing authority;

‘‘(iv) a public utility;

‘‘(v) a public agency;

‘‘(vi) a public board;

‘‘(vii) a public corporation;

‘‘(viii) a public authority; or

‘‘(ix) any other entity that is a public entity and that has been designated as a municipal depositor.

‘‘(3) Section 43(d) of the Federal Deposit Insurance Act (12 U.S.C. 1831d(d)) is amended by striking ‘$100,000’ and inserting ‘$100,000’.

‘‘(G) Authority to Limit Deposits.—The Corporation may deny to insured depository institutions within its jurisdiction the authority to accept deposits insured under this paragraph and paragraph (5) and (6), and consistently with actions taken by the Federal Deposit Insurance Corporation under section 11(a) of the Federal Deposit Insurance Act.

‘‘(H) Authorization.—Determination of the net amount of share insurance payable under subparagraph (A), shall be in accordance with such regulations as the Board may prescribe, and in determining the amount payable to any member, there shall be added together all accounts in the credit union maintained by that member for that member’s own benefit, either in the member’s own name or in the names of others.

‘‘(I) Authority to Define the Extent of Coverage.—The Board may define, with such regulations and exceptions as it deems appropriate, the extent of the share insurance coverage provided for member accounts, including member accounts in the name of a member, in trust, or in joint tenancy.

(2) Notwithstanding any limitation in this Act or in any other provision of law relating to the amount of insurance available to any 1 depositor, member, deposits or shares of a municipal depositor or member shall be insured in an amount equal to the standard maximum share insurance amount (as determined under paragraph (1)) and

(3) Notwithstanding the application of any other provisions of law, any insured credit union at which the deposits of the municipal depositor described in clause (ii), (iii), (iv), or (v) of subparagraph (B) at an insured credit union, such deposits shall be insured in an amount equal to the lesser of—

‘‘(i) $12,000,000; or

‘‘(ii) the sum of the standard maximum deposit insurance amount and 80 percent of the amount of any deposits in excess of the standard maximum deposit insurance amount.

(4) In the case of deposits of an in-State municipal depositor described in clause (ii), (iii), (iv), or (v) of subparagraph (B) at an insured depository institution, such deposits shall be insured in an amount equal to the standard maximum deposit insurance amount.

(5) In-State Municipal Depositor.—In this paragraph, the term ‘in-State municipal depositor’ means a municipal depositor that is located in the same State as the office or branch of the insured depository institution at which the deposits of that depositor are held.

(6) MUNICIPAL DEPOSITOR.—In this paragraph, the term ‘municipal depositor’ means a municipal depositor that is—

(A) a municipality;

(B) a State or local government;

(C) a taxing authority;

(D) a public utility;

(E) a public agency;

(F) a public board;

(G) a public corporation;

(H) a public authority; or

(I) any other entity that is a public entity and that has been designated as a municipal depositor.

(7) Municipal Depositor—For purposes of this paragraph, the term ‘municipal depositor’ means a municipal depositor that is located in the same State as the office or branch of the insured depository institution at which the deposits of that depositor are held.

(8) INSURED MUNICIPAL DEPOSITORY.—In this paragraph, the term ‘municipal depositor’ means a municipal depositor that is—

(A) an eligible deferred compensation plan described in section 457 of the Internal Revenue Code of 1986; and

(B) the term ‘municipal depositor’ means a depositor that is—

(i) a municipality;

(ii) a State or local government;

(iii) a taxing authority;

(iv) a public utility;

(v) a public agency;

(vi) a public board;

(vii) a public corporation;

(viii) a public authority; or

(ix) any other entity that is a public entity and that has been designated as a municipal depositor.
(iv) by striking "depositor or member referred to in subparagraph (A)" and inserting "municipal depositor or member"; and
(C) by adding at the end the following new paragraphs:

"(4) COVERAGE FOR CERTAIN EMPLOYEE BENEFIT PLAN DEPOSITS.—

(1) PASS-THROUGH INSURANCE.—The Administration shall provide pass-through share insurance for the deposits or shares of any employee benefit plan.

(2) PROHIBITION ON ACCEPTANCE OF DEPOSITS.—An insured credit union that is not well capitalized or adequately capitalized may not accept employee benefit plan deposits.

(3) DEFINITION.—For purposes of this paragraph, the following definitions shall apply:

"(i) CAPITAL STANDARDS.—The terms ‘well capitalized’ and ‘adequately capitalized’ have the same meanings as in section 216(c).

"(ii) EMPLOYEE BENEFIT PLAN.—The term ‘employee benefit plan’ has the meaning given to such term in section 3(3) of the Employee Retirement Income Security Act of 1974.

"(iii) ELIGIBLE DEFERRED COMPENSATION.—The term ‘eligible deferred compensation’ means, with respect to an employee benefit plan, any amount provided on a post-retirement service basis to the participants in the plan, in accordance with the interest of each participant.

"(v) RULE OF CONSTRUCTION.—No provision of this paragraph shall be construed as authorizing an insured credit union to accept the deposits of an employee benefit plan in an amount in which such credit union is authorized to accept under any other provision of Federal or State law.

"(5) STANDARD MAXIMUM SHARE INSURANCE AMOUNT DEFINED.—For purposes of this Act, the term ‘standard maximum share insurance amount’ means—

(A) until the effective date of final regulations prescribed pursuant to section 4009(a)(2) of the Federal Deposit Insurance Reform Act of 2005, $100,000; and
(B) on and after such effective date, $130,000, as provided under section 11(a)(1)(F) of the Federal Deposit Insurance Act.

"(2) DOUBLING OF SHARE INSURANCE FOR CERTAIN ACCOUNTS.—Subsection (k)(3) of the Federal Credit Union Act (12 U.S.C. 1827(k)(3)) is amended by striking "$100,000" and inserting "2 times the standard maximum share insurance amount (as determined under paragraph (1))".

"(3) EFFECTIVE DATE.—This section and the amendments made by this section shall take effect on the date the final regulations required under section 4009(a)(2) take effect.

SEC. 4004. SETTING ASSESSMENTS AND REPEAL OF SPECIAL RULES RELATING TO MINIMUM ASSESSMENTS AND FREE DEPOSIT INSURANCE.

(a) SPTING.-Section 7(b)(2) of the Federal Deposit Insurance Act (12 U.S.C. 1817(b)(2)) is amended—

(1) by striking subparagraphs (A) and (B) and inserting the following new subparagraphs:

"(A) IN GENERAL.—The Board of Directors shall set assessments for insured depository institutions and accounts as the Board of Directors may determine to be necessary or appropriate, subject to subparagraph (D).

"(B) FACTORS TO BE CONSIDERED.—In setting assessments as required under this section, the Board of Directors shall consider the following factors:

"(i) The estimated operating expenses of the Deposit Insurance Fund.

"(ii) The estimated case resolution expenses and income of the Deposit Insurance Fund.

"(iii) The projected effects of the payment of assessments on the capital and earnings of insured depository institutions.

"(iv) The payment of assessments on insured depository institutions.

"(v) Any other factors the Board of Directors may determine to be appropriate.

(B) BY AUTHORIZING AN INSURED CREDIT UNION TO ACCEPT UNDER ANY OTHER PROVISION OF LAW.—In paragraph (2) by inserting the following new subparagraph:

"(D) BASE RATE FOR ASSESSMENTS.—

"(1) IN GENERAL.—In setting assessment rates pursuant to subparagraph (A), the Board of Directors shall establish a base rate of not more than 1 basis point (exclusive of any credit or dividend) for those insured depository institutions in the lowest-risk category under the risk-based assessment system established pursuant to paragraph (1). No insured depository institution shall be barred from the lowest-risk category solely because of size.

"(ii) SUSPENSION.—Clause (i) shall not apply during any period in which the ratio of the base rate for an insured depository institution is less than the amount which is equal to 1.15 percent of the aggregate estimated insured deposits.

"(c) ASSESSMENT RECAPTION PERIOD SHORTENED.—Paragraph (5) of section 7(b)(2) of the Federal Deposit Insurance Act (12 U.S.C. 1817(b)(2)) is amended as follows:

"(5) DEPOSITORY INSURANCE REQUIRED TO MAINTAIN ASSESSMENT-RELATED RECORDS.—Each insured depository institution shall maintain all records that the Corporation may require for verifying the correctness of any assessment on the insured depository institution under this subsection until the later of—

(A) the end of the 3- year period beginning on the date of the assessment; or
(B) in the case of a dispute between the insured depository institution and the Corporation with respect to such an assessment, the date of a final determination of such a dispute.

(d) INCREASE IN FEES FOR LATE ASSESSMENT PAYMENTS.—Subsection (h) of section 18 of the Federal Deposit Insurance Act (12 U.S.C. 1818(h)) is amended to read as follows:

"(h) PENALTY FOR FAILURE TO TIMELY PAY ASSESSMENTS.—

"(1) IN GENERAL.—Subject to paragraph (3), any insured depository institution which fails or refuses to pay any assessment shall be subject to a penalty in an amount not more than 1 percent of the amount of the assessment due for each day that such violation continues.

"(2) EXCEPTION IN CASE OF DISPUTE.—Paragraph (1) shall not apply if—

(A) the failure to pay an assessment is due to a dispute between the insured depository institution and the Corporation over the amount of such assessment; and

(B) the insured depository institution deposits security satisfactory to the Corporation for payment upon final determination of the issue.

"(3) SPECIAL RULE FOR SMALL ASSESSMENT AMOUNTS.—If the amount of the assessment which an insured depository institution fails or refuses to pay is less than $10,000 at the time of refusal, the amount of any penalty to which such institution is subject under paragraph (1) shall not exceed $100 for each day that such violation continues.

"(4) AUTHORIZING THE CORPORATION TO BERT PEAL.—The Corporation, in the sole discretion of the Corporation, may compromise, modify or remit any penalty which the Corporation may assess or has already assessed under paragraph (1) upon a finding that good cause prevented the timely payment of an assessment.

"(d) ASSESSMENTS FOR LIFELINE ACCOUNTS.—

(1) IN GENERAL.—Section 7 of the Federal Deposit Insurance Corporation Improvement Act of 1991 (12 U.S.C. 1834(a)(1)) is amended by striking subsection (c).

(2) CLARIFICATION OF RATE APPLICABLE TO DEPOSITS ATTRIBUTABLE TO LIFELINE ACCOUNTS.—Section 7(b)(2)(H) of the Federal Deposit Insurance Act (12 U.S.C. 1817(b)(2)(H)) is amended by striking "at a rate determined in accordance with such Act and inserting "at the assessment rate otherwise applicable for such insured depository institution.''

"(3) REGULATIONS.—Section 222(a)(1) of the Federal Deposit Insurance Corporation Improvement Act of 1991 (12 U.S.C. 1834(a)(1)) is amended by striking "Board of Governors of the Federal Reserve System, and the".

"(e) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) Paragraph (3) of section 7(a) of the Federal Deposit Insurance Act (12 U.S.C. 1817(a)(3)) is amended by striking the 3d sentence and inserting the following:

"(4) AUTHORITY TO MODIFY OR REMIT PENALTY.—The Corporation may approve or has already assessed any assessment on the insured depository institution, which, after due notice and hearing, the Corporation determines to be necessary or appropriate, subject to subparagraph (D).

(B) in subparagraph (C) by redesignating subparagraph (H) (as redesignated by subsection (e)(2) of this section) as subparagraph (E).

(C) by redesignating subparagraph (A) (as redesignated by subsection (e)(1)(A) of this section) as subparagraph (F).

(2) Paragraph (3) of section 7(b) of the Federal Deposit Insurance Act (12 U.S.C. 1817(b)(3)) is amended by—

(A) by striking subparagraphs (E), (F), and (G);

(B) in subparagraph (C), by striking "semi-annual"; and

(C) by redesignating subparagraph (H) as amended by subsection (e)(2) of this section as subparagraph (E).

(3) Paragraph (7) of the Federal Deposit Insurance Act (12 U.S.C. 1817(b)(7)) is amended—

(A) in paragraph (1)(A), by striking "semi-annual";

(B) in paragraph (2)(A), by striking "semi-annual"; and

(C) in paragraph (3), by striking "semi-annual period" and inserting "initial assessment period".

(4) Paragraph (8)(p) of the Federal Deposit Insurance Act (12 U.S.C. 1816(p)) is amended by striking "semi-annual period".

(5) Section 7(c) of the Federal Deposit Insurance Act (12 U.S.C. 1817(c)) is amended—

(A) in paragraph (1)(A), by striking "semi-annual";

(B) in paragraph (2)(A), by striking "semi-annual"; and

(C) in paragraph (3), by striking "semi-annual period" and inserting "initial assessment period".

(6) Section 8(q) of the Federal Deposit Insurance Act (12 U.S.C. 1818(q)) is amended by striking "semi-annual period" and inserting "initial assessment period".

(7) Section 13(c)(4)(G)(ii)(II) of the Federal Deposit Insurance Act (12 U.S.C. 1822(c)(4)(G)(ii)(II)) is amended by striking "semi-annual period" and inserting "initial assessment period".

(8) Section 232(a) of the Federal Deposit Insurance Corporation Improvement Act of 1991 (12 U.S.C. 1834(a)) is amended—

(A) in the matter preceding paragraph (2)(A), by striking "the Board and inserting "the Corporation";

(B) in subparagraph (J) of paragraph (2), by striking "the Board" and inserting "the Corporation"; and

(C) by striking subparagraph (A) of paragraph (3) and inserting the following new subparagraph:
as the Board of Directors may determine to exist during such less favorable conditions, standing the increased risks of loss that may affect insured depository institutions generally affecting insured depository institutions and potential and estimated losses from in
surance generally.

be made by the Board of Directors at least

The term ‘Corporation’ means the Federal Deposit Insurance Corporation:”; and

(ii) May not be less than 1.15 percent of estimated insured deposits.

(iii) Seek to prevent sharp swings in the assessment rates for insured depository institutions; and

(iv) Take into account such other factors as the Board of Directors may determine to be appropriate by the Board of Directors;

(iii) RULE OF CONSTRUCTION.—No provision of this paragraph shall be construed as providing a new authority for the Corporation to requiresubmission of information by insured depository institutions to the Corporation.

(i) IN GENERAL.—Except as provided in subparagraph (II), in assessing the risk of loss to the Deposit Insurance Fund with respect to any insured depository institution, the Corporation shall consult with the appropriate Federal banking agency of such institution.

(ii) TREATMENT ON AGGREGATE BASIS.—In the case of insured depository institutions that are well capitalized (as defined in section 38) and, in the most recent examination, were found to be well managed, the consultation under subclause (I) concerning the assessment of the risk of loss posed by such institutions may be made on an aggregate basis.

(iii) MODIFICATIONS TO THE RISK-BASED ASSESSMENT SYSTEM ALLOWED AFTER NOTICE AND COMMENT.—In revising or modifying the risk-based assessment system at any time after the enactment of the Federal Deposit Insurance Act of 2005, the Board of Directors may implement such revisions or modifications in final form only after notice and opportunity for comment.”.

SEC. 4007. REFUNDS, DIVIDENDS, AND CREDITS FROM DEPOSIT INSURANCE FUND.

(a) IN GENERAL.—Section 7 of the Federal Deposit Insurance Act (12 U.S.C. 1817(b)(1)) is amended to read as follows:

(i) The term ‘Deposit insurance fund’,—

(ii) The term ‘credit’,—

(iii) That portion of assessments paid by any insured depository institution (including any predecessor) that reflects higher levels of risk assumed by such institution.

(iv) Such other factors as the Corpora
tion may determine to be appropriate.

(D) NOTICE AND OPPORTUNITY FOR COMMENT.—The Corporation shall prescribe by regulation, after notice and opportunity for comment, the method of declaring, and payment of dividends under this paragraph.

(3) CREDIT POOL.—

(3) REQUIREMENTS APPLICABLE TO THE RISK-BASED ASSESSMENT SYSTEM.

Section 7 of the Federal Deposit Insurance Act (12 U.S.C. 1817(b)(1)) is amended by adding at the end the following new subparagraphs:

(i) INFORMATION CONCERNING RISK OF LOSS AND ECONOMIC CONDITIONS.—

(ii) INFORMATION.—For purposes of determining risk of losses at insured depository institutions and economic conditions generally affecting depository institutions, the Corporation shall collect information, as appropriate, from all sources the Board deems appropriate, such as reports of condition, inspection reports, and other information from all Federal banking agencies, any information available from State bank supervisors, State insurance and securities regulators, the Securities and Exchange Commission (including information described in section 35), the Secretary of the Treasury, the Commodity Futures Trading Commission, the Farm Credit Administration, the Federal Trade Commission, any Federal reserve bank or any Federal home loan bank or other regulatory or self regulatory organization of financial institutions, and any information available from credit rating entities, and other private economic or business analysts.

(iii) CONSULTATION WITH FEDERAL BANKING AGENCIES.—

(iv) TAKE INTO ACCOUNT SUCH OTHER FACTORS AS THE BOARD OF DIRECTORS MAY DETERMINE TO BE APPROPRIATE.

(i) DESIGNATED RESERVE RATIO.—The ‘designated reserve ratio’ means the ratio applicable with respect to the Deposit Insurance Fund.

(ii) DESIGNATED RESERVE RATIO RANGE.

(iii) RULE OF CONSTRUCTION.—No provision of this paragraph shall be construed as providing a new authority for the Corporation to require submission of information by insured depository institutions to the Corporation.

(iv) NOTICE AND OPPORTUNITY FOR COMMENT.—The Corporation shall prescribe by regulation, after notice and opportunity for comment, the method of declaring, and payment of dividends under this paragraph.

(3) CREDIT POOL.—
SEC. 4007. DEPOSIT INSURANCE FUND RESTORATION PLANS.

Section 7(b)(3) of the Federal Deposit Insurance Act (12 U.S.C. 1817(b)(3)) (as amended by section 4005(b) of this subtitle) is amended in paragraph (1) to read as follows:

(1) The Corporation shall prescribe final regulations prescribed under clause (i), the Corporation shall publish in the Federal Register a notice of proposed rule making with respect to the proposed regulation, and provide an opportunity for public comment for 60 days after the date of the publication of the proposed regulation.

(b) EFFECTIVE DATE.—The regulations prescribed under this section shall become effective 30 days after the date of their publication in the Federal Register.

SEC. 4008. DEPOSIT INSURANCE FUND RESTORATION PLANS.

Section 7(b)(3) of the Federal Deposit Insurance Act (12 U.S.C. 1817(b)(3)) (as amended by section 4007 of this subtitle) is amended—

(1) in paragraph (2), by striking the second sentence and inserting in lieu thereof the following:

"(II) during any period in which the Corporation would apply assessment credits; and"

(2) in paragraph (3), by striking the second sentence and inserting in lieu thereof the following:

"(I) when used with regard to the Deposit Insurance Fund other than in connection with the assessment period in which the fund actually falls below the minimum reserve ratio of the Deposit Insurance Fund to the value of the aggregate estimated insured deposits.

SEC. 4009. REGULATIONS REQUIRED.

(a) IN GENERAL.—The Corporation and the National Credit Union Administration shall each conduct a study of the following:

(1) the current size and complexity of the business of insured depository institutions (as such term is defined in section 3 of the Federal Deposit Insurance Act);

(ii) the extent to which the organizational structure contributes to or reduces operational inefficiencies that increase operational costs; and

(iii) the effectiveness of internal controls.

(b) REPORT TO THE CONGRESS.—The Comptroller General shall report to the Congress before the end of the 1-year period beginning on the date of the enactment of this Act containing the findings and conclusions of the Comptroller General with respect to the study required under paragraph (1) together with such recommendations for legislative or administrative action as the Comptroller General may determine to be appropriate.
and the National Credit Union Administration Board shall each submit a report to the Congress on the study required under paragraph (1) containing the findings and conclusions of the reporting agency together with such recommendations for legislative or administrative changes as the agency may determine to be appropriate.

(c) STUDY REGARDING APPROPRIATE DEPOSIT BASE IN DESIGNATING RESERVE RATIO.—

(1) STUDY REQUIRED.—The Federal Deposit Insurance Corporation shall conduct a study of the feasibility of using actual domestic deposits rather than estimated insured deposits in calculating the reserve ratio of the Deposit Insurance Fund and designating a reserve ratio for such Fund.

(2) REPORT.—The Federal Deposit Insurance Corporation shall submit a report to the Congress before the end of the 1-year period beginning on the date of the enactment of this Act containing the findings and conclusions of the Corporation with respect to the study required under paragraph (1) together with such recommendations for legislative or administrative action as the Board of Directors of the Corporation may determine to be appropriate.

(d) STUDY OF RESERVE METHODOLOGY AND ACCOUNTING POLICIES.—

(1) STUDY REQUIRED.—The Federal Deposit Insurance Corporation shall conduct a study of the reserve methodology and loss accounting used by the Corporation during the period beginning on January 1, 1992, and ending December 31, 2004, with respect to insured depository institutions in a troubled condition (as defined in the regulations prescribed pursuant to section 321 of the Federal Deposit Insurance Act). The Corporation shall obtain comments on the design of the study from the Comptroller General.

(2) REPORTS TO BE INCLUDED.—In conducting the study pursuant to paragraph (1), the Federal Deposit Insurance Corporation shall—

(A) consider the overall effectiveness and accuracy of the methodology used by the Corporation for establishing and maintaining reserves and estimating and accounting for losses at insured depository institutions, during the period described in such paragraph;

(B) consider the appropriateness and reliability of information and criteria used by the Corporation—

(i) whether an insured depository institution was in a troubled condition; and

(ii) the amount of any loss anticipated at such institution;

(C) analyze the actual historical loss experience over the period described in paragraph (1) and the causes of the exceptionally high rate of losses experienced by the Corporation in the relevant period; and

(D) rate the efforts of the Corporation to reduce losses in such 3-year period to minimally acceptable levels and to historical levels.

(3) REPORT REQUIRED.—The Board of Directors of the Federal Deposit Insurance Corporation shall submit a report to the Congress before the end of the 6-month period beginning on the date of the enactment of this Act, containing the findings and conclusions of the Corporation with respect to the study required under paragraph (1), together with such recommendations for legislative or administrative action as the Board of Directors may determine to be appropriate. Before submitting the report to Congress, the Board shall provide a draft of the report to the Comptroller General for comment.

SEC. 4011. BI-ANNUAL FDIC SURVEY AND REPORT ON INCREASING THE DEPOSIT BASE BY ENCOURAGING USE OF DEPOSITORY INSTITUTIONS BY THE UNBANKED.

The Federal Deposit Insurance Act (12 U.S.C. 1811 et seq.) is amended by adding at the end the following new section:

"SEC. 49. BI-ANNUAL FDIC SURVEY AND REPORT ON ENCOURAGING USE OF DEPOSITORY INSTITUTIONS BY THE UNBANKED.

- (a) SURVEY REQUIRED.—

(1) IN GENERAL.—The Corporation shall conduct a bi-annual survey on efforts by insured depository institutions to bring those individuals and families who have, if ever, held a checking account, a savings account or other type of transaction or check cashing account at an insured depository institution (hereafter in this section referred to as the ‘unbanked’) into the conventional financial system.

(2) FACTORS AND QUESTIONS TO CONSIDER.—In conducting the survey, the Corporation shall take the following factors and questions into account:

(A) To what extent do insured depository institutions promote financial education and financial literacy outreach?

(B) To what extent do insured depository institutions appear to be the most effective in bringing ‘unbanked’ individuals and families into the conventional financial system?

(C) What effective strategies are making at converting ‘unbanked’ money order, wire transfer, and international remittance customers into conventional account holders?

(D) What cultural, language and identity issues as well as transaction costs appear to most prevent ‘unbanked’ individuals from establishing conventional accounts?

(2) REPORTS.—The Chairperson of the Board of Directors shall submit a bi-annual report to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate containing the Corporation’s findings and conclusions with respect to the survey conducted pursuant to sub-section (a), together with such recommendations for legislative or administrative action as the Chairperson may determine to be appropriate.

SEC. 4012. TECHNICAL AND CONFORMING AMENDMENTS TO THE FEDERAL DEPOSIT INSURANCE ACT RELATING TO THE MERGER OF THE BIF AND SAIF.

(a) IN GENERAL.—The Federal Deposit Insurance Act (12 U.S.C. 1811 et seq.) is amended—

(1) in section 3 (12 U.S.C. 1813)—

(A) by striking subparagraph (B) of subsection (a) and inserting the following new subparagraph:

"(B) includes any former savings association;"

and

(B) by striking paragraph (1) of subsection (y) as so designated by section 4005(b) of this subtitle and inserting the following new paragraph:

"(1) DEPOSIT INSURANCE FUND.—The term ‘Deposit Insurance Fund’ means the Deposit Insurance Fund established under section 1818(d)."

(2) in section 5(b)(5) (12 U.S.C. 1815(b)(5)), by striking “the Bank Insurance Fund or the Savings Association Insurance Fund” and inserting “the Deposit Insurance Fund”;

(3) in section 7(b) (12 U.S.C. 1817(b))—

(A) in paragraph (1)(C), by striking “deposit insurance fund” each place that term appears and inserting “Deposit Insurance Fund”; (B) in paragraph (1)(D), by striking “each deposit insurance fund” and inserting “the Deposit Insurance Fund”; and

(C) in paragraph (5) (as so redesignated by section 4005(e)(4) of this subtitle)—

(i) by striking “any such assessment” and inserting “any such assessment is necessary”;

(ii) by striking subparagraph (B); and

(iii) in subparagraph (A)—

(I) by striking “(A) necessary—”;

(II) by striking “Bank Insurance Fund members” and inserting “insured depository institutions”; and

(III) by redesignating clauses (i), (ii), and (iii) as subparagraphs (A), (B), and (C), respectively, and moving the margins 2 ems to the left; and

(iv) in subparagraph (C) as so redesignated—

(I) by inserting “that” before “the Corporation”; and

(II) by striking “and” and inserting a period;

(3) in section 7(c) (12 U.S.C. 1817(c))—

(A) by striking “the Savings Association Insurance Fund” and inserting “Deposit Insurance Fund”;

(4) in section 10(6) (12 U.S.C. 1816(6)) by striking “the Savings Association Insurance Fund” and inserting “Deposit Insurance Fund”;

(5) in section 10(7) (12 U.S.C. 1816(7))—

(A) by striking “banking association insurance fund” and inserting “Deposit Insurance Fund”;

(6) in section 11 (12 U.S.C. 1821)—

(A) by striking “the Deposit Insurance Fund” and inserting “Deposit Insurance Fund”;

(B) in paragraph (4)(C)(ii), and inserting “and” and “of”; and

(7) in section 11(1)(A) (12 U.S.C. 1821(1)(A))—

(A) by striking “the Deposit Insurance Fund” and inserting “Deposit Insurance Fund”;

(B) in paragraph (4) (as so redesignated by section 4005(e)(4) of this subtitle)—

(i) by striking “that” before “the Corporation”; and

(ii) by striking “and” and inserting a period;
“(ii) use to carry out its insurance purposes, in the manner provided by this sub-
section; and

(iii) invest in accordance with section 13(a).

(B) USES.—The Deposit Insurance Fund shall be available to the Corporation for use with respect to insured depository institutions which are insured by the Deposit Insurance Fund.

(C) LIMITATION ON USE.—Notwithstanding any provision of law other than section 13(c)(4)(E)(iv) of the Insurance Act (and this paragraph), the Deposit Insurance Fund shall not be used in any manner to benefit any shareholder or affiliate (other than an in-
sured depository institution that receives assi-
stance in accordance with the provisions of this Act) of:

(i) any insured depository institution for which the Corporation has been appointed conservator or receiver, in connection with any type of resolution by the Corporation; or

(ii) any other insured depository institu-
tion in default or in danger of default, in connection with any type of resolution by the Corporation; or

(iii) any insured depository institution, in connection with the provision of assistance under this section or section 13 with respect to such institution, that the Corporation does not prohibit any assistance to any in-
sured depository institution that is not in default or in danger of default, that is acquiring (as defined in section 13(f)(6)(B)) another insured depository institu-
tion.

(D) DEPOSITS.—All amounts assessed against insured depository institutions by the Corporation shall be deposited into the Deposit Insurance Fund;

(1) by striking paragraphs (5), (6), and (7) of subsection (a); and

(2) by redesigning paragraph (8) of subsection (a) as paragraph (5);

(3) in subsection (b)(1) (12 U.S.C. 1821(c)(1)), by striking “, except that—” and all that follows through the end of the paragraph and inserting a period;

(4) in section 11(j)(3) (12 U.S.C. 1821(j)(3))—

(A) by striking subparagraph (B); and

(B) by redesigning subparagraph (C) as subparagraph (B); and

(C) by striking paragraph (B) (as so redesign-
egated), by striking “subparagraphs (A) and (B)” and inserting “subparagraph (A)”; and

(D) by redesigning paragraph (4) of subsection (a) as paragraph (5);

(4) in section 11(j)(4) (12 U.S.C. 1821(c)(4)), by inserting “institution, any” and inserting “institution, the”;

(5) in section 11(a) (12 U.S.C. 1821(a))—

(A) in paragraph (2), by striking “liabilities.” and all that follows through “Except” and inserting “liabilities.—Except.”;

(B) by striking paragraph (2)(B); and

(C) in paragraph (3), by striking “the Bank Insurance Fund, the Savings Association Insur-
ance Fund,” and inserting “the Deposit Insurance Fund”; and

(6) in section 11(a)(b) (12 U.S.C. 1821(a)(b)), by striking “of which such institution is a member” and inserting “of which such institution is a member or any predecessor depository insurance fund”;

(7) in section 12(c)(1)(C)(iv) (12 U.S.C. 1822(c)(1)(C)(iv)), by striking “Federal deposit insurance funds” and inserting “the Deposit Insurance Fund or any predecessor deposit insurance fund”;

(8) in section 13 (12 U.S.C. 1823) —

(A) by striking “deposit insurance fund” each place that term appears and inserting “Deposit Insurance Fund”;

(B) in subsection (a)(1), by striking “Bank Insurance Fund, the Savings Association Insur-
ance Fund,” and inserting “Deposit Insurance Fund”; and

(C) in subsection (c)(4)(B)—

(i) in the subparagraph heading, by strik-
ing “funds” and inserting “fund”; and

(ii) in clause (i), by striking “any insur-
ance fund” and inserting “the Deposit Insur-
ance Fund”;

(D) in subsection (c)(4)(G)(i)—

(i) by striking “appropriate insurance fund” and inserting “Deposit Insurance Fund”;

(ii) by striking “the members of the insur-
ance fund (of which such institution is a member)” and inserting “insured depository institution”; and

(iii) by striking “each member’s” and in-
serting “each insured depository institu-
tion’s”; and

(iv) by striking “the member’s” each place that term appears and inserting “the institu-
tion’s”;

(E) in subsection (c), by striking paragraph (13)—

(F) in subsection (b), by striking “Bank In-
surance Fund” and inserting “Deposit Insur-
ance Fund”; and

(G) in subsection (k)(4)(B)(i), by striking “Savings Association Insurance Fund mem-
ber” and inserting “savings association”; and

(H) in subsection (k)(5)(A), by striking “Savings Association Insurance Fund mem-
ber” and inserting “savings associations”;

(20) in section 14(a) (12 U.S.C. 1823(a)), in the 9th paragraph—

(A) by striking “Bank Insurance Fund or the Savings Association Insurance Fund” and inserting “Deposit Insurance Fund”; and

(B) by striking “Bank Insurance Fund” and inserting “the Deposit Insurance Fund”;

(21) in section 14(b) (12 U.S.C. 1823(b)), by striking “Bank Insurance Fund or Savings Association Insurance Fund” and inserting “Deposit Insurance Fund”; and

(22) in section 14(c) (12 U.S.C. 1823(c)), by striking paragraph (3);

(23) in section 14(d) (12 U.S.C. 1823(d))—

(A) by striking “Bank Insurance Fund member” each place that term appears and inserting “insured depository institution”; and

(B) by striking “Bank Insurance Fund members” each place that term appears and inserting “insured depository institutions”; and

(C) by striking “Bank Insurance Fund” each place that term appears and inserting “savings association”;

(D) by striking the subsection heading and inserting the following:

1. BORROWING FOR THE DEPOSIT INSURANCE FUND FROM INSURED DEPOSITORY INSTITUTIONS.—

2. BORROWING FOR THE DEPOSIT INSURANCE FUND FROM FEDERAL HOME LOAN BANKS.—

(1) IN GENERAL.—The Corporation may borrow from the Federal home loan banks, with the concurrence of the Federal Housing Finance Board, in the Corporation considers necessary for the use of the Deposit Insurance Fund.

(2) TERMS AND CONDITIONS.—Any loan from any Federal home loan bank under paragraph (1) to the Deposit Insurance Fund shall—

(A) bear a rate of interest of not less than the current marginal cost of funds to that bank, taking into account the maturities in-
volved;

(B) be adequately secured, as determined by the Federal Housing Finance Board;

(C) be a direct liability of the Deposit Insur-
ance Fund; and

(D) be subject to the limitations of sec-
 tion 15(c).

(24) in section 15(c)(5) (12 U.S.C. 1823(c)(5))—

(A) by striking “the Bank Insurance Fund or the Savings Association Insurance Fund, respectively” each place that term appears and inserting “the Deposit Insurance Fund” and “the Deposit Insurance Fund or the Savings Association Insurance Fund, respectively” and inserting “the Deposit Insurance Fund”;

(B) in subsection (a) (12 U.S.C. 1823(a))—

(A) in the heading, by striking “BIF, SAIF,” and inserting “THE DEPOSIT IN-
SURANCE FUND”; and

(B) in paragraph (1)—

(i) by striking “the Bank Insurance Fund, the Savings Association Insurance Fund,” each place that term appears and inserting “the Deposit Insurance Fund”; and

(ii) in subparagraph (D), by striking “each insurance fund” and inserting “the Deposit Insurance Fund”;

(C) in section 17(d) (12 U.S.C. 1827(d)), by striking “,” the Bank Insurance Fund, the Savings Association Insurance Fund,” each place that term appears and inserting “THE DEPOSIT INSURANCE FUND”;

(D) in section 18(m)(3) (12 U.S.C. 1828(m)(3))—

(A) by striking “Savings Association In-
surance Fund” in the 1st sentence of sub-
paragraph (A) and inserting “Deposit Insur-
ance Fund”;

(B) by striking “Savings Association Insur-
ance Fund member” in the last sentence of sub-
paragraph (A) and inserting “savings associa-
tion member”;

(C) by striking “Savings Association Insur-
ance Fund or the Bank Insurance Fund” in subpara-
graph (C) and inserting “Deposit Insurance Fund”;

(D) in section 18(o) (12 U.S.C. 1828(o)), by striking “deposit insurance funds” and “de-
posit insurance fund” each place those terms appear and inserting “Deposit Insurance Fund”;

(E) by striking “savings association” and “savings associations” and inserting “depos-
itory institution” and “depository institutions”; and

(F) by striking “Savings Association Insur-
ance Fund or the Bank Insurance Fund” each place that term appears and inserting “the Deposit Insurance Fund”; and

(G) by striking “” and inserting “THE DE-
POSIT INSURANCE FUND”;

(H) in section 18(p) (12 U.S.C. 1828(p)), by striking “deposit insurance funds” and in-
serting “Deposit Insurance Fund”;

(I) in section 24 (12 U.S.C. 1831)—

(A) in subsections (a)(1) and (d)(1)(A), by striking “appropriate deposit insurance fund” each place that term appears and inserting “the Deposit Insurance Fund”; and

(B) in subsections (c)(2)(A), by striking “risk to” and all that follows through the end of paragraph “risk to the Deposit In-
surance Fund”; and

(C) in subsections (c)(2)(B)(i) and (f)(6)(B), by striking “the insurance fund of which such bank is a member” each place that term appears and inserting “the Deposit Insurance Fund”;

(D) in section 28 (12 U.S.C. 1831o), by strik-
ing “affected deposit insurance funds” each place that term appears and inserting “Deposit Insurance Fund”;

(E) by striking “savings association” and “savings associations” and inserting “depos-
itory institution” and “depository institutions”; and

(F) by striking “” and inserting “THE DE-
POSIT INSURANCE FUND”;

(G) by striking section 31 (12 U.S.C. 1831h);

(H) in section 36(3) (12 U.S.C. 1831m(3)), by striking “affected deposit insurance fund” and inserting “Deposit Insurance Fund”;

(I) by striking section 37(a)(1)(C) (12 U.S.C. 1831m(a)(1)(C)), by striking “insurance funds” and inserting “Deposit Insurance Fund”;

(J) in section 38 (12 U.S.C. 1831o), by strik-
ing “the deposit insurance fund” each place that term appears and inserting “the Deposit Insurance Fund”;

(K) in section 38(a) (12 U.S.C. 1831a(a)), in the Fund heading, by striking “Funds” and inserting “FUND”;

(L) in section 38(k) (12 U.S.C. 1831k(k))—
(A) in paragraph (1), by striking “a deposit insurance fund” and inserting “the Deposit Insurance Fund”; (B) in paragraph (2), by striking “a deposit insurance fund” and inserting “The Deposit Insurance Fund”; and (C) in paragraphs (2)(A) and (3)(B), by striking “the deposit insurance fund’s outlays” and inserting “the outlays of the Deposit Insurance Fund”; and (39) in section 38(b) (12 U.S.C. 1831o(a)), by redesignating paragraphs (A), (B), and (C) as paragraphs (1), (2), and (3), respectively, and moving the margins 2 ems to the left; and (C) in paragraph (1) (as so redesignated), by redesignating clauses (i) and (ii) as subparagraphs (A), (B), and (C) as paragraphs (1), (2), and (3), respectively, and moving the margins 2 ems to the left. (b) EFFECTIVE DATE.—This section and the amendments made by this section shall take effect on the first day of the first calendar quarter that begins after the end of the 90-day period beginning on the date of the enactment of this Act.

SEC. 4013. OTHER TECHNICAL AND CONFORMING AMENDMENTS RELATING TO THE MERGER OF THE BIF AND SAIF.

(a) SECTION 5156 OF THE REVISED STATUTES.—The paragraph designated the “Eleventh Amendment” of section 5156 of the Revised Statutes of the United States (12 U.S.C. 24) is amended in the 5th sentence, by striking “affected deposit insurance fund” and inserting “Deposit Insurance Fund.”

(b) INVESTMENTS PROMOTING PUBLIC WELFARE: LIMITATIONS ON AGGREGATE INVESTMENTS.—Subsection (e)(2)(B) of section 9 of the Federal Reserve Act (12 U.S.C. 338a) is amended in the 4th sentence, by striking “the Deposit Insurance Fund of the Savings Association Insurance Fund, member each place that term appears and inserting “the Deposit Insurance Fund”.

(c) ADVANCES TO CRITICALLY UNDERCAPITALIZED DEPOSITORY INSTITUTIONS.—Section 367 of the Federal Reserve Act (12 U.S.C. 347b(b)(3)(A)(ii)) is amended by striking “any deposit insurance fund in” and inserting “the Deposit Insurance Fund of.”

(d) AMENDMENTS TO THE BALANCED BUDGET AND EMERGENCY DEFICIT CONTROL ACT OF 1985.—Section 258(g)(1)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 905(c)(1)(A)) is amended— (1) by striking “Bank Insurance Fund” and inserting “Deposit Insurance Fund”; and (2) by striking “Federal Deposit Insurance Corporation, Savings Association Insurance Fund (51–4066–0–3–373)”.

(e) AMENDMENTS TO THE FEDERAL HOME LOAN BANK ACT.—The Federal Home Loan Bank Act (12 U.S.C. 1421 et seq.) is amended— (1) in section 11(c) (12 U.S.C. 1431(c))— (A) in the subsection heading, by striking “SAIF” and inserting “The Deposit Insurance Fund”; and (B) by striking “Savings Association Insurance Fund” each place such term appears and inserting “Deposit Insurance Fund”; (2) in section 21 (12 U.S.C. 1411)— (A) in subsection (f)(2), by striking “, except that” and all that follows through the end of the paragraph and inserting a period; and (B) in subsection (k), by striking paragraph (4); (3) in section 21A(b)(4)(B) (12 U.S.C. 141a(b)(4)(B)), by striking “affected deposit insurance fund” and inserting “Deposit Insurance Fund”; and (4) in section 21A(b)(6)(B) (12 U.S.C. 141a(b)(6)(B))— (A) in the subparagraph heading, by striking “SAIF-INSURED BANKS” and inserting “CHARTER CONVERSIONS”; and (B) by striking “Savings Association Insurance Fund” each place such term appears and inserting “savings associations”; (5) in section 21A(b)(10)(A)(iv)(II) (12 U.S.C. 141a(b)(10)(A)(iv)(II)), by striking “savings associations” and inserting “the Deposit Insurance Fund”; (6) in section 21A(b)(9)(E)(iv) (12 U.S.C. 141a(b)(9)(E)(iv)), by striking “Federal deposit insurance fund” and inserting “the Deposit Insurance Fund”; and (7) in section 21B(e) (12 U.S.C. 141b(e))— (A) in paragraph (5), by inserting “as of the date of this Act,” in the 7th line of each place that term appears; and (B) by striking paragraphs (7) and (8); and (8) in section 21B(k) (12 U.S.C. 141b(k))— (A) by inserting before the colon “, the following definitions shall apply”; (B) by striking paragraph (8); and (C) by redesignating paragraphs (9) and (10) as paragraphs (8) and (9), respectively.

(f) AMENDMENTS TO THE HOME OWNERS’ LOAN ACT.—The Home Owners’ Loan Act (12 U.S.C. 1461 et seq.) is amended— (1) in section 5 (12 U.S.C. 1461)— (A) in subsection (c)(5)(A), by striking “that is a member of the Bank Insurance Fund” and inserting “that is a member of the Deposit Insurance Fund”; (B) in subsection (c)(6), by striking “as used in this subsection” and inserting “For purposes of this subsection, the following definitions shall apply”; (C) in subsection (o)(1), by striking “that is a Bank Insurance Fund member” and inserting “that is a Deposit Insurance Fund member”; (D) in subsection (o)(2)(A), by striking “a Bank Insurance Fund member until such time as it changes its status to a Savings Association Insurance Fund member” and inserting “a Bank Insurance Fund member”; (E) in subsection (m)(1)(A)(ii), by striking “affected deposit insurance fund” and inserting “Deposit Insurance Fund”; (F) in subsection (m)(1)(B), by striking “the Savings Association Insurance Fund” and inserting “the Deposit Insurance Fund”; (G) in subsection (m)(1)(C), by striking “the savings association insurance fund” and inserting “the Deposit Insurance Fund”; and (H) in subsection (m)(1)(D), by striking “the savings association insurance fund” and inserting “the Deposit Insurance Fund.”

(g) EFFECTIVE DATE.—This section and the amendments made by this section shall take effect on the first day of the first calendar quarter that begins after the end of the 90-day period beginning on the date of the enactment of this Act.

Subtitle B—FHA Asset Disposition

SEC. 4011. SHORT TITLE.

This subtitle may be cited as the “FHA Asset Disposition Act of 2005.”

SEC. 4012. DEFINITIONS.

For purposes of this subtitle, the following definitions shall apply:

(1) The term “affordability requirements” means any requirements or restrictions imposed by the Secretary, at the time of sale, on a multifamily real property or a multifamily loan, such as use restrictions, rent restrictions, and rehabilitation requirements.

(2) The term “discount sale” means the sale of a multifamily loan in a transaction, such as a negotiated sale, in which the sale price is lower than the market value and is set outside of a competitive bidding process that has no affordability requirements.

(3) The term “discount loan sale” means the sale of a multifamily loan in a transaction, such as a negotiated sale, in which the sale price is lower than the loan market value and is set outside of a competitive bidding process that has no affordability requirements.

(4) The term “loan market value” means the value of a multifamily loan, without taking into account any affordability requirements.

(5) The term “multifamily real property” means any rental or cooperative housing
project of 5 or more units owned by the Secretary that prior to acquisition by the Secretary was security for a loan or loans insured under title II of the National Housing Act.

(6) The term "multifamily loan" means a loan held by the Secretary and secured by a multifamily rental or cooperative housing project or more units that was formerly insured under title II of the National Housing Act.

(7) The term "property market value" means the market value of a multifamily real property for its current use, without taking into account any affordability requirements.

(b) The term "Secretary" means the Secretary of Housing and Urban Development.

SEC. 4103. APPROPRIATED FUNDS REQUIREMENT FOR BELOW MARKET SALES.

(a) DISCOUNT SALES.—Notwithstanding any other provision of law, except for affordability requirements for the elderly and disabled required by statute, disposition by the Secretary of a multifamily real property during fiscal years 2006 through 2010 through a discount sale under sections 207(1) or 246 of the National Housing Act (12 U.S.C. 1713(l), 1715-1a(a)), the Housing and Community Development Amendments of 1978 (12 U.S.C. 1701z-11), or section 204 of the Department of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1997 (12 U.S.C. 1715z-11a), shall be subject to the availability of appropriations to the extent that the property value exceeds the sale proceeds. If the multifamily real property is sold, during such fiscal years, for an amount equal to or greater than the property market value then the transaction is not subject to the availability of appropriations.

(b) DISCOUNT SALES.—Notwithstanding any other provision of law and in accordance with the Federal Credit Reform Act of 1990 (2 U.S.C. 661 et seq.), a discount loan sale during fiscal years 2006 through 2010 under section 207(2) of the National Housing Act (12 U.S.C. 1715k), section 203(k) of the Housing and Community Development Amendments of 1978 (12 U.S.C. 1701z-11(k)), or section 204(a) of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1997 (12 U.S.C. 1715z-11a(a)), shall be subject to the availability of appropriations to the extent that the loan value exceeds the sale proceeds. If the multifamily loan is sold, during such fiscal years, for an amount equal to or greater than the loan market value then the transaction is not subject to the availability of appropriations.

(c) APPLYABILITY.—This section shall not apply to any transaction that formally commences within one year prior to the enactment of this section.

SEC. 4104. UPFRONT GRANTS.

(a) AMENDMENTS.—Section 204(a) of the Department of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1997 (12 U.S.C. 1715z-11a(a)), as added by the last enactment following new sentence: “A grant provided under this subsection during fiscal years 2006 through 2010 shall be available only to the extent that appropriations are made in advance for such purposes and shall not be derived from the General Insurance Fund.”

(b) 1978 ACT.—Section 203 of the Housing and Community Development Amendments of 1978 (12 USC 1701z-11(f)(3)(A)) is amended by adding at the end the following new sentence: “This paragraph shall be effective during fiscal years 2006 through 2010 only to the extent that such budget authority is made available for use under this paragraph in advance of appropriation Acts.”

(c) APPLYABILITY.—The amendments made by this section shall not apply to any transaction that formally commences within one year prior to the enactment of this section.

TITLE V.—COMMITTEE ON JUDICIARY

SEC. 5001. TABLE OF CONTENTS.

TITLE V.—COMMITTEE ON JUDICIARY

SEC. 5001. Table of contents.

Subtitle A—Visa Fees

Sec. 5010. Fees with respect to immigration services for intracompany transfers.

Subtitle B—Circuit and District Judgeships

Sec. 5201. Short title.

Sec. 5202. Circuit judges for the circuit courts of appeals.

Sec. 5203. District judges for the district courts.

Sec. 5204. Establishment of Article III court in the Virgin Islands.

Sec. 5205. Effective date.

Subtitle C—Bankruptcy Judgeships

Sec. 5301. Short title.

Sec. 5302. Authorization for additional bankruptcy judgeships.

Sec. 5303. Temporary bankruptcy judgeships.

Sec. 5304. Conversion of existing temporary bankruptcy judgeships.

Sec. 5305. General provisions.

Sec. 5306. Effective date.

Subtitle D—Ninth Circuit Reorganization

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Sec. 5402. Definitions.

Sec. 5403. Establishment and composition of circuits.

Sec. 5404. Number of circuit judges.

Sec. 5405. Places of circuit court.

Sec. 5406. Assignment of circuit judges.

Sec. 5407. Election of assignment by senior judges.

Sec. 5408. Assignment of judges.

Sec. 5409. Application to cases.

Sec. 5410. Temporary assignment of circuit judges among circuits.

Sec. 5411. Temporary assignment of district judges among circuits.

Sec. 5412. Administration.

Sec. 5413. Effective date.

Subtitle E—Authorization of Appropriations

Sec. 5501. Authorization of appropriations.

SEC. 5101. FEES WITH RESPECT TO IMMIGRATION SERVICES FOR INTRACOMPANY TRANSFERS.

Section 214(c) of the Immigration and Nationality Act (8 U.S.C. 1184(c)) is amended by adding at the end the following:

“(15)(A) The Secretary of State shall impose a fee on an employer when an alien files an application abroad for a visa authorizing initial admission to the United States as a nonimmigrant described in section 101(a)(15)(L) or to extend for the first time the stay of an alien having such status.

“(B) The Secretary of Homeland Security shall impose a fee on an employer filing a petition under paragraph (1) initially to grant an alien nonimmigrant status described in section 101(a)(15)(L) or to extend for the first time the stay of an alien having such status.

“(C) The amount of the fee imposed under subparagraph (A) or (B) shall be $1,500.

“(D) The fees imposed under subparagraphs (A) and (B) shall only apply to principal aliens and not to spouses or children who are accompanying or following to join such principal alien.

“(E) Fees collected under this subsection shall be deposited as offsetting receipts in the Treasury, and shall not be available for expenditure other than to reimburse, or otherwise compensate, the employer for part or all of the cost of such fee.

“(f) Section 274A(g)(2) shall apply to a violation of clause (1) in the same manner as it applies to a violation of section 274A(g)(1).”.

Subtitle B—Circuit and District Judgeships

SEC. 5201. SHORT TITLE.

This subtitle may be cited as the “Federal Judgeship Act of 2005”.

SEC. 5202. CIRCUIT JUDGES FOR THE CIRCUIT COURTS OF APPEALS.

(a) IN GENERAL.—The President shall appoint, by and with the advice and consent of the Senate—

(1) 1 additional circuit judge for the first circuit court of appeals;

(2) 2 additional circuit judges for the second circuit court of appeals;

(3) 1 additional circuit judge for the sixth circuit court of appeals; and

(4) 5 additional circuit judges for the ninth circuit court of appeals, whose official duty station shall be in California.

(b) TEMPORARY JUDGES:

(1) IN GENERAL.—The President shall appoint, by and with the advice and consent of the Senate—

(A) 1 additional circuit judge for the eighth circuit court of appeals; and

(B) 2 additional circuit judges for the ninth circuit court of appeals, whose official duty station shall be in California.

(2) VACANCIES.

(A) EIGHTH CIRCUIT.—The first vacancy in the office of circuit judge in the eighth circuit court of appeals, occurring 10 years or more after the confirmation date of the judge named to fill the circuit judgeship created by paragraph (1)(A) shall not be filled.

(B) NINTH CIRCUIT.—The first 2 vacancies in the office of circuit judge in the ninth circuit court of appeals, occurring 10 years or more after judges are first confirmed to fill both temporary circuit judgeships created by paragraph (1)(B) shall not be filled.

(c) TABLE OF JUDGESHIPS.—In order that the table contained in section 44 of title 28, United States Code, will, with respect to each judicial circuit, reflect the changes in the total number of permanent circuit judgeships authorized under subsection (a) of this section, such table is amended to read as follows:

<table>
<thead>
<tr>
<th>Number of Judges</th>
<th>Districts</th>
</tr>
</thead>
<tbody>
<tr>
<td>12</td>
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</tr>
<tr>
<td>15</td>
<td>First</td>
</tr>
<tr>
<td>14</td>
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<td>Eleventh</td>
</tr>
<tr>
<td>12</td>
<td>Federal</td>
</tr>
</tbody>
</table>

Subchapter D—Districts for the District Courts

Subtitle D—Districts for the District Courts

SEC. 5303. DISTRICT JUDGES FOR THE DISTRICT COURTS.

(a) IN GENERAL.—The President shall appoint, by and with the advice and consent of the Senate—

(1) 1 additional district judge for the northern district of Alabama;

(2) 4 additional district judges for the district of Arizona;

(3) 3 additional district judges for the northern district of California;

(4) 4 additional district judges for the eastern district of California;

(5) 4 additional district judges for the central district of California;

(6) 1 additional district judge for the southern district of California;
(7) 1 additional district judge for the district of Colorado;
(8) 4 additional district judges for the middle district of Florida;
(9) 2 additional district judges for the southern district of Florida;
(10) 1 additional district judge for the district of Idaho;
(11) 1 additional district judge for the northern district of Illinois;
(12) 1 additional district judge for the southern district of Indiana;
(13) 1 additional district judge for the western district of Missouri;
(14) 1 additional district judge for the district of Nebraska;
(15) 1 additional district judge for the district of Nevada;
(16) 1 additional district judge for the district of New Mexico;
(17) 3 additional district judges for the eastern district of New York;
(18) 1 additional district judge for the western district of New York;
(19) 1 additional district judge for the district of Oregon;
(20) 1 additional district judge for the district of South Carolina;
(21) 3 additional district judges for the southern district of Texas;
(22) 2 additional district judges for the eastern district of Virginia; and
(23) 1 additional district judge for the western district of Washington.

(b) TEMPORARY JUDGES.—

(1) GENERAL.—The President shall appoint, by and with the advice and consent of the Senate—

(A) 1 additional district judge for the middle district of Alabama;
(B) 1 additional district judge for the district of Arizona;
(C) 1 additional district judge for the northern district of California;
(D) 1 additional district judge for the district of Colorado;
(E) 1 additional district judge for the middle district of Florida;
(F) 1 additional district judge for the northern district of Iowa;
(G) 1 additional district judge for the district of Minnesota;
(H) 1 additional district judge for the district of New Jersey;
(I) 1 additional district judge for the district of New Mexico;
(J) 1 additional district judge for the southern district of Ohio;
(K) 1 additional district judge for the district of Oregon; and
(L) 1 additional district judge for the district of Utah.

(2) VACANCIES NOT FILLED.—The first vacancy in the office of district judge in each of the judicial districts named in paragraph (1) occurring 10 years or more after the confirmation date of the judge named to fill the district judgeship created in that district by paragraph (1) shall not be filled.

(c) PERMANENT JUDGES.—The existing judgeships for the district of Hawaii, the district of Kansas, and the eastern district of Missouri authorized by section 203(c) of the Judicial Improvements Act of 1990 (Public Law 101-650; 28 U.S.C. 133 note) shall, as of the effective date of this Act, be authorized under section 133 of title 28, United States Code, and the incumbents in those offices shall hold the office under section 133 of title 28, United States Code, as amended by this Act.

(2) EXTENSION OF TEMPORARY JUDGESHIP.—

Section 203(c) of the Judicial Improvements Act of 1990 (Public Law 101-650; 28 U.S.C. 133 note) is amended in the fifth sentence (relating to the northern district of Ohio) by striking “15 years” and inserting “20 years”.

(d) TABLE OF JUDGESHIPS.—In order that the table contained in section 133(a) of title 28, United States Code, will, with respect to each judicial district, reflect the changes in the total number of permanent district judgeships authorized under subsections (a) and (c) of this section, such table is amended to read as follows:

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<th>Judges</th>
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<td>“Wyoming” 3</td>
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</tbody>
</table>

SEC. 5204. ESTABLISHMENT OF ARTICLE III COURT IN THE VIRGIN ISLANDS.

(a) ESTABLISHMENT OF JUDICIAL DISTRICT.—

(1) VIRGIN ISLANDS.—Chapter 5 of title 28, United States Code, is amended by inserting after section 126 the following new section:

"§126A. Virgin Islands.

"The Virgin Islands constitutes 1 judicial district comprising 2 divisions.

"(1) The Saint Croix Division comprises the Island of Saint Croix and adjacent islands and cays.

"Court for the Saint Croix Division shall be held at Christiansted.

"(2) The Saint Thomas and Saint John Division comprises the Islands of Saint Thomas and Saint John and adjacent islands and cays.

"Court for the Saint Thomas and Saint John Division shall be held at Charlotte-Amalie.”.

(b) NUMBER OF JUDGES.—The table contained in section 133(a) of title 28, United States Code, is amended by inserting after the item relating to section 126 the following:

"126A. Virgin Islands.

""126A. Virgin Islands.”.

(c) BANKRUPTCY JUDGES.—The table contained in section 133(a) of title 28, United States Code, is amended by inserting after the item relating to Vermont the following:

"Virgin Islands...2”.

(d) JUDICIAL CONFERENCES OF CIRCUITS.—Section 333 of title 28, United States Code, is amended in the third sentence of the first undesignated paragraph—

(1) by striking “, the District Court of the Virgin Islands,”; and

(2) by striking “to the conferences of their respective circuits” and inserting “to the conference of the ninth circuit”.

SEC. 5205. COMMISSIONER OF THE NORTHERN DISTRICT OF GEORGIA.

The Act of March 3, 1875 (28 Stat. 796; 28 U.S.C. 511 note), to provide for a Commissioner of the Northern District of Georgia, is repealed.
(e) JUDGES IN TERRITORIES AND POSSESSIONS.—Section 373 of title 28, United States Code, is amended—
(1) in subsection (a), by striking "the District Court of the Northern Mariana Islands or the District Court of the Virgin Islands" and inserting "or the District Court of the Northern Mariana Islands"; and
(2) in subsection (b), by striking "the District Court of the Northern Mariana Islands, or the District Court of the Virgin Islands" and inserting "or the District Court of the Northern Mariana Islands";

(f) AUTHORITY OF ATTORNEY GENERAL.—Section 530(a)(2) of title 28, United States Code, is amended by striking "and" and inserting "or" after the effective date of this section.

(i) UNITED STATES MAGISTRATE JUDGES.—Section 610 of title 28, United States Code, is amended by striking "and appellate courts as may have been or" and inserting "and the" after the effective date of this section.

(k) FINAL DECISIONS OF DISTRICT COURTS.—Section 1291 of title 28, United States Code, is amended by striking "the Revised Organic Act of the Virgin Islands (48 U.S.C. 1611) is amended in the 23d undesignated paragraph—
(A) by inserting "article III, after "section 9, clauses 2 and 3; and"
(B) by striking "That all offenses against the laws of the United States" and all that follows through "section 22(b) of this Act or" and inserting "the laws of the United States are not a cause of action in the courts of record of the Virgin Islands, except the ancillary laws prescribing the qualifications and duties of the judges and officers thereof, oaths and bonds, and the times and places of holding court shall be governed by local law or the rules promulgated by those courts."

(l) JURISDICTION.—Section 21 of the Revised Organic Act of the Virgin Islands (48 U.S.C. 1611) is amended to read as follows:

SEC. 21. JURISDICTION OF THE COURTS OF THE VIRGIN ISLANDS.—
(a) JURISDICTION OF THE COURTS OF THE VIRGIN ISLANDS.—The judicial power of the Virgin Islands shall be vested in such trial and appellate courts as the legislature of the Virgin Islands, except the ancillary laws prescribing the qualifications and duties of the judges and officers thereof, oaths and bonds, and the times and places of holding court shall be governed by local law or the rules promulgated by those courts.

(b) PRACTICE AND PROCEDURE.—The rules governing the practice and procedure of the courts established by local law and those prescribing the qualifications and duties of the judges and officers thereof, oaths and bonds, and the times and places of holding court shall be governed by local law or the rules promulgated by those courts.

(c) INCOME TAX MATTERS.—Section 22 of the Revised Organic Act of the Virgin Islands (48 U.S.C. 1612) is amended to read as follows:

SEC. 22. JURISDICTION OVER INCOME TAX MATTERS.—
"The United States District Court for the District of the Virgin Islands shall have exclusive jurisdiction over all criminal and civil proceedings in the Virgin Islands with respect to the income tax laws applicable to the Virgin Islands, except the ancillary laws relating to the income tax enacted by the legislature of the Virgin Islands. Any act or failure to act with respect to the income tax laws applicable to the Virgin Islands which constitutes a violation of the laws of the Virgin Islands described in chapter 75 of subtitle B of this title shall constitute an offense against the Government of the Virgin Islands and may be prosecuted in the name of the Government of the Virgin Islands by the appropriate officers thereof in the United States District Court for the District of the Virgin Islands without the request or consent of the United States attorney for the Virgin Islands."

(2) APPRAISAL JURISDICTION.—Section 23A of the Revised Organic Act of the Virgin Islands (48 U.S.C. 1613a) is amended—
(A) by striking "District Court of the Virgin Islands" each place it appears and inserting "District Court for the District of the Virgin Islands"; and
(B) in subsection (a), by striking "pursuant to subsection (b) of this Act: Provided, That no more than three of these judges may be a judge of a court established by local law.

(2) ADDITIONAL REFERENCES.—Any reference in any provision of law to the "District Court of the Virgin Islands shall be read as referring to the United States District Court for the District of the Virgin Islands unless the context otherwise requires.

SEC. 2505. EFFECTIVE DATE. Excerpt as provided in section 2504(e), this subtitle and the amendments made by this subtitle shall take effect at the end of the 90-day period beginning on the date of the enactment of this Act. Any complaint or proceeding pending in the District Court of the Virgin Islands on the date of the enactment of this Act that is determined to be out of the purview of this Act may be further heard and determined in the District Court of the Virgin Islands

Subtitle C—Bankruptcy Judgeships

SEC. 5301. SHORT TITLE. This subtitle may be cited as the "Enhanced Bankruptcy Judgeships Act of 2005."

SEC. 5302. AUTHORIZATION OF ADDITIONAL BANKRUPTCY JUDGESHIPS.

The following judgeships shall be filled in the manner prescribed in section 152(a)(1) of title 28, United States Code, for the appointment of bankruptcy judges for the District Court of the District of Colorado:

(1) 1 additional bankruptcy judge for the district of Arizona; and

(2) 1 additional bankruptcy judge for the district of New Mexico.

(2) 1 additional bankruptcy judge for the middle district of Florida.

(3) 2 additional bankruptcy judgeships for the district of Nevada.

(4) 1 additional bankruptcy judge for the district of Oklahoma.

(5) 1 additional bankruptcy judge for the northern district of Georgia.
(6) 1 additional bankruptcy judgeship for the eastern district of Kentucky.
(7) 1 additional bankruptcy judgeship for the district of Maryland.
(8) 1 additional bankruptcy judgeship for the western district of Pennsylvania.
(9) 1 additional bankruptcy judgeship for the southern district of New York.
(10) 1 additional bankruptcy judgeship for the district of Nevada.
(11) 1 additional bankruptcy judgeship for the district of Tennessee.
(12) 1 additional bankruptcy judgeship for the eastern district of Texas.
(13) 1 additional bankruptcy judgeship for the district of Utah.

SEC. 5303. TEMPORARY BANKRUPTCY JUDGESHIPS.

(a) AUTHORIZATION FOR ADDITIONAL TEMPORARY BANKRUPTCY JUDGESHIPS.—The following judgeships shall be filled in the manner prescribed in section 152(a)(1) of title 28, United States Code, for the appointment of bankruptcy judges provided for in section 152(a)(2) of such title:
(1) 1 additional bankruptcy judgeship for the northern district of Florida.
(2) 2 additional bankruptcy judgeships for the middle district of Florida.
(3) 1 additional bankruptcy judgeship for the northern district of Indiana.
(4) 1 additional bankruptcy judgeship for the northern district of Mississippi.
(5) 1 additional bankruptcy judgeship for the district of Nevada.
(6) 1 additional bankruptcy judgeship for the western district of North Carolina.
(7) 1 additional bankruptcy judgeship for the southern district of Ohio.

(b) VACANCIES.—
(1) DISTRICTS WITH SINGLE APPOINTMENTS.—Except as provided in paragraph (2), the first vacancy occurring in the office of bank- ruptcy judge in each of the judicial districts set forth in subsection (a)—
(A) occurring 5 years or more after the appointment date of the bankruptcy judge appointed under subsection (a) to such office, and
(B) resulting from the death, retirement, resignation, or removal of a bankruptcy judge shall not be filled.

(2) MIDDLE DISTRICT OF FLORIDA.—The 1st and 2nd vacancies in the office of bankruptcy judge in the middle district of Florida—
(A) occurring 5 years or more after the respective 1st and 2d appointment dates of the bankruptcy judges appointed under subsection (a)(2), and
(B) resulting from the death, retirement, resignation, or removal of a bankruptcy judge shall not be filled.

(c) ELIGIBILITY FOR SUBSEQUENT APPOINTMENTS.—A judge holding office in any of the districts and 1 additional bankruptcy judgeships authorized by paragraph (a) shall, at the expiration of the term of the judge (other than by reason of paragraph (1)(B) or (2)(B) of subsection (b)), be eligible for reappointment as a bankruptcy judge in that district.

SEC. 5304. CONVERSION OF EXISTING TEMPORARY BANKRUPTCY JUDGESHIPS.

(a) JUDGESHIPS AUTHORIZED BY PUBLIC LAW 102–301.—The following bankruptcy judgeships authorized by the following paragraphs of section 3(a) of Public Law 102–301, as amended by section 307 of Public Law 104–317 (38 U.S.C. 212 note), are converted to permanent bankruptcy judgeships under section 152(a)(2) of title 28, United States Code:
(1) 1 temporary bankruptcy judgeship for the district of Delaware authorized by paragraph (3).

(b) JUDGESHIPS AUTHORIZED BY PUBLIC LAW 109–4.—The following temporary bankruptcy judgeships authorized by the following subparagraphs of section 152(b)(4) of the Bankruptcy Abuse Prevention and Consumer Protection Act of 2005 (Public Law 109–8), are converted to permanent bankruptcy judgeships under section 152(a)(2) of title 28, United States Code:
(1) The 4 temporary bankruptcy judgeships for the district of Delaware authorized by subparagraph (C).
(2) The temporary bankruptcy judgeship for the district of New York authorized by subparagraph (D).
(3) One of the 3 temporary bankruptcy judgeships for the district of Maryland authorized by subparagraph (F).
(4) The temporary bankruptcy judgeship for the eastern district of Michigan authorized by subparagraph (G).
(5) The temporary bankruptcy judgeship for the northern district of New York authorized by subparagraph (H).
(6) The temporary bankruptcy judgeship for the southern district of New York authorized by subparagraph (I).
(7) The temporary bankruptcy judgeship for the district of South Carolina authorized by subparagraph (L).
(8) The temporary bankruptcy judgeship for the western district of North Carolina authorized by subparagraph (M).
(9) The temporary bankruptcy judgeship for the eastern district of Pennsylvania authorized by subparagraph (N).
(10) The temporary bankruptcy judgeship for the district of South Carolina authorized by subparagraph (S).
(11) The temporary bankruptcy judgeship for the western district of Tennessee authorized by subparagraph (Q).

SEC. 5305. GENERAL PROVISIONS.

(a) TABLE OF JUDGESHIPS.—In order that the table contained in section 152(a)(2) of title 28, United States Code, will, with respect to each judicial district, reflect the changes in the total number of bankruptcy judgeships authorized under sections 5302 and 5304, such table is amended to read as follows:

<table>
<thead>
<tr>
<th>Districts</th>
<th>Judges</th>
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<tbody>
<tr>
<td>Alabama:</td>
<td>5</td>
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<tr>
<td>Northern</td>
<td>2</td>
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<tr>
<td>Middle</td>
<td>2</td>
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<tr>
<td>Southern</td>
<td>2</td>
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<tr>
<td>Alaska</td>
<td>2</td>
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<tr>
<td>Arizona</td>
<td>7</td>
</tr>
<tr>
<td>Arkansas:</td>
<td>4</td>
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<tr>
<td>Eastern and Western</td>
<td>4</td>
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<tr>
<td>California:</td>
<td>9</td>
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<tr>
<td>Northern</td>
<td>7</td>
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<tr>
<td>Eastern</td>
<td>21</td>
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<tr>
<td>Central</td>
<td>4</td>
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<tr>
<td>Southern</td>
<td>5</td>
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<td>Colorado</td>
<td>5</td>
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<tr>
<td>Connecticut</td>
<td>3</td>
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<tr>
<td>Delaware</td>
<td>1</td>
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<tr>
<td>District of Columbia</td>
<td>1</td>
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<tr>
<td>Florida:</td>
<td>1</td>
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<tr>
<td>Northern</td>
<td>10</td>
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<td>5</td>
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<td>Middle</td>
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<td>Southern</td>
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</table>

(b) Hawaii: | 1 |

Idaho: | 2 |
Illinois: | 10 |
Northern: | 10 |
Central: | 3 |
Southern: | 2 |
Indiana: | 3 |
Northern: | 2 |
Southern: | 4 |
Iowa: | 2 |
Western: | 2 |
Kansas: | 4 |
Kentucky: | 3 |
Eastern: | 3 |
Western: | 3 |
Louisiana: | 2 |
Eastern: | 1 |
Middle: | 1 |
Western: | 3 |
Maine: | 2 |
Maryland: | 6 |
Massachusetts: | 5 |
Michigan: | 2 |
Eastern: | 8 |
Western: | 3 |
Minnesota: | 4 |
Mississippi: | 1 |
Northern: | 2 |
Southern: | 3 |
Missouri: | 3 |
Eastern: | 3 |
Western: | 3 |
Montana: | 1 |
Nevada: | 2 |
Nebraska: | 2 |
New Hampshire: | 1 |
New Jersey: | 9 |
New Mexico: | 2 |
New York: | 2 |
Northern: | 3 |
Southern: | 11 |
Eastern: | 6 |
Western: | 3 |
North Carolina: | 3 |
Eastern: | 2 |
Middle: | 2 |
Western: | 2 |
North Dakota: | 1 |
Ohio: | 8 |
Northern: | 7 |
Southern: | 2 |
Oklahoma: | 2 |
Northern: | 2 |
Eastern: | 1 |
Western: | 3 |
Oregon: | 5 |
Pennsylvania: | 6 |
Eastern: | 6 |
Middle: | 2 |
Western: | 5 |
Puerto Rico: | 3 |
Rhode Island: | 1 |
South Carolina: | 3 |
South Dakota: | 2 |
Tennessee: | 3 |
Eastern: | 3 |
Middle: | 3 |
Western: | 6 |
Texas: | 6 |
Northern: | 3 |
Eastern: | 6 |
Western: | 3 |
Southern: | 4 |
Utah: | 4 |
Vermont: | 1 |
Virginia: | 0 |
Virgin Islands: | 0 |
Eastern: | 5 |
Western: | 3 |
Washington: | 2 |
Western: | 5 |
West Virginia: | 1 |
Northern: | 1 |
The term "former ninth circuit" means the ninth judicial circuit of the United States as in existence on the day before the effective date of this subtitle.

(a) In the matter proceedings at issue, by striking "thirteen" and inserting "fourteen";

(b) designate and assign temporarily any district judge of the former ninth circuit as of such effective date.

This subtitle and the amendments made by this subtitle shall take effect on the date of enactment of this Act.

Subtitle D—Ninth Circuit Reorganization

SEC. 5401. SHORT TITLE. This subtitle may be cited as the "Judicial Administration and Improvements Act of 2005".

SEC. 5402. DEFINITIONS. In this subtitle:

(1) FIFTH CIRCUIT—The term "fifth circuit" means the fifth judicial circuit of the United States as created by the Judicial Reorganization Act of 1982 (48 U.S.C. 701).

(2) NINTH CIRCUIT—The term "ninth circuit" means the ninth judicial circuit of the United States as created by the Judicial Reorganization Act of 1982 (48 U.S.C. 701).

(3) TWELFTH CIRCUIT—The term "twelfth circuit" means the twelfth judicial circuit of the United States as created by the Judicial Reorganization Act of 1982 (48 U.S.C. 701).

SEC. 5403. NUMBER AND COMPOSITION OF CIRCUITS. Section 41 of title 28, United States Code, is amended—

(1) in the matter proceeding the table, by striking "twelve" and inserting "fourteen";

(2) the table—

(A) by striking the item relating to the ninth circuit and inserting the following:


California, Gaam, Hawaii, Northern Marianas Islands.

and

(B) by inserting after the item relating to the eleventh circuit the following:


SEC. 5404. NUMBER OF CIRCUIT JUDGES. The table contained in section 44(a) of title 28, United States Code, as amended by section 520(c) of this Act, is further amended—

(1) in the matter proceeding the table, by inserting the item relating to the ninth circuit and inserting the following:


Ninth—California, Guam, Hawaii, Northern Marianas Islands.

and

(2) by inserting after the table the following:


SEC. 5405. PLACES OF CIRCUIT COURT. The table contained in section 48(a) of title 28, United States Code, is amended—

(1) in the matter proceeding the table, by striking the item relating to the ninth circuit and inserting the following:


Ninth—Honolulu, Pasadena, San Francisco.

and

(2) by inserting after the table the following:


Twelfth—Las Vegas, Missoula, Phoenix, Portland, Seattle.

SEC. 5406. ASSIGNMENT OF CIRCUIT JUDGES. Each circuit judge of the former ninth circuit shall have regular active service and whose official duty station on the day before the effective date of this subtitle—

(1) in California, Guam, Hawaii, or the Northern Marianas Islands shall be a circuit judge of the new ninth circuit as of such effective date; and

(2) is in Arizona, Idaho, Montana, Nevada, Oregon, or Washington shall be a circuit judge of the twelfth circuit as of such effective date.

SEC. 5407. ELECTION OF ASSIGNMENT BY SENIOR JUDGES. Each judge who is a senior circuit judge of the former ninth circuit on the day before the effective date of this subtitle may elect to be assigned to the new ninth circuit or the twelfth circuit as of such effective date and shall notify the Director of the Administrative Office of the United States Courts of such election.

SEC. 5408. SENIORITY OF JUDGES. The seniority of each judge—

(1) who is assigned under section 5406, or

(2) who elects to be assigned under section 5407,

shall run from the date of commission of such judge as a judge of the former ninth circuit.

SEC. 5409. APPLICATION TO CASES. The following apply to any case in which, on the day before the effective date of this subtitle, an appeal or other proceeding has been filed with the former ninth circuit:

(1) Except as provided in paragraph (3), if the matter has been submitted for decision, further proceedings with respect to the matter shall be in the same manner and with the same effect as if this subtitle had not been enacted.

(2) If the matter has not been submitted for decision, the appeal or proceeding, together with the original papers and records, and record entries duly certified, shall, by appropriate orders, be transferred to the court to which the matter would have been submitted had this subtitle been in full force and effect at the time such appeal or proceeding commenced, and further proceedings with respect to the case shall be had in the same manner and with the same effect as if the appeal or other proceeding had been filed in such court.

(3) If a petition for rehearing en banc is pending on or after the effective date of this subtitle, the petition shall be considered by the court of appeals to which it would have been submitted had this subtitle been in full force and effect at the time the appeal or other proceeding was filed with the court of appeals.

SEC. 5410. TEMPORARY ASSIGNMENT OF CIRCUIT JUDGES AMONG CIRCUITS. Section 6107 of title 30, United States Code, is amended by adding at the end the following:

"(h) Any designations or assignments pursuant to this section in any fiscal year shall remain available until expended."

TITLE VI—COMMITTEE ON RESOURCES

Subtitle A—Miscellaneous Amendments Relating to Mining

SEC. 6101. Fees for recordation and location of mining claims.

SEC. 6102. Patents for mining or mill site claims.

SEC. 6103. Mineral examinations for mining or mill site claims.


SEC. 6105. National mining and minerals policy to encourage and promote the productive second use of lands.

SEC. 6106. Regulations.

SEC. 6107. Protection of national parks and wilderness areas.

Subtitle B—Disposal of Public Lands

CHAPTER 1—DISPOSAL OF CERTAIN PUBLIC LANDS IN NEVADA

SEC. 6201. Short title.

SEC. 6202. Definitions.

SEC. 6203. Land conveyance.

SEC. 6204. Disposition of proceeds.

CHAPTER 2—DISPOSAL OF CERTAIN PUBLIC LANDS IN IDAHO

SEC. 6211. Short title.

SEC. 6212. Definitions.

SEC. 6213. Land conveyance.

SEC. 6214. Disposition of proceeds.

Subtitle C—Oil shale

SEC. 6301. Oil shale and tar sands amendments.

Subtitle D—Sale and Conveyance of Federal Lands

SEC. 6401. Collection of receipts from the sale of Federal lands.
RIGHTS OF LOCATORS, G Enerally.

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ABANDONMENT.


{(J) FAILURE TO PAY.—(1) Failure to pay a claim maintenance fee or a location fee for an unpatented mining claim as required by this section shall subject an unpatented mining claim holder or any tunnel site or mill site to forfeiture by the claim holder as provided in this subsection.

(2) The Secretary of the Interior shall provide the claim holder with notice of the failure and the opportunity to cure within 45 calendar days after the claim holder’s receipt of the notice, shall constitute a forfeiture of the mining claim, mill site, or tunnel site to the Interior, within 45 days after the claim holder fails and the opportunity to cure within 45 days after the notice of the failure.

(b) PAYMENT AMOUNTS.—The Revised Statutes are amended—

(1) in section 2325 (30 U.S.C. 29) by striking “five dollars per acre” and inserting “$1,000 per acre or fair market value, whichever is greater”;

(2) in section 2326 (30 U.S.C. 30) by striking “five dollars per acre” and inserting “$1,000 per acre or fair market value, whichever is greater”;

(3) in section 2333 (30 U.S.C. 37) by striking “five dollars per acre” and inserting “$1,000 per acre or fair market value, whichever is greater”;

(4) in section 2337 (30 U.S.C. 42) by striking “made at the same rate” and all that follows through “at the rate of $1,000 per acre or fair market value” and inserting “at the rate of $1,000 per acre or fair market value, whichever is greater”;

(5) in section 2339 (30 U.S.C. 44) by striking “three hundred dollars” and inserting “$7,500”;

(c) MINERAL EXAMINATIONS.—

(1) In general.—In order to process patent applications in a timely and effective manner, the Department of the Interior shall have the sole responsibility to conduct mineral examination in the basins and areas of a plan of operations or a comparable State or county appraisal for such expenses.

(2) TRAINING.—The Director of the Bureau of Indian Affairs, shall provide training in the conduct of mineral examination to qualified individuals. The Director may charge fees to cover the costs of the training.

(3) QUALIFIED THIRD-PARTY EXAMINER.—In general, a qualified third-party examiner means a person who is a registered geologist or registered professional mining engineer licensed to practice in the State in which the claims are located.

(4) DISPOSITION OF PROCEEDS.—The gross proceeds of conveyances of land under this section and sections 2319, 2330, 2332, and 2337 of the Revised Statutes (30 U.S.C. 22, 36, 37, 38, 42) shall be used as follows:

(1) 10 percent shall be deposited into the Federal Energy and Mineral Resource Development Fund.

(2) 20 percent shall be available to the Secretary of the Army for use, through the Corps of Engineers, for the Restoration of Alaska’s Federal Land and Mineral Resources in accordance with the Water Resources Development Act of 1999.

(5) 70 percent shall be deposited into the General Fund of the Treasury.

(e) ISSUING PATENTS.—If no adverse claim has been filed with the register and the Secretary of the Interior is satisfied that the mineral claim is a valid claim, the Secretary of the Interior shall issue a patent for the claim not later than 21 months after the date on which the application for patent was filed.
‘‘(f) SMALL MINER PATENT ADJUDICATION AND MINERAL DEVELOPMENT WORK REQUIREMENTS.—The holder of 10 claims or less who applies for a mineral patent under this section of the Revised Statutes (30 U.S.C. 22) shall pay one-fifth of the processing fees and perform one-fifth of the mineral development work required under this section and section 2319 (30 U.S.C. 22).’’.

SEC. 6101. MINERAL EXAMINATIONS FOR MINING AND MINERAL DEVELOPMENT LANDS

Section 302 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1732) is amended by adding at the end the following:

‘‘(e) NATIONAL MINE SURVEYORS.—The term ‘national mine surveyor’ means any professional person designated by the Bureau of Land Management as a national mine surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designated by such a surveyor also designed...
shall succeed to the rights and obligations of the United States with respect to any mining claim, mill site claim, lease, right-of-way, permit, or other valid existing right to which the property is subject.

(4) ENVIRONMENTAL LIABILITY.—Notwithstanding any other Federal, State or local law, the United States shall not be responsible for:

(A) investigating or disclosing the condition of any property to be conveyed under this chapter;

(B) environmental remediation, waste management, or environmental compliance activities arising from its ownership, occupancy, or management of land and interests therein conveyed under this chapter with respect to conditions existing at or on the land at the time of the conveyance.

SEC. 6204. DISPOSITION OF PROCEEDS.

The gross proceeds of conveyances of land under this chapter shall be disposed of as follows:

(1) Such sums as are necessary shall be used to cover 100 percent of the administrative costs, not to exceed $20,000, incurred by the Nevada State Office and the Winnemucca Field Office of the Bureau of Land Management in conducting the conveyance under this chapter;

(2) $500,000 shall be paid directly to the State of Nevada for use in the State's abandoned mined land program.

(3) A $50,000 shall be paid directly to Pershing County, Nevada.

(4) Proceeds remaining after the payments pursuant to paragraphs (1) through (3) shall be deposited in the general fund of the Treasury.

CHAPTER 2—DISPOSAL OF CERTAIN PUBLIC LANDS IN IDAHO

SEC. 6211. SHORT TITLE.

This chapter may be cited as the “Central Idaho Sustainable Development in Mining Act”.

SEC. 6212. DEFINITIONS.

In this chapter:

(1) CLAIMANT.—The term “Claimant” means L&W Stone Corporation.

(2) COUNTY.—The term “County” means Custer County, Idaho.

(3) GENERAL MINING LAW.—The term “general mining law” means laws codified in chapters 2, 12A, 15, and 16 of title 30, United States Code, and in sections 161 and 162 of title 31.

(4) SECRETARY.—The term “Secretary” means the Secretary of the Interior.

SEC. 6213. LAND CONVEYANCE.

(a) LANDS UNDER LAND.—Notwithstanding any other provision of law, and not later than 90 days after the date of the enactment of this Act, the Secretary shall convey to the Claimant in return for a payment of $1,000 per acre, all right, title, and interest, subject to the terms and conditions of subsection (c), in the approximately 519.7 acres of Federal land described in subsection (a) that shall be transferred to Claimant as depicted on the Central Idaho Sustainable Development Project map.

(b) VALID EXISTING RIGHTS.—All lands conveyed pursuant to subsection (a) shall be subject to (1) all existing rights as of the date of transfer of title, and Claimant shall succeed to the rights and obligations of the United States with respect to any mining claim, mill site claim, lease, right-of-way, permit, or other valid existing right to which the property is subject.

(c) ENVIRONMENTAL LIABILITY.—Notwithstanding any other Federal, State, or local law, the United States shall not be responsible for:

(A) investigating or disclosing the condition of any property to be conveyed under this chapter; and

(B) environmental remediation, waste management, or environmental compliance activities arising from its ownership, occupancy, or management of land and interests therein conveyed under this chapter with respect to conditions existing at or on the land at the time of the conveyance.

SEC. 6214. DISPOSITION OF PROCEEDS.

Within one year of the completion of the conveyance under this chapter, the gross proceeds of the conveyance shall be used as follows:

(1) Such sums as are necessary shall be used to cover 100 percent of the administrative costs, not to exceed $20,000, incurred by the Idaho State Office and the Challis Field Office of the Bureau of Land Management in conducting conveyances under this chapter;

(2) $500,000 shall be paid directly to the state of Idaho for use in the State Parks program.

(3) $200,000 shall be paid directly to Custer County, Idaho.

(4) Proceeds remaining after the payments pursuant to paragraphs (1) through (3) shall be deposited in the general fund of the Treasury.

Subtitle C—Oil Shale

SEC. 6301. OIL SHALE AND TAR SANDS AMENDMENTS.

(a) COMMERCIAL LEASING OF OIL SHALE AND TAR SANDS.—Section 398(e) of the Energy Policy Act of 2005 (Public Law 109-58) is amended to read as follows:

(1) Definitions.—

(A) COMMERCIAL LEASING OF OIL SHALE AND TAR SAND.—Not later than 365 days after publication of the final regulation required by subsection (d), the Secretary shall hold the first oil shale and tar sands lease sales under the regulation, offering for lease a minimum of 35 percent of the Federal land geologically prospective for oil shale and tar sands within Colorado, Utah, and Wyoming. The environmental impact statement developed in support of the commercial leasing program for oil shale and tar sands as required by subsection (c) is assumed to provide adequate environmental analysis for oil shale and tar sands leases sold within the first 10 years after promulgation of the regulation, and such sales shall not be subject to further environmental review.

(B) REPEAL OF REQUIREMENT TO ESTABLISH PAYMENTS.—Section 398(e) of the Energy Policy Act of 2005 (Public Law 109-58; 119 Stat. 272; 42 U.S.C. 13297) is repealed.

(C) TREATMENT OF REVENUES.—Section 21 of the Mineral Leasing Act (30 U.S.C. 170) is amended by striking at the end of the following:

(e) REVENUES—

(1) In general.—Notwithstanding the provisions of section 35, all revenues received from leases of land described in subsection (b) shall be deposited in the General Loan Fund of the Treasury.

(2) Royalty rates for commercial leases.—

(A) Initial production.—For the first 10 years after initial production under each oil shale or tar sands lease issued under the commercial leasing program established under subsection (d), the Secretary shall set the royalty rate at not less than 1 percent nor more than 3 percent of the gross value of production. However, the initial production period royalty rate set by the Secretary shall not apply to production occurring more than 10 years after the date of issuance of the lease.

(B) Subsequent periods.—After the periods of time specified in subparagraph (A), the Secretary shall set the royalty rate under each oil shale or tar sands lease issued under the commercial leasing program established under subsection (d) at not less than 6 percent nor more than 9 percent of the gross value of production.

(C) Reduction.—The Secretary shall reduce any royalty otherwise required to be paid under subparagraphs (A) and (B) under any oil shale or tar sands lease on a sliding scale based upon market price, with a 10 percent reduction if the monthly average price of NYMEX West Texas Intermediate crude oil at Cushing, Oklahoma, (WTI) drops below $50 (in 2005 dollars) for the month in which the production is sold, and an 80 percent reduction if the monthly average price of WTI drops below $30 (in 2005 dollars) for the month in which the production is sold.

(D) DISPOSITION OF REVENUES.—In general.—The Secretary shall deposit into a separate account in the Treasury all revenues derived from any oil shale or tar sands lease.

(E) ALLOCATIONS TO STATES AND LOCAL POLITICAL SUBDIVISIONS.—The Secretary shall allocate 50 percent of the revenues deposited into the account established under subparagraph (A) to the State or political subdivision of the United States with respect to any mineral leasing program, as required by subsection (a), and the Secretary shall allocate 50 percent of the revenues deposited into the account established under subparagraph (A) to the county-equivalent political subdivision of such State a total of one-third of such State's share of revenues deposited into the account established under subparagraph (A) together with all accrued interest thereon; and

(F) Remaining balance.—The remaining balance of such revenues deposited into the account that are not paid under subparagraph (E) shall be deposited into the account that the Secretary shall determine by regulation.

G) ALLOCATIONS TO COUNCILS OF TRIBAL LOCAL POLITICAL SUBDIVISIONS.—The initial allocation to each county-equivalent political subdivision under clause (ii) shall be calculated as the product of the gross value of production and any municipal political subdivisions located partially or wholly within the boundaries of the county-equivalent political subdivision. The Secretary shall determine by regulation the manner and in accordance with any political subdivision.
“(d) Investment of Deposits.—The deposits in the Treasury account established under this section shall be invested by the Secretary of the Treasury in securities backed by the full faith and credit of the United States having maturities suitable to the needs of the account and yielding the highest reasonably available interest rates as determined by the Secretary of the Treasury.

“(e) Use of Funds.—A recipient of funds under this subsection may use the funds for any lawful purpose determined by State or local law. Funds allocated under this subsection shall be available for funding Federal programs without limitation. Funds allocated to local political subdivisions under this subsection may not be used in calculation of payments to other local political subdivisions under programs for payments in lieu of taxes or other similar programs.

“(f) No Accounting Required.—No recipient of funds under this subsection shall be required to account to the Federal Government for the expenditure of such funds, except as otherwise may be required by law.

“(g) Sale of Lands.—The term ‘political subdivision’ means a political jurisdiction immediately below the level of State government, including a county, parish, borough in Alaska, independent municipality not part of a county, parish, or borough in Alaska, or other equivalent subdivision of a State.

“(h) Municipal Political Subdivision.—The term ‘municipal political subdivision’ means a municipality located within and part of a county, parish, borough in Alaska, or other equivalent subdivision of a State.

Subtitle D—Sale and Conveyance of Federal Land

SEC. 6401. COLLECTION OF RECEIPTS FROM THE SALE OF FEDERAL LANDS.

(a) In General.—Notwithstanding any other law, the Secretary shall make the lands described in subsection (b) available for immediate sale through a competitive sale process at fair market value. Requirements under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) shall not apply to the sale of lands under this section.

(b) Lands Described.—The lands referred to in subsection (a) are the following:


(2) U.S. Reservations 8, 274, and 275 (Map Number 869/80460, Dated July 2005, p. 28 of 28).


(e) Transfer of Administrative Jurisdiction Over Certain Properties.—

(1) In General.—Upon the date of the enactment of this subsection, administrative jurisdiction over each of the following properties (owned by the United States and as depicted on the map) is hereby transferred from the District of Columbia to the United States for administration by the Secretary of the Interior through the Director of the National Park Service:

An improved portion of Audubon Terrace Northwest, located east of Linnean Avenue Northwest, that is within the boundaries of U.S. Reservation (Canal and V Streets, NW, Map Number 869/80460, Dated July 2005, p. 3 of 28).
Sec. 8001. Short title.
Sec. 8002. Title of provisions.
Sec. 8003. References.
Sec. 8004. Findings.
Subtitle A—TANF
Sec. 801. Purposes.
Sec. 802. Family assistance grants.
Sec. 803. Promotion of family formation and healthy marriage.
Sec. 804. Supplemental grant for population increases in certain States.
Sec. 805. Elimination of high performance bonus.
Sec. 806. Contingency fund.
Sec. 807. Use of funds.
Sec. 808. Repeal of Federal loan for State welfare programs.
Sec. 809. Uniform engagement and family self-sufficiency plan requirements.
Sec. 810. Work participation requirements.
Sec. 811. State option to port.
Sec. 812. Performance improvement.
Sec. 813. Data collection and reporting.
Sec. 814. Direct funding and administration by Indian tribes.
Sec. 815. Research, evaluations, and national studies.
Sec. 816. Setting the Census Bureau.
Sec. 817. Definition of assistance.
Sec. 818. Technical corrections.
Sec. 819. Fatherhood program.
Sec. 820. Setting the parameters make TANF programs mandatory partners with one-stop employment training centers.
Sec. 821. Sense of the Congress.
Sec. 822. Drug testing of applicants for and recipients of assistance.
Subtitle B—Child care
Sec. 823. Child care entitlement.
Sec. 830. Federal matching funds for limited pass-through of child support payments to families receiving TANF.
Sec. 831. State option to pass through all child support payments to families that formerly received TANF.
Sec. 832. Mandatory review and adjustment of child support orders for families receiving TANF.
Sec. 833. Mandatory fee for successful child support collection for family that has never received TANF.
Sec. 834. Report on undistributed child support payments.
Sec. 835. Decrease in amount of child support arrearage triggering payment denial.
Sec. 836. Use of tax refund intercept programs to collect past-due child support on behalf of children who are not minors.
Sec. 837. Garnishment of compensation paid to veterans for service-connected disabilities in order to enforce child support obligations.
Sec. 838. Maintenance of technical assistance funding.
Sec. 839. Maintenance of Federal Parent Locator Service funding.
Sec. 840. Information comparisons with insurance data.
Sec. 841. Tribal access to the Federal Parent Locator Service.
Sec. 842. Reimbursement of Secretary’s costs of information comparisons and disclosure for enforcement of obligations on Higher Education Act loans and grants.
Sec. 8314. Technical amendment relating to cooperative agreements between States and Indian tribes.
Sec. 8315. State option to use statewide automated data processing and information retrieval system for interstate cases.
Sec. 8316. Modification of rule requiring assignment of rights as a condition of receiving TANF.
Sec. 8317. State option to discontinue certain support assignments.
Sec. 8318. Technical correction.
Sec. 8319. Reduction in rate of reimbursement of child support administration costs.
Sec. 8320. Incentive payments.
Subtitle D—Child welfare
Sec. 8401. Extension of authority to approve demonstration projects.
Sec. 8402. Elimination of limitation on number of waivers.
Sec. 8403. Elimination of limitation on number of States that may be granted waivers to conduct demonstration projects on same topic.
Sec. 8404. Elimination of limitation on number of waivers that may be granted to a single State for demonstration projects.
Sec. 8405. Streamlined process for consideration of amendments to and extensions of demonstration projects requiring waivers.
Sec. 8406. Availability of reports.
Sec. 8407. Clarification of eligibility for foster care maintenance payments and adoption assistance.
Sec. 8408. Clarification regarding Federal matching of certain administrative costs under the foster care maintenance payments program.
Sec. 8409. Technical correction.
Sec. 8410. Technical correction.
Subtitle E—Supplemental security income
Sec. 8501. Review of State agency blindness and disability determinations.
Sec. 8502. Payment of certain lump sum benefits in installments under the Supplemental Security Income program.
Subtitle F—State and local flexibility
Sec. 8601. Program coordination demonstration projects.
Sec. 8701. Repeal of continued funding and subsidy offset.
Subtitle H—Effective date
Sec. 8801. Effective date.
SEC. 8003. REFERENCES.
Except as otherwise expressly provided, whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the amendment or repeal shall be considered to be made to a section or other provision of the Social Security Act.
SEC. 8004. FINDINGS.
The Congress makes the following findings:
1. The Temporary Assistance for Needy Families (TANF) Program established by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104–193) has succeeded in moving families from welfare to work and reducing child poverty.
   A. There has been a dramatic increase in the employment of current and former welfare recipients. The percentage of working child recipients in fiscal year 1999 and continued steady in fiscal years 2000 and 2001. In fiscal year 2003, 31.3 percent of adult recipients were counted as meeting the work participation requirements. All States but one met the overall participation rate standard in fiscal year 2003, as did the District of Columbia and Puerto Rico.
   B. Earnings for welfare recipients remaining on the rolls have also increased significantly, as have earnings among former welfare households. The increases have been particularly large for the bottom 2 income quintiles, that is, those women who are most likely to be former or present welfare recipients.
   C. Welfare dependency has plummeted. As of June 2004, 1,969,909 families and 4,727,291 individuals were receiving assistance. Accordingly, the number of families in the welfare caseload and the number of individuals receiving cash assistance declined 55 percent and 61 percent, respectively, since the enactment of TANF.
   D. The child poverty rate continued to decline between 1996 and 2003, falling 14 percent from 20.5 to 17.6 percent. Child poverty rates for African-American and Hispanic children have also fallen dramatically during the past 7 years.
   E. As a Nation, we have made substantial progress in reducing teen pregnancies and births, slowing increases in nonmarital childbirth, and improving child support collections and paternity determinations.
   A. The birth rate to teenagers declined 30 percent from its high in 1991 to 2002. The 2002 teenage birth rate of 43.0 per 1,000 women aged 15 is the lowest recorded birth rate for teenagers.
   B. During the period from 1991 through 2001, teenage birth rates fell in all States and the District of Columbia, Puerto Rico, Guam, and the Virgin Islands. Declines also have spanned age, racial, and ethnic groups. There has been success in reducing the birth rate for both younger and older teens. The birth rate for those 15–17 years of age has declined 40 percent since 1991, and the rate for those 18 and 19 has declined 23 percent. The rate for African American teens—until recently the highest—has declined the most—42 percent from 1991 through 2002.
   C. Since the enactment of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, child support collections within the child support enforcement system have grown every year, increasing from $12,000,000,000 in fiscal year 1996 to over $21,000,000,000 in fiscal year 2003. The number of paternity cases established in fiscal year 2003 (over 1,500,000) includes a more than 100 percent increase through in-hospital acknowledgement programs—$62,043 in 1996 compared to $1,662 in 1996. Child support collections were made in nearly 8,000,000 cases in fiscal year 2003, significantly more than the almost 4,000,000 cases having a collection in 1996.
   D. The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 gave States great flexibility in the use of Federal funds to develop innovative programs to help families leave welfare and begin employment and to encourage the formation of 2-parent families.
   1. Total Federal and State TANF expenditures in fiscal year 2003 were $26,300,000,000, up from $25,400,000,000 in fiscal year 2002 and $22,600,000,000 in fiscal year 1999. This increased spending is attributable to significant new investments in supportive services in the TANF program, such as child care and activities to support work.
   2. Since the welfare reform effort began there has been a dramatic increase in work participation (including employment, community service, and work experience) among welfare recipients. A 61 percent reduction in the caseload because recipients have left welfare for work.
(C) States are making policy choices and investment decisions best suited to the needs of their citizens. 

(1) To expand aid to working families, almost all States have raised a portion of family’s earned income when determining benefit levels.

(2) Most States have increased the limits on countable assets above the former Aid to Families with Dependent Children (AFDC) program. Every State has increased the vehicle asset level above the prior AFDC limit for a car. 

(ii) States are experimenting with programs to promote marriage and paternal involvement. Two-thirds of the States have eliminated restrictions on 2-parent families. Many States use TANF, child support, or State funds to support community-based activities that become more involved in their children’s lives or strengthen relationships between mothers and fathers.

(iii) However, despite this success, there is still progress to be made. Policies that support and promote more work, strengthen families, and enhance State flexibility are necessary to continue to build on the success of welfare reform.

(4) Significant numbers of welfare recipients still are not engaged in employment-related activities. While all States have met the overall work participation rate as required by law, in an average month, only 41 percent of all families with an adult participated in work-related activities, which is considerably lower than the State’s participation rate. In fiscal year 2003, four jurisdictions failed to meet the more rigorous 2-parent work requirements, and 25 jurisdictions (States and territories) are not subject to the 2-parent requirements, most because they moved their 2-parent cases to separate State programs where they are not subject to a penalty for failing the 2-parent rates.

(B) In 2002, 34 percent of all births in the U.S. were to unmarried women. And, with fewer teens entering marriage, the proportion of births to unmarried teens has increased dramatically (80 percent in 2002 versus 30 percent in 1970). The negative consequences of out-of-wedlock birth on the health of children are at much higher risk of child abuse than children in intact married families.

(D) Children who live apart from their biological parents on average, are more likely to be poor, experience educational, health, emotional, and psychological problems, be victims of child abuse, engage in criminal behavior, and become involved with the juvenile justice system than their peers who live with their married, biological mother and father. A child living with a single mother is nearly 5 times as likely to be poor as a child living in a married-couple family. In 2003, in married-couple families, the child poverty rate was 8.6 percent, and in households headed by single mother the poverty rate was 41.7 percent.

(5) Therefore, it is the sense of the Congress that increasing success in moving families from welfare to work, as well as promoting healthy marriage and other means of improving child well-being, are very important to the success of welfare reform. It is the sense of the Congress that (iii) Marriage enhancement and marriage skills training programs for married couples.

(iii) Marriage enhancement and marriage skills training programs for married couples.

(iv) Divorce reduction programs that teach relationship skills.

(v) Programs which use married couples as role models and mentors in at-risk communities.


(2) by inserting “payable to the State for the fiscal year” before the period.

(b) State Family Assistance Grant.—Section 403(a)(1)(A) (42 U.S.C. 603(a)(1)(A)) is amended by striking “fiscal year 2003” and inserting “each of fiscal years 2006 through 2010”.

(c) Matching Grants for the Territories.—Section 1108(b)(2) (42 U.S.C. 1308(b)(2)) is amended by striking “fiscal year 2003” and inserting “2006 through 2010”.

(vii) Encourage equitable treatment of non-married parent married families, and encourage respon- sibility of the non-married parent.

SEC. 801. FAMILY ASSISTANCE GRANTS.

(a) Extension of Authority.—Section 403(a)(1)(A) (42 U.S.C. 603(a)(1)(A)) is amended—


SEC. 8103. PROMOTION OF FAMILY FORMATION AND HEALTHY MARRIAGE

(a) State Plans.—Section 402(a)(1)(A) (42 U.S.C. 602(a)(1)(A)) is amended by adding at the end the following:

(7) The Secretary shall, when an application is submitted to serve those ends.

(4) There is a dramatic rise in co-habitation as marriages have declined. It is estimated that 40 percent of children are expected to live in a cohabiting-parent family at some point during their childhood. Children in single-parent households and cohabiting households are at much higher risk of child abuse than children in intact married families.

(2) Children who live apart from their biological parents on average, are more likely to be poor, experience educational, health, emotional, and psychological problems, be victims of child abuse, engage in criminal behavior, and become involved with the juvenile justice system than their peers who live with their married, biological mother and father. A child living with a single mother is nearly 5 times as likely to be poor as a child living in a married-couple family. In 2003, in married-couple families, the child poverty rate was 8.6 percent, and in households headed by single mother the poverty rate was 41.7 percent.

(5) Therefore, it is the sense of the Congress that increasing success in moving families from welfare to work, as well as promoting healthy marriage and other means of improving child well-being, are very important to the success of welfare reform.

(iii) Marriage enhancement and marriage skills training programs for married couples.


(iv) Divorce reduction programs that teach relationship skills.

(v) Programs which use married couples as role models and mentors in at-risk communities.
(2) by striking all that follows "$32,000,000,000" and inserting a period.

(b) Grants.—Section 403(b)(3)(C)(ii) (42 U.S.C. 603(b)(3)(C)(ii)) is amended by striking "fiscal years 2002 through 2010" and inserting "fiscal years 2006 through 2010".

(c) Definition of Needy State.—Clauses (i) and (ii) of section 403(b)(3)(B) (42 U.S.C. 603(b)(3)(B)) are amended by striking paragraph (b) (other than the expenditure described in clause (1)) and inserting the following:

"(1) the qualified State expenditures (as defined in section 409(a)(7)(B)(iii)) for the fiscal year plus"; and

(4) by striking paragraph (c).

(e) Consideration of Certain Child Care Expenditures in Determining State Compliance With Contingency Fund Maintenance of Effort Requirements.—Section 409(a)(10) (42 U.S.C. 609(a)(10)) is amended by striking clauses (ii) through (iv) as clauses (i) through (iii), respectively.

(6) annual Reconciliation: Federal Matching of State Expenditures Above "Mainstream" Level.—Section 403(b)(6) (42 U.S.C. 603(b)(6)) is amended—

(1) in subparagraph (A)(iv)—

(A) by adding "and" at the end of subclause (I);

(B) by striking "and" at the end of subclause (II) and inserting a period; and

(C) by striking subclause (III);

(2) in subparagraph (B)(ii), by striking all that follows "section 409(a)(7)(B)(III)" and inserting a period;

(3) by amending subparagraph (B)(ii)(I) to read as follows—

"(I) the qualified State expenditures (as defined in section 409(a)(7)(B)(i)) for the fiscal year plus"; and

(4) by striking paragraph (C).

(f) Effectiveness Date.—The amendments made by subsections (c), (d), and (e) shall take effect on October 1, 2007.

SEC. 8107. USE OF FUNDS.

(a) General Rules.—Section 404(a)(2) (42 U.S.C. 604(a)(2)) is amended by striking "in any manner that" and inserting "for any purposes or activities for which".

(b) Treatment of Interstate Immigrants.—

(1) State Plan Provision.—Section 402(a)(1)(B) (42 U.S.C. 602(a)(1)(B)) is amended by striking clause (i) and redesignating clause (ii) as clause (i) through (ii), respectively.

(2) Use of Funds.—Section 404 (42 U.S.C. 604) is amended by striking subsection (c).

(c) Increase in Amount Transferable to Child Care.—Section 404(d)(1) (42 U.S.C. 604(d)(1)) is amended by striking "30" and inserting "50".

(d) Change in Amount Transferable to Title XX Programs.—Section 404(d)(2)(B) (42 U.S.C. 604(d)(2)(B)) is amended to read as follows—

"(2) applicable percent.—For purposes of subparagraph (A), the applicable percent is 10 percent for fiscal year 2006 and each succeeding fiscal year.

(e) Clarification of Authority of States to Use TANF Funds Carried Over From Prior Years to Provide TANF Benefits and Services.—Section 404(e) (42 U.S.C. 604(e)) is amended to read as follows:

"(e) Authority to Carryover or Reserve Certain Amounts for Benefits or Services or for Future Contingencies.—

"(1) Authority to Carryover or Reserve Certain Amounts for Benefits or Services or for Future Contingencies.—

"(A) in the case of a family that, as of October

(2) Timing.—The State shall comply with paragraph (1) after receiving the assistance from the State program funded under this part, not later than 60 days after the family first receives assistance on the basis of the most recent application for the assistance; or

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

(4) Rule of Interpretation.—Nothing in this part shall preclude a State from—

"(A) requiring participation in work and active job search activities to be appropriate for helping families achieve self-sufficiency and improving child well-being; or

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

(5) Penalty for Failure to Establish Family Self-Sufficiency Plan.—Section 409(a)(3) (42 U.S.C. 609(a)(3)) is amended—

(A) in the paragraph heading, by inserting "Establish Family Self-Sufficiency Plan" after "rates"; and

(B) in subparagraph (A), by inserting "or 406(b)" after "406(a)".

SEC. 8110. WORK PARTICIPATION REQUIREMENTS.

(a) Participation Rate Requirements.—A State to which a grant is made under section 404 for a fiscal year shall achieve a minimum participation rate equal to not less than—

(1) 50 percent for fiscal year 2006;

(2) 55 percent for fiscal year 2007;

(3) 60 percent for fiscal year 2008; and

(4) 65 percent for fiscal year 2009 and each succeeding fiscal year.

(b) Calculation of Participation Rates.—

(1) Average Monthly Rate.—For purposes of paragraph (a), the participation rate of a State for a fiscal year is the average of the participation rates of the State for each month in the fiscal year.

(2) Monthly Participation Rates; Incorporation of 40-Hour Work Week Standard.—

(A) In General.—For purposes of paragraph (a), the participation rate of a State for a month is—

(i) the total number of countable hours (as defined in subsection (c)) with respect to the total count of families receiving assistance for the State for the month, divided by

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

(B) Counted Families Defined.—

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

(ii) Exclusions of Certain Families.—At the option of a State, the term "counted family" shall not include—

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

(B) a family, on a case-by-case basis, in the month in which the family is under age 12 months of age; or
“(III) a family that is subject to a sanction under this part or part D, but that has not been subject to such a sanction for more than 3 months (whether or not consecutive) in the period ending 12-month period.

“(III) STATE OPTION TO INCLUDE INDIVIDUALS RECEIVING ASSISTANCE UNDER A TRIBAL FAMILY ASSISTANCE PLAN OR TRIBAL WORK PROGRAM.—

The term ‘counted family’ include families in the State that are receiving assistance under a tribal family assistance plan approved under section 131 by or under a tribal work program to which funds are provided under this part.

“(C) WORK-ElIGIBLE INDIVIDUAL DEFINED.—

In this section, the term ‘work-eligible individual’ means—

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

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

(b) Recalibration of Cashflow Reduction Credit.—

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

“(ii) the average monthly number of families that received assistance under the State program funded under this part during the fiscal year exceeds 50 percent.

(d) COUNTABLE HOURS.—

(4) SUPERACHIEVER CREDIT.

(A) IN GENERAL.—

The term ‘superachiever credit applicable to a State is the amount of cash assist-

ance to be provided to any superachiever State for this subsection, of a superachiever State for

the fiscal year 2001 under the State program funded

under this part.

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

(A) MINIMUM WEEKLY AVERAGE OF 24 HOURS OF DIRECT WORK ACTIVITIES REQUIRED.—If the work-eligible individuals in a family are engaged in a direct work activity for an average total of fewer than 24 hours per week in a month, then the number of countable hours with respect to the family for the month shall be the number of hours in the month in which any member of the family with a work-eligible individual engaged in a direct work activity or other activities specified by the State (excluding an activity that does not address a purpose specified in section 409(a)(14)), subject to the other provisions of this subsection.

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

(C) SPECIAL RULES.—For purposes of paragraphs (I) and (ii) of section 409(a)(14), if an individual in a family

refuses to engage in activities under a State program funded in the month in which the failure occurs:

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

(ii) terminate all assistance to the family, subject to such good cause exceptions as the State may establish.

(D) Direct Work Activity.

(1) Definition.—In subsection (b)(2), the term ‘direct work activity’ means—

(A) unsubsidized employment;

(B) subsidized private sector employment;

(C) subsidized public sector employment;

(D) supervised work experience; or

(E) supervised community service.

(e) Penalties Against Individuals.—

Section 409(c)(4) (42 U.S.C. 609(c)(4)) is amended to read as follows:

(1) REDUCTION OR TERMINATION OF ASSISTANCE.

(A) IN GENERAL.—Except as provided in paragraph (2), if an individual in a family receiving assistance under a State program funded under this part fails to engage in activities required in accordance with this section, or other activities required by the State under the program, and the family does not otherwise engage in work and activities in accordance with the self-sufficiency plan established for the family pursuant to section 409(b), the State shall—

(i) reduce partial or persists for not more than 1 month—

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

(ii) terminate all assistance to the family, subject to such good cause exceptions as the State may establish.

(B) SPECIAL RULES.—

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

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

(f) CONFORMING AMENDMENTS.—

(1) Section 407(f) (42 U.S.C. 607(f)) is amended by striking—

(A) ‘‘all cash payments to the family failing to engage in activities”;

(B) the heading of section 409(a)(14) (42 U.S.C. 609(a)(14))

Sec. 111. Maintenance of Effort.—

(1) General.—Section 409(a)(7) (42 U.S.C. 609(a)(7)) is amended—


(B) in subparagraph (B)(ii)—


(2) in subparagraph (B)(ii)
(b) STATE SPENDING ON PROMOTING HEALTHY MARRIAGE.—

(1) IN GENERAL.—Section 404 (42 U.S.C. 604) is amended by adding at the end the following:

"(l) MARRIAGE PROMOTION.—A State, territory, or tribal organization to which a grant is made under section 403(a) may use a grant made to the State, territory, or tribe under any other provision of section 403 for marriage promotion activities, and the amount of such grant so used shall be considered State funds for purposes of section 403(a)."

(2) FEDERAL TANF FUNDS USED FOR MARRIAGE PROMOTION DEEMED TO BE FOR PURPOSES OF MAINTENANCE OF EFFORT REQUIREMENT.—Section 409(a)(7)(B)(i) (42 U.S.C. 609(a)(7)(B)(i)), as amended by section 8103(c) of this Act, is amended by adding at the end the following:

"(vi) EXCLUSION OF FEDERAL TANF FUNDS USED FOR MARRIAGE PROMOTION ACTIVITIES.—Such term does not include the amount of any grant made to the State under section 403 that is expended for a marriage promotion activity."

SEC. 8112. PERFORMANCE IMPROVEMENT.

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

(1) in paragraph—

(A) in subparagraph—

(i) by redesignating clause (vi) and clause (vii) as clauses (vi) and (vii), respectively; and

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

"(v) The document shall—

(I) detail strategies and programs the State may be undertaking to address—

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

(bb) efforts to reduce teen pregnancy;

(cc) services for struggling and non-compliant families, and for clients with special problems; and

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

(bb) by striking clause (iii) (as so redesignated by section 8107(b)(1) of this Act) and inserting the following:

"(iii) The document shall describe strategies and programs the State is undertaking to engage religious organizations in the provision of services funded under this part and efforts related to section 104 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

(2) in paragraph (4), by inserting "and tribal" after "that local".

(b) CONSULTATION WITH STATE REGARDING PLAN AND DESIGN OF TRIBAL PROGRAMS.—Section 412(b)(1) (42 U.S.C. 612(b)(1)) is amended—

(1) by striking "and" at the end of subparagraph (E);

(2) by striking the period at the end of subparagraph (F) and inserting "; and"; and

(3) by adding at the end the following:

"(G) provides an assurance that the State in which the tribe is located has been consulted regarding the plan and its design.

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

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

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

SEC. 8113. DATA COLLECTION AND REPORTING.

(a) CONTENTS OF REPORT.—Section 411(a)(1)(A) (42 U.S.C. 611(a)(1)(A)) is amended—

(1) in the matter preceding clause (i), by inserting "and on families receiving assistance under State programs funded with other qualified State expenditures (as defined in section 409(a)(7)(B)) before the colon;

(2) in clause (vii), by inserting "and minor parent" after "each adult"; and

(3) in clause (viii), by striking "and educational level";

(4) in clause (ix), by striking ", and"; and

(b) ANNUAL REPORTS ON PROGRAM CHARACTERISTICS.—Not later than 90 days after the end of each fiscal year beginning after October 1, 2006, each eligible State shall submit to the Secretary a report on the characteristics of the State program funded under this part and other State programs funded with qualified State expenditures (as defined in section 409(a)(7)(B)). The report shall include, with respect to each such program, the program name, a description of program activities, the program purpose, the program eligibility criteria, the sources of program funding, the number of program beneficiaries, sanction policies, and any program work requirements.

(c) MONTHLY REPORTS ON CASELOAD.—Not later than 3 months after the end of a calendar month that begins 1 year or more after the enactment of this Act, each eligible State shall submit to the Secretary a report on the number of families and total number of individuals receiving assistance in the calendar month under the State program funded under this part.

(d) ANNUAL REPORT ON PERFORMANCE IMPROVEMENT.—Beginning with fiscal year 2007, not later than January 1 of each fiscal year, each eligible State shall submit to the Secretary a report on the number of families and total number of individuals receiving assistance in the calendar month under the State program funded under this part.


(f) ANNUAL REPORTS TO CONGRESS BY THE SECRETARY.—Section 411(c), as so redesignated by subsection (e) of this section, is amended—

(1) in the matter preceding paragraph (1), by striking “and fiscal year thereafter” and inserting “and by July 1 of each fiscal year thereafter”;

(2) in paragraph (2), by striking “families applying for assistance,” and by striking the last comma; and

(3) in paragraph (3), by inserting “and” after “through” and “expenditures (as defined in section 409(a)(7)(B)(i))” before the semicolon.

(g) INCREASED ANALYSIS OF STATE SINGLE AUDIT REPORTS.—Section 414(a)(1)(A) (42 U.S.C. 614(a)(1)(A)) is amended by adding at the end the following:

“(f) INCREASED ANALYSIS OF STATE SINGLE AUDIT REPORTS.—

“(1) IN GENERAL.—Within 3 months after a State submits to the Secretary a report pursuant to section 7502(a)(1)(a) of title 31, United States Code, the Secretary shall analyze the report for the purpose of identifying the extent and nature of problems related to the oversight by the State of nongovernmental entities with qualified State expenditures (as defined in section 409(a)(7)(B)(i)) before the semicolon.

“(2) INCLUSION OF PROGRAM OVERSIGHT SECTION IN ANNUAL REPORT TO THE CONGRESS.—The Secretary shall include in each report under subsection (e) a section on oversight of State programs funded under this part, including findings on the extent and nature of the problems described in paragraphs (1) and (2) of section 411(c) and any recommendations taken to resolve the problems, and to the extent the Secretary deems appropriate make recommendations on changes needed to resolve the problems.

SEC. 8114. DIRECT FUNDING AND ADMINISTRATION BY INDIAN TRIBES.


SEC. 8115. RESEARCH, EVALUATIONS, AND NATIONAL STUDIES.

(a) SECRETARY’S FUND FOR RESEARCH, DEMONSTRATIONS, AND TECHNICAL ASSISTANCE.—Section 415 (42 U.S.C. 615), as amended by section 8112(c) of this Act, is further amended by adding at the end the following:

“(f) FUNDING FOR RESEARCH, DEMONSTRATIONS, AND TECHNICAL ASSISTANCE.—

“(1) APPROPRIATION.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated $102,000,000 for each of fiscal years 2006 through 2010, which shall be available to the Secretary for the purpose of conducting and supporting research and demonstration projects by public or private entities, and providing technical assistance to States, Indian tribal organizations, and such other entities as the Secretary may specify that are receiving a grant under this part, which shall be expended primarily on activities described in section 409(a)(2)(B), and which shall include any other funds made available under this part. The Secretary may not provide an entity with funds made available under this paragraph unless the entity agrees that, as a condition of receipt of the funds for a program or activity described in any of clauses (iii) through (viii) of section 409(a)(2)(B), the entity will comply with subclauses (I) and (II) of section 403(a)(2)(C)(i).

“(2) SET ASIDE FOR DEMONSTRATION PROJECTS FOR COORDINATION OF PROVISION OF SERVICES TO TRIBAL FAMILIES AT RISK OF CHILD ABUSE OR NEGLECT.—

“(A) IN GENERAL.—Of the amounts made available under section 403(a)(2)(C)(i) for a fiscal year, $2,000,000 shall be awarded on a competitive basis to fund demonstration projects designed to test the effectiveness of tribal governments or tribal consortia in coordinating the provision to tribal families at risk of child abuse or neglect of child welfare services and services under tribal programs funded under this part.

“(B) USE OF FUNDS.—A grant made to such a project shall be used—

“(i) to improve case management for families eligible for assistance from such a tribal program;

“(ii) for supportive services and assistance to tribal children in out-of-home placements and the tribal families caring for such children, including families who adopt such children;

“(iii) for prevention services and assistance to indigenous families at risk of child abuse and neglect.

“(C) REPORTS.—The Secretary may require a recipient of funds awarded under this paragraph to provide the Secretary with such information as the Secretary deems relevant to enable the Secretary to facilitate and oversee the administration of any project for which funds are provided under this paragraph.


“(C) REPORT TO CONGRESS OF CERTAIN AFFIDAVITS OF SUPPORT AND SPONSOR DEEMING.—Not later than March 31, 2006, the Secretary of Health and Human Services, in consultation with the Attorney General, shall submit to the Congress a report on the enforcement of affidavits of support and sponsor deeming as required by section 421, 422, and 423 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

“(d) REPORT ON COORDINATION.—Not later than 6 months after the enactment of this Act, the Secretary of Health and Human Services and the Secretary of Labor shall jointly submit a report to the Congress describing common or conflicting assessment, assessment, performance measures, and reporting requirements in the Workforce Investment Act of 1998 and part A of title IV of the Social Security Act, and, to the degree each Secretary deems appropriate, at the discretion of other Secretary, any other program administered by the respective Secretary, to all greater degree of registration between the workforce and work development systems.

SEC. 8116. STUDY BY THE CENSUS BUREAU.

(a) IN GENERAL.—Section 414(a) (42 U.S.C. 614(a)) is amended to read as follows:

“(a) IN GENERAL.—The Bureau of the Census shall implement or enhance a longitudinal survey of program participation, developed in consultation with the Secretary, and made available to interested parties, to allow for the assessment of the outcomes of continued welfare reform on the economic status and well-being of families and children, including those who received assistance or services from a State program funded under this part, and, to the extent possible, shall provide data for State and national samples. The content of the survey should include such information as may be necessary to examine the issues of out-of-wedlock childbearing, marriage, welfare dependency and compliance with work requirements, the beginning and ending of spells of welfare, work, earnings and employment stability, and the well-being of children.”.

(b) APPROPRIATION.—Section 414(b) (42 U.S.C. 614(b)) is amended by—

(1) by striking “1996,” and all that follows through “2003” and inserting “2006 through 2010”;

(2) by adding at the end the following: “Funds appropriated under this subsection shall remain available through fiscal year 2010 to carry out subsection (a).”.

SEC. 8117. DEFINITION OF ASSISTANCE.

(a) IN GENERAL.—Section 411 (42 U.S.C. 611) is amended by adding at the end the following:

“(b) ASSISTANCE.—

“(A) IN GENERAL.—The term ‘assistance’ means payment, by cash, voucher, or other means, to or for an individual or family for the purpose of meeting a subsistence need of the individual or family (including food, clothing, shelter, and related items, but not including costs of transportation or child care).”.

(b) EXCEPTION.—The term ‘assistance’ does not include a payment described in subsection (A) to or for an individual or family under a short-term public assistance plan (as defined by the State in accordance with regulations prescribed by the Secretary).

(2) CONFORMING AMENDMENTS.—

(1) Section 404(a)(1) (42 U.S.C. 6404(a)(1)) is amended by striking “assistance” and inserting “benefits or services”.

(2) Section 408(a)(6)(B)(i) (42 U.S.C. 6408(a)(6)(B)(i)) is amended by striking the heading by striking “assistance” and inserting “aid”.

(3) Section 413(d)(1) (42 U.S.C. 613(d)(1)) is amended by striking “assistance” and inserting “aid”.

SEC. 8118. TECHNICAL CORRECTIONS.

(a) Section 409(c)(2) (42 U.S.C. 609(c)(2)) is amended by inserting a comma after “appropriate”.


(c) Section 415(a)(2)(A) (42 U.S.C. 615(a)(2)(A)) is amended by striking “section” and inserting “sections”.

(d) Section 415 (42 U.S.C. 615) is amended by striking subsections (s) through (u) and redesignating subsections (h) through (j) and subsections (k) and (l) (as added by sections 812(c) and 815(a) of this Act, respectively) as subsections (g) through (k), respectively.

(2) Each of the following provisions is amended by striking “433(3)” and inserting “433(1)”:

(A) Section 403(a)(5)(A)(I)(II) (42 U.S.C. 603(a)(5)(A)(I)(II)).

(B) Section 403(a)(5)(F) (42 U.S.C. 603(a)(5)(F)).

(C) Section 408(a)(5)(G)(II) (42 U.S.C. 608(a)(5)(G)(II)).


SEC. 8119. FATHERHOOD PROGRAM.

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

(b) FATHERHOOD PROGRAM.—

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

“SEC. 117. FATHERHOOD PROGRAM.

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

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PART C—FATHERHOOD PROGRAM

SEC. 441. FINDINGS AND PURPOSES.

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

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

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

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

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

(1) To provide for projects and activities by public entities and by nonprofit community entities, including religious organizations, serving children and families.

(2) Enhancing the abilities and commitment of unemployed or low-income fathers to provide material support for their families and to avoid or leave welfare programs by assisting them to take full advantage of education, job training, and job search programs, including programs to encourage and promote the development of work habits and skills, to secure career advancement by activities such as outreach and information dissemination, coordination, as appropriate, with schools and social service agencies, and to establish and maintain a capacity to maintain child support and regular payment toward past due child support obligations in appropriate cases, and other methods.

(3) Improving the ability of effectively manage family business affairs by means such as education, counseling, and mentoring in matters including household management, budgeting, and planning of financial transactions, time management, and home maintenance.

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

(5) By the projects and activities described in paragraph (1), to improve outcomes for children with respect to measures such as increased family income and economic security, improved school performance, better health, improved emotional and behavioral health, increased attachment, and reduced risk of delinquency, crime, substance abuse, child abuse and neglect, teen sexual activity, and teen suicide.

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

SEC. 442. DEFINITIONS.

In this part, the terms "Indian tribe" and "tribal organization" have the meanings given them respectively in section 4(1) and (3), respectively, of section 4 of the Indian Self-Determination and Education Assistance Act.

SEC. 443. CONGRESSIONAL GRANTS FOR SERVICE PROJECTS.

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

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

(1) PROJECT DESCRIPTION.—A statement including—

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

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

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

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

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

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

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

(7) SELF-INITIATED EVALUATION.—If the entity elects to contract for independent evaluation of the projects (part or all of the cost of which may be paid for using grant funds), a commitment to submit to the Secretary a copy of the evaluation report within 30 days of completion of the project and within 6 months of completion of the project.

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

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

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

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

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

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

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

(6) CONSIDERATIONS IN AWARDED GRANTS.—

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

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

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

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

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

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

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

SEC. 444. MULTICITY, MULTISTATE DEMONSTRATION PROJECTS.

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

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

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

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

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

(1) QUALIFICATIONS.—

(A) EXPERIENCE.—A demonstration that the entity meets the requirements of subsection (b).

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

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

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

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

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

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

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

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

(1) in consultation with the evaluator selected for the purposes of such project (as par- ticularly modified by the Secretary, will modify the project design, initially and (if necessary) subsequently throughout the duration of the project, in order to enhance and final evaluate and project operation and outcomes (by means including, to the maximum extent feasible, random assignment of service recipients and control groups), and to provide for midcourse adjustments in project design indicated by interim evaluations;

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

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

(3) ADDRESSING CHILD ABUSE AND NEGLECT AND DOMESTIC VIOLENCE.—A description of how the entity will address the presence of child abuse, and neglect, and how the entity will coordinate with State and local child protective services and domestic violence programs.

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

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

(6) RECORDS, REPORTS, AND AUDITS.—An agreement to maintain such records, make such reports, and submit to the Secretary, within such time periods as the Secretary may require, reports on the progress of the project, the expenses incurred by the project, and such other information as the Secretary may require.

(d) FEDERAL SHARE.—Grants for a project under this section for a fiscal year shall be available for up to 80 percent of the cost of such project in such fiscal year.

SEC. 446. PROJECTS OF NATIONAL SIGNIFICANCE.

(a) IN GENERAL.—The Secretary is authorized, by grant, contract, or cooperative agreement, to carry out projects and activities of national significance relating to fatherhood promotion, including—

(1) COLLECTION AND DISSEMINATION OF INFORMATION.—Assisting States, communities, and private entities, including religious organizations and private nonprofit organizations, including charitable and religious organizations, in efforts to promote and support marriage and responsible fatherhood by collecting, evaluating, developing, and making available (through the Internet and by means of an appropriate national clearinghouse) technical assistance information regarding approaches to accomplishing the objectives specified in section 441(b)(1).

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

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

(b) RESERVOIR.—Conducting research related to the purposes of this part.

SEC. 447. NONDISCRIMINATION.

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

SEC. 448. AUTHORIZATION OF APPROPRIATIONS; RESERVATION FOR CERTAIN PURPOSE.

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

(b) RESERVATION.—Of the amount appropriated under this section for each fiscal year, not more than 10 percent shall be available for the costs of the multicity, multicounty, multistate demonstration projects under section 444, evaluations under section 445, and projects of national significance under section 446.

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

(2) CLERICAL AMENDMENT.—Section 2 of such Act is amended by striking out the effective date provisions and inserting after the item relating to section 116 the following new item:

“Sec. 117. Fatherhood program.”
SEC. 8120. STATE OPTION TO MAKE TANF PROGRAMS MANDATORY PARTNERS WITH ONE-STOP EMPLOYMENT TRAINING CENTERS.

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

"(h) STATE OPTION TO MAKE TANF PROGRAMS MANDATORY PARTNERS WITH ONE-STOP EMPLOYMENT TRAINING CENTERS.—For purposes of subparagraph (a)(2) of section 408(a) of the Workforce Investment Act of 1998, a State program funded under part A of title IV of the Social Security Act and considered a program referred to in paragraph (1)(B) of such section, unless, after the date of the enactment of this subsection, the Governor of the State notifies the Secretaries of Health and Human Services and Labor in writing of the decision of the Governor not to make the State program a mandatory partner.

SEC. 8421. SENSE OF THE CONGRESS.

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

SEC. 8412. DRUG TESTING OF APPLICANTS FOR AND RECIPIENTS OF ASSISTANCE.

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

"(2) DRUG TESTING REQUIREMENTS.—A State to which a grant is made under section 408(a)(1) (fiscal year 2008) may require that individuals applying for and receiving assistance under the State program must: (A) undergo a physical test designed to detect the use of any controlled substance (as defined in section 102(6) of the Controlled Substances Act, as in effect on the date of enactment of this Act), which shall be retained by the State from the individual applying for the services, recovered from the absent parent, or paid by the State out of its own funds (the payment of which from State funds shall not be considered as an administrative cost of the program); (B) the total of the amounts so distributed to the family during the month does not exceed the greater of (I) $100; or (II) $50 plus the amount described in clause (i); (C) the amount is disregarded in determining the amount and type of assistance provided to the family under the State program funded under part A.; and (D) not later than 6 months after the date of this Act, the Secretary shall include in the report and the average length of time it takes to distribute the amount so collected that remains after withholding any fee pursuant to section 454(31); and (E) the amount is disregarded in determining the amount and type of assistance provided to the family under the State program funded under part A., except as specified in subparagraph (B) and (C).

(b) APPLICABILITY.—The amendments made by subsection (a) shall apply to amounts distributed on or after October 1, 2008.

SEC. 8302. STATE OPTION TO PASS THROUGH ALL CHILD SUPPORT PAYMENTS TO FAMILIES THAT FORMERLY RECEIVED TANF.

(a) IN GENERAL.—Section 457(a) (42 U.S.C. 657(a)), as amended by section 8301(a) of this Act, is amended—

(1) in paragraph (2)(B), in the matter preceding clause (1), by inserting "except as provided in paragraph (8), after "shall"); and

(2) by adding at the end the following:

"(8) STATE OPTION TO PASS THROUGH ALL CHILD SUPPORT PAYMENTS TO FAMILIES THAT FORMERLY RECEIVED TANF.—In lieu of applying paragraph (2) to any family described in paragraph (2), a State may distribute to the family any amount collected during a month on behalf of the family.

(b) APPLICABILITY.—The amendments made by subsection (a) shall apply to amounts distributed on or after October 1, 2008.

SEC. 8303. MANDATORY REVIEW AND ADJUSTMENT OF CHILD SUPPORT ORDERS FOR CHILDREN WHO ARE NOT MINORS.


(1) by striking "parent, or, " except as provided in paragraph (8), after "shall"); and

(2) by striking "and" after the request of the State agency under the State plan or of either parent.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on October 1, 2007.

SEC. 8304. MANDATORY FEE FOR SUCCESSFUL CHILD SUPPORT COLLECTION FOR FAMILY THAT HAS NEVER RECEIVED TANF.

(a) IN GENERAL.—Section 454(b)(4)(B) (42 U.S.C. 654(b)(4)(B)) is amended—

(1) by inserting "after "shall"); and

(2) by redesigning clauses (i) and (ii) as subclauses (I) and (II), respectively;

(3) by adding "and" after the semicolon; and

(4) by adding after and below the end the following new clause:

"(i) in the case of an individual who has never received assistance under a program funded under part A and for whom the State has collected at least $500 of support, the State shall impose an annual fee of $25 for each case in which services are furnished, which shall be retained by the State from support collected on behalf of the individual (but not from the first $500 so collected), paid by the individual applying for the services, recovered from the absent parent, or paid by the State out of its own funds (the payment of which from State funds shall not be considered as an administrative cost of the State for the operation of the plan, and such fees shall be considered income to the program)

(b) CONFORMING AMENDMENT.—Section 457(a)(3) (42 U.S.C. 657(a)(3)) is amended to read as follows:

"(3) FAMILIES THAT NEVER RECEIVED ASSISTANCE.—In the case of an assistance order for a family, the State shall distribute to the family the portion of the amount so collected that remains after withholding any fee pursuant to section 454(b)(4)."

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 2008.

SEC. 8305. REPORT ON UNDISTRIBUTED CHILD SUPPORT PAYMENTS.

Not later than 6 months after the date of the enactment of this Act, the Secretary shall include in the report the average length of time it takes to distribute undistributed child support to be distributed. To the extent the Secretary deems appropriate, the Secretary shall include in the report recommendations as to whether additional procedures should be established at the State or Federal level to expedite the payment of undistributed child support.

SEC. 8306. DECREASE IN AMOUNT OF CHILD SUPPORT ARREARAGE TRIGGERING PASSPORT DENIAL.

(a) IN GENERAL.—Section 452(k)(1) (42 U.S.C. 652(k)(1)) is amended by striking "$5,000" and inserting "$5,000 and $4,000.

(b) CONFORMING AMENDMENT.—Section 454(31) (42 U.S.C. 654(31)) is amended by striking "as the Secretary shall define in the paragraphs preceding this subparagraph under subsection (c)"; and

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 2008.

SEC. 8307. USE OF TAX REFUND INTERCEPT PROGRAM TO COLLECT PAST-DUE CHILD SUPPORT ON BEHALF OF CHILDREN WHO ARE NOT MINORS.

(a) IN GENERAL.—Section 462 (42 U.S.C. 664) is amended—

(1) in subsection (a)(2)(A), by striking "as the Secretary shall define in the paragraphs preceding this subparagraph under subsection (c)"; and

(2) in subsection (c)—

(A) in paragraph (1)—

(1) Except as provided in paragraph (2), as used in ""; and

(2) by striking "an" after the request of the State agency under the State plan or of either parent.

(3) by striking "and" after the semicolon; and

(4) by adding after and below the end the following new clause:

"(i) in the case of an individual who has never received assistance under a program funded under part A and for whom the State has collected at least $500 of support, the State shall impose an annual fee of $25 for each case in which services are furnished, which shall be retained by the State from support collected on behalf of the individual (but not from the first $500 so collected), paid by the individual applying for the services, recovered from the absent parent, or paid by the State out of its own funds (the payment of which from State funds shall not be considered as an administrative cost of the State for the operation of the plan, and such fees shall be considered income to the program)

(5) FAMILIES THAT NEVER RECEIVED ASSISTANCE.—In the case of an assistance order for a family, the State shall distribute to the family the portion of the amount so collected that remains after withholding any fee pursuant to section 454(b)(4)(B)."

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 2008.
(ii) by inserting "(whether or not a minor)" after "a child" each place it appears; and
(b) by striking paragraphs (2) and (3).
(2) The amendments made by subsection (a) shall take effect on October 1, 2007.

SEC. 8308. GARNISHMENT OF COMPENSATION PAID TO VETERANS FOR SERVICE-CONNECTED DISABILITIES IN ORDER TO ENFORCE CHILD SUPPORT OBLIGATIONS.

(a) IN GENERAL.—Section 459(h) (42 U.S.C. 659(h)) is amended—
(1) by striking paragraph (1)(A)(ii)(V) by striking all that follows "Armored Forces" and inserting a semicolon and
(2) by adding at the end the following:
(3) LIMITATIONS WITH RESPECT TO COMPENSATION PAID TO VETERANS FOR SERVICE-CONNECTED DISABILITIES.—Notwithstanding any other provision of this section: 
(A) Compensation described in paragraph (1)(A)(ii)(V) shall not be subject to withholding pursuant to this section—
"(i) for payment of alimony; or
"(ii) for payment of child support if the individual is fewer than 60 days in arrears in payment of the support.

(B) Not more than 50 percent of any payment of compensation described in paragraph (1)(A)(ii)(V) may be withheld pursuant to this section.

"(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on October 1, 2007.

SEC. 8309. MAINTENANCE OF TECHNICAL ASSISTANCE FUNDING.

Section 452(h) (42 U.S.C. 652(h)) is amended by inserting "or the amount appropriated under this paragraph for fiscal year 2002, whichever is greater," before "which shall be available;" and

(b) in the 2nd sentence, by striking "for each of fiscal years 1997 through 2001".

SEC. 8310. MAINTENANCE OF FEDERAL PARENT LOCATOR SERVICE FUNDING.

Section 453(o) (42 U.S.C. 653(o)) is amended—
(1) in the 1st sentence, by inserting "or the amount appropriated under this paragraph for fiscal year 2002, whichever is greater," before "which shall be available;" and

(2) in the 2nd sentence, by striking "for each of fiscal years 1997 through 2001".

SEC. 8311. INFORMATION COMPARISONS WITH INSURANCE DATA.

(a) DUTIES OF THE SECRETARY.—Section 452 (42 U.S.C. 652) is amended by adding at the end the following:

"(d) COMPARISONS WITH INSURANCE INFORMATION.—
"(1) IN GENERAL.—The Secretary, through the Federal Parent Locator Service, may—
"(A) compare information concerning individuals owing past-due support with information maintained by insurers (or their agents) concerning insurance claims, settlements, awards, and payments; and
"(B) furnish information resulting from such a comparison to the State agencies responsible for collecting child support from such individuals.

"(2) LIABILITY.—An insurer (including any agent of an insurer) shall not be liable under any State law to any person for any disclosure provided for under this subsection, or for any other action taken in good faith in accordance with this subsection.

(b) STATE REIMBURSEMENT OF FEDERAL COSTS.—Section 453(k)(3) (42 U.S.C. 653(k)(3)) is amended by inserting "or section 452(m)" after this subsection.

SEC. 8312. TRIBAL ACCESS TO THE FEDERAL PARENT LOCATOR SERVICE.

Section 453(c)(1) (42 U.S.C. 653(c)(1)) is amended by inserting "or of any Indian tribe or tribal organization" after "any agent or attorney of any State".

SEC. 8313. REIMBURSEMENT OF SECRETARY’S COSTS OF INFORMATION COMPARISONS AND DISCLOSURE FOR ENFORCEMENT OF OBLIGATIONS ON HIGHER EDUCATION ACT LOANS AND GRANTS.

Section 453(j)(6)(F) (42 U.S.C. 653(j)(6)(F)) is amended by striking "additional".

SEC. 8314. TECHNICAL AMENDMENTS RELATING TO COOPERATIVE AGREEMENTS BETWEEN THE SECRETARY AND TERRITORIES.

Section 454(3)(3) (42 U.S.C. 654(3)(3)) is amended by striking "that receives funding pursuant to section 429" and inserting "that receives funding under this part, that a State program funded under this part, that a Federal Parent Locator Service funded under this part, that the State shall require, as a condition of receiving assistance, that the State shall establish a corresponding case on such other State’s request for assistance" before the semicolon.

SEC. 8315. MODIFICATION OF RULE REQUIRING ASSIGNMENT OF SUPPORT RIGHTS AS A CONDITION OF RECEIVING TANF.

(a) IN GENERAL.—Section 408(a)(3) (42 U.S.C. 608(a)(3)) is amended to read as follows—
"(3) NO ASSISTANCE FOR FAMILIES NOT ASSIGNING CERTAIN SUPPORT RIGHTS TO THE STATE.—
"(A) IN GENERAL.—Subject to subparagraph (B), a State to which a grant is made under section 409 shall require, as a condition of providing assistance to a family under the State program funded under this part, that a member of the family assign to the State any rights the family member may have (on behalf of the family member or of any other person for whom the family member has applied for or is receiving such assistance) to—
"(i) support another person which accrues during the period that the family receives assistance under the program; and
"(ii) at the option of the State, support from any other person which has accrued before such period.

"(B) LIMITATION.—The total amount of support that may be required to be provided with respect to rights assigned to a State by a family member pursuant to subparagraph (A) shall not exceed the total amount of assistance provided by the State to the family:"

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on October 1, 2007.

SEC. 8317. STATE OPTION TO DISCONTINUE CERTAIN SUPPORT ASSIGNMENTS.

Section 457(b) (42 U.S.C. 657(b)) is amended by striking "shall" and inserting "may".

SEC. 8318. TECHNICAL CORRECTION.

The second paragraph (7) of section 453(j) (42 U.S.C. 653(j)) is amended by striking "(7)" and inserting "(9)".

SEC. 8319. REDUCTION IN RATE OF REIMBURSEMENT FOR Child Support Administrative Expenses.

Section 455(a)(2) (42 U.S.C. 655(a)(2)) is amended by striking "(9)" is further amended by striking "(a)" and inserting "(a)".

SEC. 8401. EXTENSION OF AUTHORITY TO PROVE DEMONSTRATION PROJECTS.

Section 1130(a)(2) (42 U.S.C. 1320a-9(a)(2)) is amended by striking "2003" and inserting "2010".

SEC. 8402. LIMITATION ON ELIMINATION OF NUMBER OF WAIVERS.

Section 1130(a)(2) (42 U.S.C. 1320a-9(a)(2)) is amended by striking "not more than 10".

SEC. 8403. LIMITATION ON ELIMINATION OF NUMBER OF WAIVERS THAT MAY BE GRANTED TO CONDUCT DEMONSTRATION PROJECTS ON SOME TOPIC.

Section 1130 (42 U.S.C. 1320a-9) is amended by adding at the end the following:

(b) NO LIMIT ON NUMBER OF STATES THAT MAY BE GRANTED WAIVERS TO CONDUCT SAME OR SIMILAR DEMONSTRATION PROJECTS.—The Secretary shall not refuse to grant a waiver to a State under this section on the grounds that a purpose of the waiver or of the demonstration project for which the waiver is necessary would be the same as or similar to a purpose of another waiver or project that is or may be conducted under this section.

SEC. 8404. LIMITATION ON ELIMINATION OF NUMBER OF WAIVERS THAT MAY BE GRANTED TO CONDUCT DEMONSTRATION PROJECTS.

Section 1130 (42 U.S.C. 1320a-9) is further amended by adding at the end the following:

(b) LIMIT ON NUMBER OF WAIVERS.

SEC. 8405. STREAMLINED PROCESS FOR CONSIDERATION OF AMENDMENTS AND EXTENSIONS OF DEMONSTRATION PROJECTS REQUIRING WAIVERS.

Section 1130 (42 U.S.C. 1320a-9) is further amended by adding at the end the following:

(b) STREAMLINED PROCESS FOR CONSIDERATION OF AMENDMENTS AND EXTENSIONS.

SEC. 8406. AVAILABILITY OF REPORTS.

Section 1130 (42 U.S.C. 1320a-9) is further amended by adding at the end the following:

(b) AVAILABILITY OF REPORTS.

SEC. 8407. CLARIFICATION OF ELIGIBILITY FOR FOSTER CARE MAINTENANCE PAYMENTS AND ADOPTION ASSISTANCE.

(a) FOSTER CARE MAINTENANCE PAYMENTS.—Section 472(a) (42 U.S.C. 672(a)) is amended to read as follows—
"(a) ELIGIBILITY.—Each State with a plan approved under this part shall make foster care maintenance payments on behalf of each child who has been the home of a relative specified in section 406(a) (as in effect on July 16, 1996) into foster care if—

"(1) the removal and foster care placement met, and the placement continues to meet, the requirements of paragraphs (2) and—
“(B) the child, while in the home, would have met the AFDC eligibility requirement of paragraph (3).

(2) REMOVAL AND FOSTER CARE PLACEMENT REQUIREMENTS.—The removal and foster care placement of a child meet the requirements of this paragraph if—

(A) the removal and foster care placement are in accordance with a State plan approved under section 474;

(i) a voluntary placement agreement entered into by a parent or legal guardian of the child who is the relative referred to in paragraph (1), or

(ii) a judicial determination to the effect that continuation in the home from which removal would be contrary to the welfare of the child; and

(B) one or more of the reasonable efforts of the type described in section 471(a)(15) for a child have been made;

(B) the child’s placement and care are the responsibility of—

(i) the State agency administering the State plan approved under section 471; or

(ii) any other public agency with which the State agency administering or supervising the administration of the State plan has made an agreement which is in effect; and

(C) the child has been placed in a foster family home or child-care institution.

(3) APDC ELIGIBILITY REQUIREMENT.—

(A) In General.—A child in the home referred to in paragraph (1) would meet the APDC eligibility requirement of this paragraph if—

(i) would have received aid under the State plan approved under section 402 (as in effect on July 16, 1996) in the home, in or for the month in which the agreement was entered into or court proceedings leading to the determination referred to in paragraph (2)(A)(ii) of this subsection were initiated; or

(ii) would have received the aid in the home, in or for the month referred to in clause (i), if application had been made therefor; or

(iii) had been living in the home within 6 months before the month in which the agreement was entered into or the proceedings were initiated, and would have received the aid in or for such month, if, in such month, the child had been living in the home with the relative referred to in paragraph (1) and application for the aid had been made.

(B) Resources Determination.—For purposes of subparagraph (A), in determining whether a child would have received aid under a State plan approved under section 402 (as in effect on July 16, 1996), a child whose resources were determined pursuant to section 402(b)(7)(B) (as so in effect) have a combined value of not more than $10,000 shall be considered a child whose resources have a combined value of not more than $1,000 (or such lower amount as the State may determine for purposes of section 402(a)(7)(B)).

(4) ELIGIBILITY OF CERTAIN ALIEN CHILDREN.—Subject to title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, if the child is an alien disabled child whose resources were determined pursuant to subsection (a)(7)(B) (as so in effect) have a combined value of not more than $1,000, the child shall be considered to meet the requirements of paragraph (3), with respect to the month, if the child would have satisfied the requirements but for the disqualification.

(b) ADOPTION ASSISTANCE.—Section 473(a)(2) (42 U.S.C. 673(a)(2)) is amended to read as follows:

“(2)(A) For purposes of paragraph (1)(B)(ii), a child meets the requirements of this paragraph if the child—

(i)(I)(aa) was removed from the home of a relative specified in section 474(a) (as effect on July 16, 1996) and placed in foster care in accordance with a voluntary placement agreement with respect to which Federal financial participation under section 474 (or section 403, as such section was in effect on July 16, 1996), or in accordance with a judicial determination to the effect that continuation in the home would be contrary to the welfare of the child; and

(ii)(BB) has been determined by the State, pursuant to subsection (c) of this section, to be a child with special needs.

(B) In the case of a child who has been placed in a foster family home or child-care institution licensed or approved by the State under a State plan approved under section 472(a)(1)(B), the child shall be considered to satisfy the AFDC eligibility requirement of this paragraph if—

(i) the prior adoption has been dissolved, and the parent of the child had been determined to be the adoptive parent; or

(ii) the child’s adoptive parents have died; and

(iii) fails to meet the requirements of subparagraph (A) but would meet such requirements if—

(I) the child was treated as if the child were in the same financial and other circumstances the child was in the last time the child was determined eligible for adoption assistance payments under this part; and

(II) the prior adoption were treated as never having occurred.

SEC. 8408. CLARIFICATION REGARDING FEDERAL MATCHING OF CERTAIN ADMINISTRATIVE COSTS UNDER THE FOSTER CARE MAINTENANCE PAYMENTS PROGRAM.

(a) ADMINISTRATIVE COSTS RELATING TO UNLICENSED CARE.—Section 472 (42 U.S.C. 672) is amended by inserting after subsection (b) the following:

“(1) ADMINISTRATIVE COSTS ASSOCIATED WITH OTHERWISE ELIGIBLE CHILDREN NOT IN LICENSED FACILITIES SETTINGS. Expenditures by a State that would be considered administrative expenditures for purposes of section 474(a)(3) if made with respect to a child who was residing in a foster family home or child-care institution shall be considered with respect to a child not residing in such a home or institution—

(I) in the case of a child who has been removed in accordance with subsection (a) of this section from the home of a relative specified in section 406(a) (as in effect on July 16, 1996), only for purposes of this section;

(A) with respect to a period of not more than the lesser of 12 months or the average length of time it takes for the State to license a facility not housing the child in the home in which the child is in the home of a relative and an application is pending for licensing or approval of the home as a foster family home; or

(B) with respect to a period of not more than 1 calendar month when a child moves from one foster family home or child-care institution licensed or approved by the State; and

(C) in the case of any other child who is potentially eligible for benefits under a State plan approved under this part and at imminent risk of removal from the home, only if—

(A) reasonable efforts are being made in accordance with section 471(a)(15) to prevent the need for, or if necessary to pursue, removal of the child from the home; and

(B) the State agency has made, not less often than every 6 months, a determination (or redetermination) as to whether the child is at imminent risk of removal from the home.

(b) CONFORMING AMENDMENT.—Section 474(a)(3) of such Act (42 U.S.C. 674(a)(3)) is amended by striking “42 U.S.C. 674(a)(3)” and inserting “42 U.S.C. 674(a)(9)”.

SEC. 8410. TECHNICAL CORRECTION.

Section 470 (42 U.S.C. 670) is amended by striking “July 1, 1996” and inserting “July 16, 1996”.

Subtitle E—Supplemental Security Income

SEC. 8501. REVIEW OF STATE AGENCY BLINDNESS AND DISABILITY DETERMINATIONS.

Section 1633 (42 U.S.C. 1333) is amended by adding at the end the following:

“(e)(I) The Commissioner of Social Security shall review determinations, made by State agencies pursuant to subsection (a) in connection with applications for benefits under this title on the basis of blindness or disability, that individuals who have attained 18 years of age blind or disabled as of a specified onset date. The Commissioner of Social Security shall review such a determination before any action is taken to implement the determination. (II) The Commissioner of Social Security shall review such a determination before any action is taken to implement the determination.

“(2)(A) In carrying out paragraph (1), the Commissioner of Social Security shall re-

(i) at least 20 percent of all determinations referred to in paragraph (1) that are made in fiscal year 2006;

(ii) at least 40 percent of all such determinations that are made in fiscal year 2007; and

(iii) at least 50 percent of all such determinations that are made in fiscal year 2008 or thereafter.

(B) In carrying out subparagraph (A), the Commissioner of Social Security shall, to the extent feasible, select for review the determinations which the Commissioner of Social Security identifies as being the most likely to be incorrect.

SEC. 8502. PAYMENT OF CERTAIN LUMP SUM BENEFITS IN INSTALLMENTS UNDER THE SUPPLEMENTAL SECURITY INCOME PROGRAM.


(b) Expressive. The amendment made by subsection (a) shall take effect 3 months after the date of the enactment of this Act.

Subtitle F—State and Local Flexibility

SEC. 8601. PROGRAM COORDINATION DEMONSTRATION PROJECTS.

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

(b) DEFINITIONS.—In this section:

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

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

(A) a program under part A of title IV of the Social Security Act; or

(B) the program under title XX of such Act.

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

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

(2) POPULATION SERVED.—A statement identifying the population to be served by the project, and reporting requirements used in the project, from the standpoint of quality, cost-effectiveness, or of both; and

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

(A) a description of how the project is expected to meet the performance objectives specified in subsection (a) of the Fiscal Year 2002 Energy Policy and Conservation Act; and

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

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

(5) COST NEUTRALITY.—Such information and assurances as necessary to establish to the satisfaction of the administering Secretary, in consultation with the Director of the Office of Management and Budget, that the proposed project is reasonably expected to meet the applicable cost neutrality requirements of subsection (d)(4).

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

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

(d) APPROVAL OF APPLICATION.—

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

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

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

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

(2) PROVISIONS EXCLUDED FROM WAIVER AUTHORITY.—A waiver shall not be granted under paragraph (1) with respect to any provision of law relating to—

(A) civil rights or prohibition of discrimination;

(B) purposes or goals of any program;

(C) maintenance of effort requirements;

(D) health or safety;

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

(F) environmental protection.

(3) AGREEMENT OF EACH ADMINISTERING SECRETARY REQUIRED.—

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

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

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

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

(d) DEADLINE EXTENDED IF ADDITIONAL INFORMATION IS SOUGHT.—If the applicant submits an application to conduct a demonstration project under this section, the administering Secretary may require the applicant to provide additional information, to the extent inconsistent with paragraph (2) or (4) of this subsection.

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

(f) REPORTS TO CONGRESS.—

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

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

(A) the projects approved for each applicant;

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

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

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

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

Subtitle G—Repeal of Continued Dumping and Subsidy Offset

SEC. 7801. REPEAL OF CONTINUED DUMPING AND SUBSIDY OFFSET.

(a) REPEAL.—Section 754(e)(1) of the Tariff Act of 1930 (19 U.S.C. 1675c), and the item relating to section 754 in the table of contents for title VII of that Act, are repealed.

(b) EXISTING ACCOUNTS.—All amounts remaining, upon the enactment of this title, in any special account established under section 754(e)(1) of the Tariff Act of 1930 (as in effect on the date of the enactment of this title) shall be deposited in the general fund of the Treasury.

Subtitle H—Effective Date

SEC. 8801. EFFECTIVE DATE.

(a) IN GENERAL.—Except as otherwise provided in this title, this title and the amendments made by this title shall be effective as of October 1, 2005.

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

The SPEAKER pro tempore. The gentleman from Iowa (Mr. NUSSLE) and the gentleman from South Carolina (Mr. SPRAT) each will control 1 hour.

The Chair recognizes the gentleman from Iowa (Mr. NUSSLE).

Mr. NUSSLE. Mr. Speaker, several months ago, we approved the fiscal year 2006 budget resolution. In that budget, the Republicans and Congress laid out our plan, which is based on our fundamental principles to promote economic growth, create jobs, and control government spending. It is part of an overall plan.

Today we stand at what is a critical juncture in implementing that plan and new reality. The Gramm-Rudman-Hollings Deficit Reduction Act starts the process of adopting the real policies and the real reforms that make these massive entitlement programs more effective, more efficient, and less costly.

I expect we have already seen, that this is going to be a very vigorous and even sometimes contentious debate. I welcome that. I think we should all welcome that. I think that is what this Chamber is really for. It is what our constituents sent us here to do, to set the priorities, to come up with a solid plan, to do the real work, even if it is difficult, even if it is a challenge, even if you have to fight for it, even if you have to make a debate and a speech and everything else in order to get it done. The point is, we have got to work on this plan and see it through.

This is far from the first day that we have been on the floor or worked in committees in order to get this done. Mr. Speaker, for the past three budget years, we have been working on this plan to get the economy going, to create jobs, to control spending, and to actually reduce the deficit. I would like to review our plan.

First, Republicans committed to reduce the total discretionary spending, making the first actual reduction in the annual spending that happens because we vote on it here in Congress. That is the discretionary spending. It is the first time in 2 years, we have made an actual reduction in this nondiscretionary spending, this discretionary spending part of the budget. The first time we have done that since the 1980s.

Second, the Republicans committed to no tax increases. More importantly, we did not want an automatic tax increase happening. In fact, if Congress does not act this year, if we fail to pass the tax reconciliation, taxes automatically go up, no vote. They just go up.

Third, that we wanted to tackle these important mandatory programs. For the past 3 years, we have stuck to our plan, and we have produced results. Let me just show you this chart. Mr. Speaker, when we started this process, we had a $521 billion deficit that was staring us in the face, caused by what happened on September 11, 2001, the war in Afghanistan, the war in Iraq, the stock market dot-com bubble, increased spending. We had to deal with in order to deal with so many broken lives, so many challenges across the country in the wake of the terrorist attack. Homeland Security spending skyrocketed; and interestingly enough, the same opposition party who comes to the floor tonight decrying spending, decrying deficits voted for most of that spending that got us to the $521 billion worth of deficit. As part of implementing this plan, we reduced that deficit from $521 billion to $427 billion in the first year; $90-some billion in 1 year alone the deficit came down implementing that plan.

Second year, that we just closed the books on and reduction from $521 billion to $427 billion to $319 billion. I will suggest to you that $319 billion is not where we want to be. We are heading in the right direction. We are heading in the right direction because we have to grow the economy, to control spending, to create jobs, and create taxpayers. As a result of that, revenues have come in. The strong sustained growth in our economy has driven Federal tax receipts up over 15 percent over last year, even with tax reduction.

Let me repeat that. I understand all the rhetoric on the floor here tonight, but we reduced taxes. The economy expanded. More money came into Washington. That is a fact, incontrovertible fact. No one can come to the floor tonight and tell you any differently. Revenues have increased as a result of strong economic growth.

The Democrats act like this is the government talking about here tonight, that all of these, whether it is tax reductions or spending or whatever it is, that this is the government’s money. This is not the government’s money.

Mr. Speaker, this is the hard-working taxpayers’ money. They do the working, they do the sweating, they do the tolling, they are the ones that open small businesses and farms. They are the ones that employ Americans. They are the ones that are giving the government to come to bail them out. If they have a tough year, they are the folks who do all the hard work and pay the taxes. It is their money that we are talking about here tonight. That surge of revenue, that surge of money coming from those taxpayers was the largest factor in this dramatic reduction of the deficit, nearly $100 billion this year, $200 billion over the last 2 years.

Even combined, growing the economy and limiting just that 30 percent of our spending is not going to be enough. It is not going to be enough to get where we need to be. The set of challenges still faces us.

We added a third prong to this important deficit reduction. We committed for the first time in nearly a decade to reform and find savings in the largest portion of our Federal spending. That is what we are here to do tonight. It is part of that overall plan.

This spending is what we call mandatory, our automatic pilot-kind of spending. It is over now 50 percent of the entire amount of money that is spent by the Federal Government; and it is without boundaries, reform, and it is pretty much without any kind of review whatsoever. In fact, Congress does not even have to vote on these increases. Let me say that again so you understand. If we do nothing tonight, spending automatically increases, and we have got to go to the taxpayers to get more money. We have got to go to those hard-working Americans to get more money from them in order to run the government.

Automatically, if we do nothing tonight, just like if we do nothing on taxes, they will automatically increase. That is the fantasy that we are dealing with tonight. That is the fantasy of our congressional budget process unfortunately, is things automatic spending. If you do not do the work of reforming and reducing our spending and our taxes. Compounding the problem is that unchecked spending is growing faster than our economy, faster than inflation, and far beyond our means to sustain it whatsoever. The money is usually just feeding a gigantic bureaucracy. Really, this is a bureaucracy that is falling most of the people it is intended to help.

I asked eight of our very able chairmen and their committees to go to work. I asked them to make some reforms. Over the last 6 months, hundreds of ideas were discussed. Hearings were held. We listened to our constituents, to scholars, to experts, to people about how best to implement these programs. We partnered with the States. We talked to our Governors. All of the committees have met or exceeded the original savings targets with reforms, bringing the total of savings that we will consider here tonight to $50 billion over 5 years.

Really, this is not about saving money. This is an effort to start reforming our largest Federal programs and ensure that they can continue to serve their missions, to serve the people and help the ones who are most in need. Most of these programs desperately need reform. In many cases, they are operating on decades-old models.

Take Medicaid as an example. We are talking about Medicaid tonight as just one of the myriad programs, invented in 1965 before the personal computer, before we walked on the Moon. Yes, it is a program we all support; but, yes, it is a program in need of dramatic reform in order to meet the needs of our changing society and Nation.

Most of these programs desperately need this reform. They are operating...
on these models, and we need to make this change. This process that we call reconciliation is just one of the few tools that we have at our disposal in order to make sure that we can go through this process.

I want to give you a sampling of the reforms that are in this package. We expand and build upon the welfare reform that was so successful from 1996. We reformed Medicaid, just as the Governors have asked us to give the States the flexibility in those 50 laboratories to deliver better-quality service to the people who need them. We reformed food stamps, a program that helped so many in need, but is in so much need of reform. We enhanced pension security, just at a time when the Pension Benefit Guaranty Corporation has come out telling us we need these reforms, otherwise people's pensions are a desperate concern.

Boosting the low-income heating assistance, at a time we know the winter is going to be severe and that we have eliminating the excessive student loan overhead costs.

People are going to come here tonight to protect the bureaucracy of these programs. We want to make sure that these programs are helping those in need. These are just a good start. But these reforms and savings are not going to solve the long-term spending problem in a single stroke. But if you listen to the debate, it will sound tonight like we are eliminating half the Federal Government. You will hear debate tonight that will make it sound like we have eliminated these programs.

In fact, what we are talking about here is the total amount of this bill. If you take all of it together, the total savings amounts to less than one-half of 1 percent over the next 5 years. These programs will grow. What we are saying is we just need to slow them down a little bit and instill some reform that they can work better. Even though our opponents will claim that these are cuts, spending will continue to grow under each of these programs faster, even, than inflation.

Under our plan, Medicare is an example. We will continue to grow at 7.5 percent instead of what it is currently growing at, which all of our Governors came to Washington to say was an unsustainable rate at 7.7 percent. That is not a cut. Only in Washington would that be a cut.

I know my friends on the other side will disagree with our plan to reform our government programs and achieve these savings for American taxpayers. That is fair. We can have that debate tonight. But I ask you, through the Speaker, where is your plan?

You were given an opportunity to present a plan tonight. You will come to the floor tonight and tell us how important these programs are and how they help American workers. You have not one scintilla of an idea of how to make sure that these programs can continue.

What is your plan to reform these important programs? What are your innovative ideas, or is it simply increase taxes on hard-working Americans? Is it simply more politics as usual? Is it more press releases and attack ads? I have no doubt that is what it is going to be.

I hope Democrats do not plan to come and waste our time tonight, telling us yet again that you do not agree with us. I mean, gee, that is really news. Mr. Speaker, in fact, boy, look at the people the reporters usually sit. It is really news that you do not support our plan. It is really news that you disagree with the Republicans. It is really news that Republicans and Democrats are fighting. That is not news at all.

What would be news is if you came forward with an alternative. That would be news. If you came with a plan, that would actually be a surprise. It is not going to happen tonight.

Mr. Speaker, with all due respect, you were given an opportunity to present a plan. I am proud to present our plan to reform these very important government programs that achieve savings for hard-working American people who pay the taxes around here. It is part of our successful ongoing effort during one of the most challenging times in our history to promote personal responsibility, to reform government bureaucracy, the same bureaucracy that they will defend tonight is the same bureaucracy that did not get the job done down in the Gulf. This bureaucracy on the one hand, and yet they try and protect it on the other.

This eliminates some of the waste, fraud and abuse within our system. And it grows our economy to create jobs and opportunities for the American people. We have a plan to reduce the deficit and to govern America. Mr. Speaker, I ask you, where is their plan? Where is your agenda for America, to govern and to reduce your deficit and get us back on path?

I ask that we support the only plan and the best plan and that is the plan we propose tonight.

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

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

Mr. Speaker, with all due respect, this bill is a sham. This bill does not reduce the deficit. It increases the deficit by at least $7 billion, and it results from a budget resolution passed a few months ago that does not lower the deficit. It raises the deficit by over $100 million over the next 5 years.

Now, I know the supporters of this bill claim it is going to help for Hurricanes Katrina and Rita, well, that is a phony claim, too. This bill has nothing to do with paying for Katrina. It has everything to do with facilitating further tax cuts. This bill comes out of a larger budget resolution for 2006 that calls for a total of $106 billion in new and additional tax cuts, $70 billion in reconciled tax cuts, $36 billion in unreconciled tax cuts. So the spending cuts in this bill are really just the first step in a three-step process.

Step number two will come tomorrow or soon thereafter when tax cuts are included in the reconciliation bill. And when these two are put together, the result will be a bigger deficit. So this is not a deficit reduction bill. It does not lead to deficit reduction. And after the tax cuts are passed, there will be left to pay for Katrina and Rita, but there will be a bigger deficit. And that brings on the third step in this process and that is a $781 billion increase in the national debt of the United States of America. That is, this bill is part of the process that will require an increase in the national debt ceiling of $781 billion. As you can see, over the last 4 fiscal years, to accommodate the budgets of this administration and the leadership of this Congress, the Congress has voted to increase the legal debt ceiling of the United States by $3 trillion 15 billion, of which $781 billion is included in this budget resolution, deemed approved when we pass the budget resolution.

Once upon a time, the purpose for reconciliation was to permit deficit, rein in the deficit. But the reconciliation bills for this year, this one and the tax bill to come, stand that purpose on its head. They actually raise the deficit for the reasons I have just mentioned. And this is our first reason for opposing the bill. In the end, it will not reduce or rein in the deficit. It will only make it worse.

Let me answer the gentleman's charge of where is our plan? We do not need a plan. We produced a plan as an alternate budget which they chose not to vote for just a few months ago. The budget resolution for 2006 which we brought to this House floor would have balanced the budget in the year 2012, and accumulated far less debt than is their plan? Where is your agenda for America, to govern and to reduce your deficit and get us back on path?

I ask that we support the only plan and the best plan and that is the plan we propose tonight.
of a larger budget resolution that calls for a total of $106 billion in new and additional tax cuts: $70 billion in reconciled tax cuts, along with $36 billion in unreconciled tax cuts.

The spending cuts in this bill are the first step in a three-step process. The second step will come upon the same far-far-from-the-
form of tax cuts, and when these two steps are completed, the net result will be an increase in the deficit around $7 billion. After the tax cuts are passed, there will be a dime left to pay for Katrina and Rita. But there will be a bigger deficit, and so that brings in the third step: the reconciliation package. The mandatory spending cuts, contained in this bill, will go to offset in part the revenues lost to tax cuts. Nothing goes toward deficit reduction or toward paying for Katrina, due to new and additional tax cuts.

There is another reason for the hiatus between spending cuts and tax cuts. The spending cuts made by this bill will hit the young, the old, the sick, and the poor, and hit them hard. The savings realized from these spending cuts, contained in this bill, are "recouped." The savings are overstated, and some won't stand scrutiny. For example:

- This includes $6.2 billion in increased PBGC premiums, but these premiums are en-

forcement: $4.9 billion over five years. If this bill reduced the deficit or helped pay for Katrina, as you claim, we would still have to pay the $781 billion for the cliff that hits the old, the sick, and the poor, and hit them hard. The savings realized from these spending cuts, contained in this bill, is a false claim for two reasons. Rather than helping pay for Katrina, many of the services cut, such as Food Stamps and Medicaid, benefit people who have been uprooted and displaced. I must say, we are mystified over this new-found interest in offsets. Since 2003, we have passed three huge supplemental bills to cover the cost of war and reconstruction in Iraq and Af

ganistan. We supported all of them, because when we put troops in the field, we stand be-
hind them. But any notion of offsetting those costs was dismissed out of hand.

As we have asked before, why is it that you insist on offsetting the cost of rebuilding Biloxi, New Orleans, or Basra? Will the next supplemental for Iraq be offset? There is $50 billion in "bridge funding" in the defense bill not offset. If this bill reduced the deficit or helped pay for Katrina, as you claim, we would still have to pay the $781 billion for the cliff that hits the old, the sick, and the poor, and hit them hard. The savings realized from these spending cuts, contained in this bill, is a false claim for two reasons. Rather than helping pay for Katrina, many of the services cut, such as Food Stamps and Medicaid, benefit people who have been uprooted and displaced. I must say, we are mystified over this new-found interest in offsets. Since 2003, we have passed three huge supplemental bills to cover the cost of war and reconstruction in Iraq and Af

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ganistan. We supported all of them, because when we put troops in the field, we stand be-
hind them. But any notion of offsetting those costs was dismissed out of hand.
Now, we have heard our friends from the other side of the aisle say, well, your tax relief plan was all wrong. It is the source of all of our fiscal woes.

Mr. Speaker, what does that mean? That means they want to bring back the day some money from a part of the American people to visit the undertaker and the IRS on the same day. It means they want to cut the child tax credit as families are struggling to put food on the table, to put gas in the car. They want to bring back the marriage penalty and punish people because they are in love. They want to raise taxes 50 percent for low income families, take away the 10 percent bracket. And according to the Heritage Foundation, their program of tax increases will cost over 400,000 jobs, turning paychecks into welfare checks.

Ultimately, Mr. Speaker, this is what the future looks like. Doubling taxes on the American people as time goes by.

What does that mean for a family of four? It means their transportation program is cut $1,300. A year’s supply of gas they are taking away from the American family. Family housing will be cut $2,700; a home or renting a home. Food, $1,300 will be cut. Family housing will be cut $2,700; a choice between owning a home or renting a home. Recreation budget cut, $900. There went the family vacation. They talk about compassion. They found out that you are really trying to privatize it. Now every program that deals with the poor, every program that deals with those people that the Congress should be helping you want to reform.

Well, let me say to the other side, I think when the votes are taken tonight people would know who have the compassion, who has the plan, and who has hopes for the future. And you are making it abundantly clear as you leave the floor.

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

Mr. Speaker, I want everyone to remember this date, November 17, because in the final analysis the debate that is taking place obviously between Democrats and Republicans will be decided not due to the eloquence of the gentleman from Iowa (Mr. Nussle) who obviously is leaving the House, but will be decided by the American people.

There is an old western song, ‘You Picked a Fine Time to Leave Me Lucille.’ To be the chairman of the Budget Committee and to try to find just what tax breaks we can give to the richest people that we have, and then to try to find out how you can really help the deficit by taking the two or $300 billion that we are paying for the war in Iraq and not even include that, and then to really try to look for the programs that deal with the most vulnerable people that we have, the homeless, the elderly from Iowa (Mr. Nussle) is leaving the floor.

I can understand that. But he does not have to leave the Congress. When the people start looking and seeing what happens, they will be looking for the chairman that drafted this, and you will not be in Washington.

And the reason I want people to remember November 17 is because November 17 is going to be an historic day. Oh, true, the gentleman from Iowa (Mr. Nussle) does not see reporters up there, but it is going to be reported tomorrow who voted on which side. So we ought to say it with a great bit of pride that old civil rights song. Which Side Are You On? And I tell you, we are so proud on this side that when the final vote is counted, those kids that are in foster homes that just have a little hope that maybe their lives could be better, the people of Iowa (Mr. Nussle) that are disabled and everyone has left them, the kids who are trying to get a decent education and we are hitting them too, have we no shame on the other side as to what do we have to do in order to maintain the tax cuts?

Mr. Speaker, I would like to believe that this was something that could have been worked out. I would like to believe that Democrats and Republicans should not have to vote party line. But it is shameful when you look at the deficit, you look at the war, you look at the tax cuts and then you decide that you are going to reform this system.

You try to reform Social Security and we looked at your cards and we found out that they are trying to privatize it. Now every program that deals with the poor, every program that deals with those people that the Congress should be helping you want to reform.

Well, let me say to the other side, I think when the votes are taken tonight people would know who have the compassion, who has the plan, and who has hopes for the future. And you are making it abundantly clear as you leave this body to do whatever you want to do, that you have given us a chance. I say to the gentleman from Iowa (Mr. Nussle), to present to the American people which side are they on? I personally would like to thank you for it, because it could not be made more clear as to the difference between our parties.

No matter what religion you are, each one of them has some kind of verse that says as human beings, we are all created equal. And that is abundantly clear as you leave, with this Republican leadership, for everybody who is watching, for the Members that are here in this Congress, as you leave the debate, these are the people who began the year with what we all thought to be the worst idea of this Congress, and that was the argument to privatize Social Security.

Now that is the context in which we have moved to the next round of their proposals. Nobody who is watching should kid themselves tonight. This is about a tax cut for the wealthy, dividend and capital gains. I defy anybody on the other side to challenge the following statement: Half of this proposal tonight with tax reconciliation included, half of the dividend and capital gains cuts will go to people who make more than $1 million a year.

Mr. Speaker, I want to thank the gentleman from New York (Mr. Rangel) for the gallant fight that he has put up all year on these issues as well.

Let us, me, say something tonight that we ought to start this debate with. For everybody who is watching, for the Members that are here in this Congress, as you leave the debate, these are the people who began the year with what we all thought to be the worst idea of this Congress, and that was the argument to privatize Social Security.

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Mr. Speaker, I reserve the balance of my time.
rich? Because that is where we are going with this debate.

This is about what is happening to the middle class tonight. They are going to cut student loan opportunities. The Senate is going to cut Medicare. Medicaid ailes up because you know. All of this is being done so they can shoe-horn a rigid, intransigent ideology.

There is no flexibility with the modern Republican Party. Everything they do is that group in America called the wealthy. Every step they take is to reinforce the separation of class along budgetary lines.

Vote down this proposal tonight and stand up for those men and women in Iraq and get them the equipment that they need.

Mr. RANGEL. Mr. Speaker, I yield 2½ minutes to the gentleman from Washington (Mr. McDERMOTT) to share with us some of the reforms that the poor are going to suffer under.

Mr. McDERMOTT. Mr. Speaker, here we are with the rubber-stamp Congress again.

Over the past 4 years, Mr. Speaker, the number of Americans living in poverty has grown by 5.4 million people. The number of Americans without health insurance has increased by 6 million people, and the number of American children living in hunger has grown by 5 million people in the last 4 years.

Now, this is the time that the Republicans chose to cut funding for programs that help families escape poverty, access health care, and put food on the table. Did we not learn anything from Katrina?

The bill before us cuts Medicaid, food stamps, child support enforcement, foster care, student loans and every other safety net that helps people on the bottom. It is lucky we are going to get to vote about this right after midnight. So in one day we can cut the living daylights out of the poor, and then we will bring out the gifts for the rich.

We are going to have a bill tomorrow with tax breaks for capital gains and dividends. Over half of those benefits, as we just heard, uncontestable by the other side, they stand there with a straight face and say we have to cut food stamps so we can give a tax break to people making more than $1 million. I mean, why do they have to give them a $100,000 tax break next year? What is that about, when you are saying to people we are going to take away your food stamps, we are going to take away your child care? Listen, lady, you leave your kids at home and you get out and get a job. But what about some child care? Well, that is not our problem. You figure it out, dear.

$300,000 more is going to be sent out to work with not one thin dime of child care support. For a bunch who says leave no child behind, you are so shameless.

I remember, what was it that Welch said to McCarthy. Don’t you have any decency left over there at all, that you would come in on the same day and vote these cuts, and right behind it, or, well, you let us go home and sleep for 6 or 7 hours. I understand you think that that is what the public will never know because it will all be wrapped up in one day.

The American people are not stupid. They know we ought to vote this down. Mr. RANGEL, are you speaking? I yield myself such time as I may consume.

How is this working? I mean, we have made some serious accusations about what these people are doing to the poor, and we have not heard from them; and three of us have spoken. I mean, is the public not entitled to hear something in response to what we say they are doing to the country? I am asking, if they do not want to speak, then I would like to yield the remainder of the time to the gentleman from California who might share our concerns about the poor and believe that those who God has blessed should be sharing some of those blessings with the rest of our citizens.

Mr. Speaker, I yield the rest of the time remaining to the gentleman from California (Mr. BECERRA).

Mr. BECERRA. Mr. Speaker, I thank the gentleman for yielding time.

We were told during this debate on Social Security that we could privatize it, and the American people got it and said no. We were told by the Republican Congress and the President that we could cut taxes and still be fiscally responsible; and today we have the largest deficits we have ever seen, and the American people are beginning to get it. We were told that if we went to Iraq we were saving America from mass destruction; and today we know it was a misrepresentation and deception, and the American people are saying to us, you are going out.

Today, we are being told that we have to cut $12 billion in health care for seniors, disabled, and children. We are being told we have to cut $14 billion from students who are trying to go to college. That amounts to about a $5,800 cut in student loan programs for each and every middle-class American child who wants to get a college education. We are being told we have to get $3 billion out of the enforcement programs that would get deadbeat dads to pay their child support, and we are being told we have to cut $600 million out of foster care programs that rescue abused and neglected children from dangerous households.

We are being told we have to do that for what? To reduce the deficit? To pay for the cost of Katrina? And guess what? The American people get it. It is not going to be for that. It is going to be for this, the tax cut that will do what we said we were going to do.

Every one of those cuts I just talked about, those children, those seniors, those disabled, they fall here. They have incomes up to about $40,000. They represent over half of America’s tax-paying families. They will get out of this tax cut that we will see come up tomorrow or soon thereafter 1 percent of this tax cut. Who gets the lion’s share? That over-50 percent lion’s share would go to this tax cut that will hike the fifth of 1 percent of all American tax-paying families. That is the folks who make $1 million or more.

The American people are getting it. Unfortunately, too many people here in this House of Representatives are not.

We cannot pass this type of fiscally irresponsible budget and tell the American people we are doing good for them. We have got too many good men and women in Iraq fighting for the freedoms that we say we are trying to uphold, and here we are giving money to the wealthiest Americans.

Vote against this reconciliation bill and get it for the American people.

Mr. NUSSLE. Mr. Speaker, I yield myself as much time as I may consume to respond to just say I have had a chance to check out Matthew in the Bible, and I want to let you know that Matthew was referring to Jesus’s speech to people.

Jesus did not say raise a bunch of taxes, create 1,000-page tax code, hire millions of government workers, build hundreds of big white fancy buildings, stuff them in a system, pass a bunch of mandates, a bunch of regulations, all sorts of paperwork, measure your compassion by increases only in order to feed the hungry and clothe the naked. He said do it as an individual.

Do not measure compassion by government. Measure it by what you are willing to do for the least of your brothers.

Mr. Speaker, I yield 1½ minutes to the gentleman from Florida (Mr. CRENshaw), a member of the committee.

Mr. CRENshaw. Mr. Speaker, I thank the gentleman for the time, and I wish to say tonight we are not together and take this historic step toward getting our financial house in order.

We took step one when we lowered taxes and let people keep more of what they earn, and millions of Americans benefited from that. When they felt that bump in their paycheck, they could be free to save that money for retirement or they could invest it in the stock market or their small business or they could buy something for the family or make a down payment on a brand new home, and it worked. People went back to work. The economy is moving again. Four million new jobs were created.

Tonight, we are taking step two. We are asking to get a handle on the way we spend money around here. We are going to reform the way we spend money because that is what we need to do.

We have got to tighten our belt just like every family has to do from time to time. We have got to set priorities. We have got to make hard choices because we all know that government
needs money to provide services; but it seems to me right now, at this very moment, government needs something more.

Government needs discipline to rein in spending; government needs to make the right decisions even when they are hard; and government needs a commitment to reform itself, to reform the way it spends money, to make sure that every task of government is accomplished more efficiently and more effectively than it ever has been before, because if life is going to change in this country, life has to change in Washington.

That bill takes a giant step in that direction. I urge your support.

Mr. SPRATT. Mr. Speaker, I yield 2 minutes to the gentleman from New Jersey (Mr. MENENDEZ).

Mr. MENENDEZ asked and was given permission to revise and extend his remarks.

Mr. MENENDEZ. Mr. Speaker, what have America’s children ever done to the Republican Party? Because if one looks at this budget bill, one can only conclude that children have somehow wronged House Republicans. Why else would there be an all-out assault against our Nation’s most vulnerable and their families?

This Republican budget guts vital services for New Jersey’s working families and those across the country. For a party that talks about family values, in this bill Republicans walk away from nearly every responsibility we have as parents and legislators.

What type of value cuts more than $14 billion in student loan funding, increasing the costs of college for American families by $6,000?

What type of value could deny 6 million children the health care they need, adding to the 9 million children who are uninsured?

What type of value decimates Federal funding for child support enforcement by $5 billion, allowing deadbeat parents to avoid their responsibilities?

What type of value leaves an estimated 270,000 children without child care while cutting foster care by over $500 million?

What type of value forces 300,000 low-income families to lose their food stamps?

What type of value increases the deficit by over $100 billion, leaving our children and our grandchildren to repay the tax cuts we are giving to the wealthy today?

The chairman talked about the bureaucracy that failed the people of the gulf coast. It is your Republican administration that failed them and fails them tonight.

This is compassionate conservativism. Vote down this immoral budget, and the priorities of all the American people, Tonight.

Mr. WICKER. Mr. Speaker, I thank my chairman for yielding me time.

Mr. Speaker, in the brief time I have allotted, I want to talk about one of the important reasons why this bill needs to be enacted, and that is with regard to the reforms we have in Medicaid.

Currently, Medicaid provides medical care for 53 million Americans at a cost exceeding $300 billion each year. It is a great program, but the problem is already the biggest item in many State budgets, exceeding elementary and secondary education combined. If unformed, Medicaid will bankrupt every State in as little as 20 years, absorbing 80 to 100 percent of all State dollars.

Because of these stark realities, the bipartisan National Governors Association has stated that serious Medicaid reforms are needed. The Deficit Reduction Act, which we vote on tonight, takes an important step in that direction by slowing the rate of growth in this valuable program.

Currently, Medicaid grows at a rate of 7.7 percent, which is illustrated by this chart, making it one of the fastest growing programs in the government.

The plan included in this legislation tonight reduces the Medicaid rate of growth over the next 10 years from 7.7 percent a year to 7.5 percent annual growth rate. While this is a very small change, the bill includes necessary reforms to address the problem before it is too late.

The plan provides greater flexibility for our States and its governors. Under the current program, governors cannot tailor Medicaid benefits to meet the needs of the people. Under the new plan, they can.

The most irresponsible thing we can do at this time, Mr. Speaker, is to do nothing. I urge the Members to vote for this bill.

Mr. SPRATT. Mr. Speaker, I yield 1 minute to the gentlewoman from Texas (Ms. JACKSON-LEE).

Ms. JACKSON-LEE of Texas. Mr. Speaker, I thank the distinguished gentleman from Mississippi (Mr. WICKER), a member of the committee.

Ms. JACKSON-LEE. Mr. Speaker, in the brief time I have, I want to talk to you about the importance of the plan that we have before us tonight.

The plan that we have before us is perhaps the most important piece of legislation that we will vote on all year, H.R. 4241, the Budget Reconciliation Spending Cuts Act. This $50 billion of spending cuts have turned everything we believe in as a country inside out.

The Republicans are actually asking the poor, the disabled, the young and the aging to sacrifice on behalf of the rich. I want to emphasize that these cuts are not meant to free up money to rebuild the gulf coast. In fact, many of these proposed cuts will actually hurt those affected by Katrina. Overall, the plan before the House will increase the deficit and the national debt.

As founder and co-chair of the Congressional Children’s Caucus, as a person who understands the value of our Nation’s youth, and as a mother of two children, I really want to bring focus on the effect this bill will have on our nation’s children. If you have children who are in, or who are considering going to college, I want you to listen to this: this republican spending cut will place an added burden of $7.8 billion dollars directly on our students over the next five years. This is accomplished, through added fees of $4.8 billion, and incurring of interest rate and borrowing money for college could pay up to $5,800 more. This is in the face of college costs up over 7 percent this past year alone.
Allow me to cite some of the specific cuts I, and our constituents across the country, find so objectionable:

Medicaid—The bill cuts Medicaid spending by $11.4 billion nationwide.

Student Loans—The bill cuts spending on student loan programs by $14.3 billion over 5 years.

Food Stamps—The bill imposes cuts to food stamps of $796 million over 5 years, affecting nearly 300,000 people.

Child Support—The bill cuts $4.9 billion from child support programs over 5 years. Custodial parents will receive $7.1 billion less child support over 5 years and $21.3 billion less over 10 years.

Foster Care—The bill cuts $397 million from foster care over 5 years.

These are some big numbers, and we politicians love to throw around big numbers, but often times it is difficult to understand the true impact of what these numbers mean. Let me break some of these numbers down to what they will mean to my State of Texas, because the devil really is in the details for this legislation.

One program the Republicans are trying to cut is Child support enforcement. It is said that for every $1 the government puts in to collecting money from delinquent dads, the family receives $4 back. In Texas, this bill will cut $411 million in funding for child support enforcement in the next 5 years.

In Texas, this bill will cut $110.2 million from Elementary and Secondary Education. This breaks down to $52.8 million for education for the disadvantaged, $18.9 million for special education, and $34.7 million for school improvements.

In Texas, this bill will cut $6.8 million in vocational and adult education—in other words, job training.

In Texas, this bill will cut $5.9 million from Low Income Home Energy Assistance. This program helps poor families heat their homes, not forcing a family to choose between paying heat and groceries. This bill is projected to cut 3,600 recipients from this program next year. Nearly 600,000 people will lose the program nationwide.

In Texas, this bill will cut nearly $1 billion from WIC, the Nutrition Program for Women, Infants and Children. Eighteen thousand recipients will be cut from this program in Texas.

In Texas, this bill will cut $45.5 million in Children and Families Services, including Head Start and Services for Abused and Neglected Children; 2,000 children will be cut from this program next year.

In Texas, 4,700 people will lose their housing vouchers as a result of cuts offered in this bill.

In Texas, this program will cut $2.8 million from the Maternal and Child Health block grants, which provide money to support the efforts of our public health departments to reduce infant mortality, improve prenatal care for pregnant women, provide child health prevention services, and more.

In Texas, we have 400,000 students borrowing money for school. For the typical student borrower, new fees and higher interest charges in this bill could cost each student as much as $1,800.

This is not how we take care of our own in Texas, and this is not how we do things in the United States. The Republicans are launching an unabashed attack on the American way by slashing funding towards those that are most vulnerable. And don’t you be fooled. These spending cuts aren't meant to offset the costs of rebulding the gulf coast, these spending cuts are meant to offset tax cuts that will benefit the rich.

Mr. Speaker, we can not allow the burden of the $70 billion in tax cuts to be placed on the backs of our Nation's neediest families. The decision to vote up or down on this legislation isn't a blurry line involving political ideology; it isn't a debate of republican vs. democratic philosophy. This is black and white. This cut hurts the poor, it hurts the old and it hurts the young. I am strongly opposed to this legislation, and I implore my colleagues on both sides of the aisle to vote against these unreasonable cuts.

Mr. RUSSLE. Mr. Speaker, it is all politics.

Mr. Speaker, I yield 1½ minutes to the distinguished gentleman from Kansas (Mr. RYUN), member of the committee.

Mr. RYUN of Kansas. Mr. Speaker, as we take up the Deficit Reduction Act, I think there are a few things that Americans should know. This bill has been demonized, demonized by those who want to ignore the growing Federal deficit, the waste, the fraud, and the abuse that exist in several Federal Government programs. But we all know that entitlement spending is growing at nearly three times the rate of inflation and that we simply cannot sustain that growth.

Entitlement spending on programs such as Medicare and Medicaid and Social Security make up 51 percent of the government spending now, and it is projected to double in the next decade. Medicare is growing at over 7 percent annually and Medicaid is at 8 percent annually.

There are no easy answers to this problem, Mr. Speaker, but if we do not act on these programs now, they will only grow worse.

The Deficit Reduction Act simply starts with the most obvious, commonsense reforms to save taxpayer dollars by finding waste and abuse in entitlement programs and eliminating them so that the funds that we put into these programs go to people who really need them.

In my State of Kansas, a pharmacy recently received a Medicaid payment of $1 million for eardrops that only cost $1.95. Mistakes happen, Mr. Speaker. But this bill changes that. It takes a few dollars here and there in an unsustainable rate, we need to do all that we can to eliminate waste, fraud, and abuse.

The Deficit Reduction Act takes a very important first step to pay for entitlement spending by making commonsense reforms to outdated programs so that we can help those most in need instead of enriching those who abuse the program.

I urge my colleagues to vote for the Deficit Reduction Act.

Mr. SPRATTT. Mr. Speaker, I yield 12 minutes to the gentleman from Michigan (Mr. DINGELL), the dean of the House, and I ask unanimous consent that he be allowed to control that time.

The SPEAKER pro tempore (Mr. THORNBERRY). Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. DINGELL. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from California (Mr. WAXMAN).

Mr. WAXMAN. Mr. Speaker, 75 percent of the so-called savings from Medicaid come from higher cost sharing, reduced services, or barriers to sick people getting care and old people and people just scraping by having their needs met. But mostly they come from kids.

Fully half of the people affected by the reduced benefits will be children, and many of them will be children with special needs and disabilities. These are the kids with spina bifida, cerebral palsy. These are the kids with development disabilities. These are the kids with mental illness. These are the children that need a full array of medical support and rehabilitative services. These are the kids where the care demands are endless, where families need help to support them and care for them. Parents of our children know that. They know that the idea of cost sharing for these kids so that they do not overutilize services is ridiculous.

One of Medicaid strength for all children, but particularly special needs children, has been the benefit known as EPSDT, or early and periodic screening, diagnosis and treatment. That is a lot of words for one simple concept. Screen kids early. Find and diagnose their health problems. Give them the care they need. Give them eyeglasses. Give them mental health services, give them physical therapy. Make them into the healthiest individuals possible. Let them realize their full potential.

But this bill changes that. It takes away these services for millions of kids with family incomes just above the poverty line. It takes away benefits. It imposes premiums and cost sharing that we know will be barriers to care. In fact, CBO estimates the savings because people will not get the care they need. What kind of sense does this make?

I urge my colleagues to vote against it.

Mr. Speaker, this bill, the so-called Deficit Reduction Act, is not about reducing the deficit. If that were the concern of the majority, they wouldn't be cutting taxes for the wealthy and adding to the deficit for all Americans.

This bill is not about taking on the special interests who can afford to give up some of their corporate welfare. You don't see provisions in this bill that take away overpayments for HMOs. You don't see any provisions asking the big drug companies to give a fairer price to Medicaid.

This bill isn't about helping Children's Hospitals or providers that serve the uninsured get better support. Instead, this bill requires them to take inadequate payments when managed...
care enrollees end up in their emergency rooms. This bill asks them to absorb lost dollars because they either have to eat the cost of copayments that poor kids and persons with disabilities can’t afford to pay—or else turn them away without giving them the medical care they need.

What this bill is about is putting the burden of reducing Medicaid expenditures on those least able to bear it. Fully three of every four dollars this bill “saves” in Medicaid come from higher cost-sharing or reduced services for barrier to care for the people who need help the most.

Who are we talking about here? This is going to have the greatest effect on low-income children. Fully half of the people affected by the reduced benefits will be kids. And many of those children are children with special needs and disabilities. These are kids with spina bifida and cerebral palsy. These are kids with developmental disabilities and autism. These are kids with mental illness.

These are children that need a full array of medical support and rehabilitative services. These are kids where the care demands are endless, where families need help to support them and care for them. Parents of children with special needs know that.

They know that private health insurance, even if they could get it, doesn’t have the services these kids need. They know that the idea of cost-sharing so that services aren’t overutilized for these kids makes no sense.

One of Medicaid’s strengths has been the benefit known as EPSDT, or early and periodic screening, diagnosis and treatment. That’s a lot of words for one simple concept. Screen kids early and find and diagnose their health problems, and then give them the care they need to treat them. Give them eye glasses. Give them mental health services. Give them physical therapy. Make them into the healthiest individuals possible. Let them realize their full potential.

This bill changes that. It takes away these services for millions of kids, with family incomes just above the poverty line. It takes away services that are cost-sharing so that there will be barriers to getting service.

So what if their family is struggling to exist on a little over $1000 a month. Let’s ask them to pay 5 percent of that in cost-sharing. If they can’t afford it, and it keeps them from getting services, well it’s just too bad.

What kind of sense does this make. Noone benefits if kids don’t get the health services they need to grow up as healthy and productive individuals.

The Republican majority tries to justify this by saying that expenditures haven’t increased for years. That is a bogus argument. The fact is low-income people spend an increasing portion of their income on out-of-pocket medical expenses. A recent study showed that between 1997 and 2002, their out-of-pocket obligations increased twice as fast as their incomes. That’s the relevant point.

This bill also puts some heartless barriers in the way of moderate income seniors who need nursing home care. People who incoently help their children or their grandchildren by giving them some small amount of their savings, who may only give money to their church or to charities, find themselves unable to get Medicaid help when they need it.

They are accused of transferring their assets to get Medicaid to pay their nursing home bills. At the very point when they are desperately in need of Medicaid help, they get penalized for a transfer that might have occurred 5 years ago. They haven’t got the money to pay for their own care. They can’t get Medicaid. What will they do? And if they do get into a nursing home, what will happen to the quality of care that nursing home can provide if they aren’t being paid? Is this the way we want to treat our seniors?

This bill deliberately tries to evoke the fear of illegal immigrants taking benefits away from needy people. With food stamps, the rhetoric is about illegal immigrants, but the reality is that immigrants who are here legally, and have been in the country legally for 5 years, get food stamps taken away. Why? Because the Republican majority evidently feels they can take help away from them with impunity because they are powerless.

It is similar in Medicaid. This bill imposes a requirement of documentation of citizenship that is going to block many needy citizens from getting what they need. Once they are discovered, people will have to document their citizenship with passports or birth certificates. Many poor and elderly people don’t have those papers available. So they simply won’t be helped.

There is a pattern here. Whether we are talking about arbitrarily taking food stamps from legal immigrants or putting barriers to care in front of sick children, this bill takes its savings from people who are the most vulnerable and in need of help.

They haven’t got high priced lobbyists to argue for them. They’re not getting special treatment and big tax breaks. They are just at the end of the line, relying on our health care programs.

If you’ve got a conscience, if you’ve got compassion, you cannot support this budget reconciliation bill. Stand up and insist on finding a fairer way. I urge my colleagues to vote “no.”

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

Mr. DINGELL. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Massachusetts (Mr. MARKEY).

Mr. MARKEY. Mr. Speaker, what we have going on here tonight is a huge con game. That is what the Republicans are playing on the American public. A re-con-ciliation game. What they do, these Republicans, is they cut the money from Medicaid. Sixty percent of all seniors are on Medicaid in nursing homes. Two-thirds of all babies born in the United States are born on Medicaid. They are cutting student loans. They are cutting money from food stamps for poor people.

They tell us they want to reduce the deficit. But, no, their money goes over to the “ways and means” Republicans who are giving a $50 billion tax break to the wealthiest Americans. Fifty-three percent of the dividend’s of the capital gains breaks go to the fat cat Republicans. And then because they’re unhappy with that, they borrow the other $7 billion for more tax breaks, increasing the deficit, which will bring them back here next year with crocodile tears about how much they care about the deficit, which will bring them back to the poor people, seniors in nursing homes, one third of all babies, student loans, for more tax breaks to give away to the wealthiest in America.

It is a re-con-ciliation game they are playing. They do not care about the deficit. They only care about these Republican fat-cat millionaires who are getting this money after all of the programs for the poorest seniors and children and students in America are cut as they increase the deficit, a con game where they increase the deficit while taking the money from the poorest in our country.

Vote “no” on this re-con-ciliation con game where the crocodile tears will be shed for the rest of the night about how much they care about the deficits when all they are is a way to transfer money to every millionaire in America. Vote “no” on this con game.

Mr. NUSSELE. Mr. Speaker, I yield 1/2 minutes to the distinguished gentleman from North Carolina (Mr. McHenry).

Mr. McHENRY. Mr. Speaker, the only con game we have here in the House this evening is from the other side of the aisle. We have con and con games.

Have I made my point? Have I made my point? Do we hear enough hypocrisy from the left on this budget? Do we hear enough shouts and screams about how we are hurting people?

What we are trying to do is save future generations from mountains and mountains upon mountains of debt. And what we are trying to do is reform the budget. The only con has been perpetrated through rhetoric here on the House floor, Mr. Speaker.

The deception is saying that we should do nothing, that we should allow our government to continue on this massive growth in spending. This is what 40 years of Democrat control provided this country.

I think it is wrong to leave future generations in debt. I think it is right to provide for future generations and needed programs in this country to ensure that Medicaid is available to future generations, that student loans are available to young people. We must re-form these programs to make sure they are available in the future. Not to look the other way, not to provide more tax increases, not to provide for a larger, more intrusive government.

Let us stop the con, Mr. Speaker. Let us provide for budget reform and reconciliation. I thank the gentleman for this moment to ensure that no future cons are provided here tonight.

Mr. SPRATT. Mr. Speaker, I yield myself 20 seconds.

To respond to the gentleman, he may be too young to remember, but 5 years ago, we bequeathed the Bush administration a surplus of $236 billion. This is what has happened in the last 4 fiscal years. Not a single dollar of the United States has been raised to accommodate the budgets of the Bush administration to the tune of $3 trillion.
Mr. DINGELL. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Ohio (Mr. BROWN).

Mr. BROWN of Ohio. Mr. Speaker, I thank the gentleman from Michigan for yielding me this time.

Hurricane Katrina exposed poverty for what it is. It reminded us that poverty ensnares Americans who work hard, who pay their taxes, who play by the rules. Yet on the wages they earn, millions of Americans are falling further behind. They often cannot afford health care, cannot afford child care. They cannot afford transportation, and they cannot afford our indifference.

I cannot understand how less than 3 months after Katrina, Republicans can take Medicaid away from people who need it. Medicaid is not a luxury. It is a lifeline. It does not pay for luxuries. It pays for health care and nursing homes. Medicaid does not protect some of us; it protects all of us. Disability, job loss, appearing pensions, natural disasters, aging parents. If one is an elderly American living in Ohio, they must be living at or below 64 percent of poverty to qualify for Medicaid. What is an elderly American who earns $5,800 a year going to do while she waits for Medicaid to help her?

Time and again, Republicans feed on programs for the poor to finance tax cuts for the rich. It does not matter if the Nation is paying for a war, rebuilding after a hurricane, running up record deficits, or bleeding jobs right out of our country. Right here we heard leaders of the Republican party feed on the extreme left saying that they are mad, and even some personal insults tonight which is, frankly, unfortunate. That is not who and what we are. We can do so much better. I urge all of my colleagues to stand up for what we are as a society. This is wrong. This is wrong, and I think many of my colleagues on this side of the aisle understand that as well.

We are asking Americans at the bottom of the scale of our Nation to bear the heaviest burden, and the tax cuts deliver almost 80 percent of their benefits to the top 3 percent of our people. That is not who and what we are. We can do so much better. I urge all of my colleagues to stand up for what the best of the American people is all about, and that is not in this bill.

Mr. NUSSLE. Mr. Speaker, I yield 4 minutes to the gentleman from Virginia (Mr. GOOLITTLE), one of the eight very distinguished committee Chairs who worked on the bill.

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

Mr. GOOLITTLE. Mr. Speaker, I thank the chairman for his good work on this important legislation. Mr. Speaker, we have heard a lot of rhetoric from this side of the aisle about what this is about today. Let me tell Members what this is about. This is about reforming programs that are important to the American people, but they do not always work properly. This is about reforming programs that the programs are intended to reach; and these positive reforms which are a modest, a tiny percentage of the $2.5 trillion that this government will spend next year, more than $12.5 trillion over the next 5 years, to save $50 billion is not a very big percentage.

I would say to my colleagues, Where is your plan to reform programs? Where is your plan to achieve savings? What are you doing for the American people, the American taxpayers? And, yes, even the people who depend upon the programs that you claim to so strongly support. And yet you will do nothing to protect the programs by
putting in the reforms that are necessary.

I will tell you where their plan is, it is locked up. And I will tell you why it is locked up, because what that plan primarily consists of is raising taxes on the American people. The reason they want to raise taxes is because they are opposed to the effort to do what has done wonders for our economy in the last few years, and that is to extend the tax relief that we have provided to stimulate the economy, create jobs, bring the unemployment rate below 5 percent; and they have done nothing except wait in the wings to raise taxes on the people of this country. That is what this is all about.

That is the party of spending. They will not come forward with any savings. That is the party of taxes, the tax and spend Democrats, the same way they have always been. That is why we are here today with a responsible plan in response to this abuse that they would like to attack moderate reforms of important programs and suggest that, as a result of that, they can sit back with nothing and wait for the opportunity to raise taxes yet again on the American people.

That is what they were in power, the last thing they did was to impose the largest tax increase in history on the American people, and we should not ever allow them that opportunity again. That is what they are trying to achieve, but by bringing down this plan, and they should not be allowed to succeed.

Let me talk briefly in the time remaining about the reforms we have made in important programs under the jurisdiction of my committee.

First of all, we have approached this across the board. We have achieved fair savings in farm programs which keep the programs intact. We have achieved savings in conservation programs that make those programs work better. We have achieved savings in research for agriculture. We have achieved savings in other areas that are important. And, yes, we have also achieved savings from the food stamp program; one-half of 1 percent of the $180 billion that will be spent on food stamps in the next 5 years is what we are hoping to achieve. It is less than one-half of 1 percent. It will affect less than 1 percent of the 24 million Americans that receive food stamps and it is targeted at whom? People who are not citizens of the United States who signed a document that said they would not become wards of the State and who by virtue of having been in this country for more than 5 years are eligible to apply for United States citizenship and avoiding the savings we are attempting to achieve by not giving food stamps to people who are not citizens of this country.

Secondly, we say that under the food stamp program if you are attempting to achieve food stamp benefits through a particular State’s programs, you ought to qualify for real welfare programs like the TANF program. The bridge from welfare to work ought to be sustained, but it ought not be abused by those who would do so. Those are the savings we want. They are good reforms, and we ought to pass them.

We are here today in a good faith effort to continue putting the Nation’s fiscal house in order. Some have questioned the need or the degree to which mandatory spending should be reduced. I would remind my colleagues that mandatory spending today takes up almost 55 percent of the total federal budget and, if on our backs, we will, within a decade, consume 60 percent of the federal budget. Clearly, it is unrealistic to think we can meet the pressing challenges facing our Nation without reducing Federal spending and realigning priorities.

The House and Senate agreed to reduce mandatory spending by $34.7 billion earlier this year to start reining in mandatory spending. Paying for hurricanes and other disaster assistance—in addition to addressing the threat of international terrorism here and abroad—will cost the American people an additional $5.6 billion, or 16 percent of the total savings under the package. It is less than one-half of 1 percent. It will affect less than 1 percent of the 24 million Americans who signed a document indicating that they will continue to receive this Federal assistance. And it is targeted at whom? Non-citizens who are here today with a responsible plan, that choice will result in a longer waiting period to qualify for food stamps.

It is essential that the House approves a reform savings plan. While all government safety net programs—including agriculture—need to be reviewed, the American people have already shared 20 percent of the $2 trillion surplus that the Nation’s budget pressures needs to be broadly shared in order to be effective. Let me also say that in an ideal situation we would have had the support of the minority in moving this reform savings plan forward. However, in the absence of bipartisan cooperation, it is incumbent on those of us who are privileged to serve in the people’s house that we address the budgetary problems facing the Nation.

I urge my colleagues to support the deficit reduction act.

Mr. SPRATT. Mr. Speaker, I yield myself 15 seconds.

Mr. Speaker, I would say to the gentleman who said our budget is locked up, well, here it is. It is right here on this table. We introduced it several months ago. It will go to balance in the year 2012 and accumulate about $200 billion less debt than theirs.

As for tax and spend, his is tax and borrow, Mr. Speaker. For the last 4 years, the debt ceiling has been raised four times by $3.15 trillion under your administration and your watch.

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

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

Mr. DINGELL. Mr. Speaker, I can understand why my Republican colleagues do not want to get close to the facts. What are the facts? First of all, when this administration came into office, there was a $2 trillion surplus. Now we have increased the national debt by $3 trillion, and they have spent the $2 trillion besides. No wonder they don’t want to talk about the facts.

They are cutting $11.4 billion out of Medicaid. Why are they doing so? To fund additional tax cuts. The richest 0.2 percent of the country has already gained an average of $103,000 from the Bush tax cut. These Republicans have a fine program: they are going to cut funds for women, poor children, individuals with cystic fibrosis and other chronic diseases, elderly widows in nursing homes, and others who rely on Medicaid.

If this bill passes, the following will happen: in 1 year alone, 110,000 Medicaid beneficiaries will lose coverage
due to the new burdensome health care premiums imposed by this bill; destitute elderly will be denied needed nursing home care right when they need it the most. These provisions will force many seniors out of homes that they may have lived in for decades, and those elderly persons who try to help their families to pay medical bills or go to school are going to be penalized. Children will be hurt. According to CBO, half of those affected by higher cost-sharing and half of those affected by reduced benefits will be children. Those with disabilities will be particularly hurt by the newly allowed State benefit cuts and increased cost-sharing. They already pay a greater portion of their income for out-of-pocket medical expenses than privately insured individuals with higher income.

The simple fact of the matter is this bill is going to take from those who have the least and give to those who have the most and the smallest needs. This is an outrageous piece of legislation.

The simple fact of the matter is my Republican colleagues are entitled to their facts, but they have their own facts; and the facts say this is a bad proposal. It is going to hurt the poor. It is going to benefit those who have no need.

Benefit reductions result in $18 billion in Federal savings over 10 years. The actual magnitude of lost coverage, however, will be much higher than those 10 years, closer to $3 billion, when you count the State share, because CBO only considers Federal savings. Therefore, my colleagues and I believe that the actual savings would be nearly twice as high. New premium charges will force hundreds of thousands more who are covered today to drop their coverage. A full quarter of the savings associated with new higher premium charges is due to beneficiaries being unable to afford Medicaid. In 2015, for example, 110,000 enrollees will lose coverage because of premium increases. And, for those elderly citizens lucky enough to own the home they live in, the Republicans want to force them to sell it in order to get care.

Second, the numbers tell only part of the story. Examine, for example, the hurtful effects these changes will have on individuals with disabilities. Over the past number of years, individuals with disabilities have made significant gains in improving options for community living. Would we really want to enact legislation that would force people, who were previously able to live in their community, to live in institutions? Because that is exactly what this Reconciliation package does.

The healthy among us do not need extensive health services, but those with disabilities and chronic illnesses such as diabetes, multiple sclerosis, spina bifida, schizophrenia, and AIDs, do. The Reconciliation package allows States to make these vital changes to Medicaid that these individuals need, with the burden placed on those who need the most care.

Together, these changes will only result in more individuals with disabilities being forced back into institutions, rather than enabling them to live in the community. Increased costs and decreased benefits for individuals with disabilities will leave them with no other option but to return to an institution where they can get needed medical care.

Those with disabilities who are under Medicaid already have higher out-of-pocket medical expenses than higher-income, privately insured people, even with the current protections the program offers. Out-of-pocket costs consumed an average of 5.6 percent of the incomes of persons with disabilities. On the other hand, privately-insured adults with incomes over $19,140 spent 0.7 percent of their incomes on out-of-pocket medical costs. Individuals with disabilities already have their incomes stretched to the limit. In 2004, a national average rent for a modest one-bedroom unit consumed more than the entire monthly payment (109.6 percent) for a person receiving SSI.

In addition to these increased out-of-pocket medical expenses, those who are forced back into institutions must sell their homes if they wish to continue receiving the needed long-term care services provided under Medicaid that enables them to work. And it is difficult to keep people in the community if they are forced to sell or mortgage the homes they have worked so hard to keep.

According to CBO, Congress could achieve $20 billion in savings by simply not overpaying Medicare HMOs. Yet these provisions are nowhere to be found in the Republican legislation. Clearly the profits of health insurers are protected while the poor and working families are squeezed to fund Republican tax priorities.

The Republican solution to the hard economic times facing many families is to charge them more for their health care, take away needed benefits, and make it easier for States not to cover those in need. Rather than provide States with the tools to slash coverage and impoverish more families through higher medical expenses in order that their tax cuts benefit the wealthy, those Members of Congress should seek ways to join with the States to shore up health care coverage for our most vulnerable citizens.

Mr. NUSSLE. Mr. Speaker, the Education and the Workforce Committee has contributed to this effort. I yield to the gentleman from Georgia (Mr. PRICE) for 2 minutes.

Mr. PRICE of Georgia. Mr. Speaker, I am proud to be a Republican. I am more proud to be a Member of the Party of Lincoln, who knew and understood that you cannot build up the poor by tearing down the rich. The class warfare being waged by the other side betrays a once-proud party.

We have a responsibility to do here is to renew our commitment to hard-working American taxpayers, reforming the process, cutting red tape, and setting priorities. This is smart spending, and it is what we should be doing in every area of government. And contrary to what our colleagues say, there is more money for education.

We know and understand how difficult it is for some to get funding for college. I, myself, was the recipient of student loans during my education, and this bill gets more money to students. It simplifies the process, gives greater flexibility, and protects taxpayers. There are no cuts. Student aid money increases. All we have to do is look at the numbers. Increase in Federal loans, increase in Federal grants, increase in Federal work study money, and increase in education tax benefits. That is more money, that is not less.

Mr. SPRATT. Mr. Speaker, I yield ½ minutes to the gentleman from Texas (Mr. EDWARDS).

Mr. EDWARDS. Mr. Speaker, I would challenge any Member who votes for this budget to answer just one question: who is the richest? Just look in the world that preaches the values of asking the least from those who have the least and asking nothing from those who have the most. Sadly, that is what this budget does.

This budget is an assault on the faith-based values of American families. It is about mean-spirited cuts in college student loans and harmful cuts in health care for low- and middle-income working families. Why? To pay for Katrina? No. To reduce the deficit? No. This budget increases the deficit.

These cuts are being made tonight to pay for tomorrow’s $220,000 tax cut and
dividend tax cuts for those making $1 million a year. That is right. But it is wrong.

If the House Republican leadership thinks this budget truly reflects American values, it proves just how sadly out of touch they are with the values of average working families.

All the fig-leaf sound bites in the world will not hide the sad truth that this budget is an assault on the dreams of millions of low-income working families, dreams of decent health care, a college education, and a better life for their children: the American Dream.

The congressional architects of the three largest deficits in American history once again tonight fail the test of fairness and fiscal responsibility.

Mr. NUSSLE. Mr. Speaker, I yield 2 minutes to the distinguished gentlewoman from North Carolina (Ms. FOXX).

Ms. FOXX. Mr. Speaker, someone on the other side has said we have hit a new low tonight. I certainly agree with that. I have never heard so much hypocrisy, and I do not that the American public has either.

I rise, Mr. Speaker, with my colleagues today because Federal spending has been out of control. Just because former Congresses and Presidents have allowed this badly out of control spending does not mean we must continue along this destructive path in the future.

This Congress must become a better steward of taxpayers' dollars, and we must show our constituents that increased spending does not mean we must continue along this destructive path in the future.

The Deficit Reduction Act provides key breaks for students including lower loan fees, higher loan limits for borrowers, low market-based interest rates, new loan flexibility, and a simplified financial aid process. Our constituents deserve to send less of their hard-earned dollars to Washington and our rural constituents deserve to send less of their hard-earned dollars to the Federal Government, our rural communities depend on industries like the mining industries for their basic survival.

My colleagues from the East tell me that the Federal Government, our rural communities depend on industries like the mining industries for their basic survival. Well, in this case I know what I am talking about because they are largely in the same boat that I am in.

In the western United States, where a majority of the land is owned by the Federal Government, our rural communities depend on industries like the mining industries for their basic survival.

My colleagues from the East tell me that western communities should not be so dependent on any one industry for their survival. Well, in this case I would agree with them. Today, we have an opportunity to show our support for diversifying rural economies by giving rural western communities a second chance at survival after one of the most difficult years.

Contrary to the misrepresentation that you have heard from opponents of mining, this is not about putting national parks up for sale or a massive land grab or building K-Marts on every mountain top. This is about sustain-

able economic development for rural communities that otherwise would have no options when mining companies leave. These provisions will provide jobs and money for schools, law enforcement, hospitals, and other vital services and communities after a mine closure.

I urge my colleagues to disregard the half truths and misinformation they have heard about these provisions, stand up for rural America, stand up for this bill, and pass this very important piece of legislation.

Mr. SPRATT. Mr. Speaker, I yield 1½ minutes to the gentlewoman from Connecticut (Ms. DELAURER).

Ms. DELAURER. Mr. Speaker, it has been a difficult year for our country: a brutal hurricane season, this government’s inadequate response, leaving thousands homeless without power or a roof over their heads, energy costs skyrocketing, poverty on the rise, the recently passed mark of 2,000 troops killed in Iraq, and an ongoing insurgency, little good news coming out of the country.

Americans want leaders who put the public interest first, who put the American people first when we face difficult national choices.

I look at this legislation with its cuts to student loans, food stamps, health care, child support enforcement, and I wonder, could this Congress possibly be more out of step with what the American people expect from their leaders right now? Most Americans saw Katrina and the extraordinary poverty and problems exposed and asked where did we go wrong. What can we do to get this right?

I look at this legislation, at $70 billion in tax cuts planned for the wealthiest Americans, and I wonder, why is this Congress not asking the same questions.

I have deep reservations about this legislation, about the values that would motivate such a terrible response to our times. It runs counter to our better nature. It does not reflect the moral responsibility of our government and our obligation to the people of this great Nation, and I urge my colleagues to oppose it.

Mr. NUSSLE. Mr. Speaker, I yield 6 minutes to the gentleman from Texas (Mr. BARTON), the very distinguished chairman of the Energy and Commerce Committee, and ask unanimous consent to extend my remarks.

Mr. BARTON of Texas. Mr. Speaker, I yield myself 2 minutes.

(Mr. BARTON of Texas asked and was given permission to revise and extend his remarks.)
last spring on the issue of Medicaid reform, and Subcommittee Chairman Nathan Deal was with me at that conference, and Ranking Member Dingell and I, believe, even subcommittee Ranking Member Brown was at that conference. And the Governors, on a bipartisan basis, said they would work with the House Energy and Commerce Committee to help reform Medicaid this year.

They supported legislative action. Mr. Deal and I said we would be happy to work with the Governors to come up with a bipartisan package. Ranking Member Dingell, at that conference, I cannot remember his exact quote, but it was something to the effect that it would be over his and the other Democrats on the committee’s dead political bodies that they tried to do anything to reform Medicaid.

And they have been true to their word. I do not believe any Democrat on my committee, the Energy and Commerce Committee, voted at any level to help reform and improve and maintain the integrity of our Medicaid program, which is one of the most important health care programs in this country for low-income and senior citizens, low-income Americans and senior citizens.

Today, the House will make important reforms in telecommunications and Medicaid in the title provided by the committee chair, the Energy and Commerce Committee. By going to conference with the Senate, we also keep hope alive for a critical energy policy—safe and limited crude oil production from the Alaskan north slope.

The legislation before us effectively sets Thursday, January 1, 2009, as the day America goes all digital. The analog television signals that have come into our homes over the air since the birth of TV will end the night before, and a great technical revolution that has been in the making for years will finally be complete.

In June 2004, at my first DTV hearing since becoming chairman of the Energy and Commerce Committee, I announced that expediting the DTV transition would be a top priority. I also noted that the 85-percent loophole in current law is delaying the consumer benefits of digital television and preventing the clearing of broadcast spectrum for critical public safety and wireless broadband uses.

The DTV legislation brings needed certainty to allow consumers, broadcasters, cable and satellite operators, manufacturers, retailers, and governments to prepare for the transition. It includes a strong consumer education measure. And it helps ensure that all consumers have continued access to broadcast programming, regardless of whether they use analog or digital televisions, or whether they watch television signals broadcast by a local station or subscribe to pay-TV.

We’re also here today to consider Medicaid reforms. Medicaid is a victim of its own success. The program has grown so expansive that it is unsustainable in its current form. The nation’s governors understand the grim future of Medicaid without reform. They tell us that Medicaid will begin to bankrupt the States unless some reasonable reforms are enacted. They were Democrats and they were Republican.

Mr. BARTON of Texas. Reclaiming my time, I have the utmost respect for the gentleman from Michigan. But at that first conference with the Governors there was not any package on the table. We were talking concepts. There was no package on the table. It was just the concept.

Mr. Speaker, I yield 1 minute to the gentleman from Georgia (Mr. Deal).

Mr. Deal of Georgia. I thank the gentleman for yielding.

A lot has been said tonight about people losing coverage under Medicaid if these reforms go in place. I would like to call the reality of today to attention. If you want to lose people from Medicaid rolls, just do nothing. The status quo is doing that very adequately. Tennessee is having to remove over 200,000 from their Medicaid rolls. Missouri is removing over 100,000. In the last 3 years alone, 37 States have had to reduce eligibility, and 34 States have actually had to reduce benefits. The Governors are crying out to us to do something. If we don’t do something, they can no longer sustain their portion of the requirement of paying their part of Medicaid. That is the message that they have sent to us on a bipartisan basis. Both Democrat and Republican across this country have said, please reform the program. It is in dire need of reforms in order to be sustainable.

Mr. BARTON of Georgia. Mr. Speaker, I yield 1 1/2 minutes to the distinguished gentleman from Michigan (Mr. Upton), Telecommunications Subcommittee chairman.

Mr. Upton. Mr. Speaker, as chairman of the Telecommunications Subcommittee, I want to focus for a second on the DTV provisions. Last year the Congress passed the 9/11 Commission Report Implementation Act, which contained a sense of Congress saying that the Congress must pass comprehensive DTV legislation this session and that any delay would delay the ability of public safety to get much-needed spectrum for interoperability.

Mr. Speaker, today we are taking a significant stride towards fulfilling that commitment that we made to public safety. The legislation before us sets a hard date of December 31, 2008, for the end of the DTV transition, at which point the broadcasters will return their analog spectrum. Setting such a hard date will enable public safety to get access to this spectrum for interoperability. For the first time since 1997, we will also enable the auction of the remainder of that spectrum for advanced wireless services.

Moreover, it will give consumers adequate notice and time to get ready for the transition and this legislation sets aside a portion of the spectrum proceeds to fully fund a robust digital-to-analog converter box program.

The legislation also includes a provision that I think it is important for the gentleman from New York (Mr. Engel), the gentleman from New York (Mr. Fossella) and the gentleman from
New York (Mr. TOWNS) to set aside $500 million of the spectrum auction proceeds to assist State and local public safety agencies in acquiring interoperable communication systems. That amendment enjoyed widespread support within the public safety community, and my colleagues and I were able to support this bill so that we can, in fact, see this provision enacted.

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

Mr. Speaker, the Energy and Commerce reconciliation package consists of two components. There is a Medicaid reform package and there is a digital television transition package. Both of those packages have widespread support outside of the halls of this body. Cumulatively, together, they are going to change the baseline for Medicaid from a rate of growth of a little over 7.3 percent to 7 percent per year for the next 5 years, and in terms of the digital television transition package, expected to reach more than $10 billion and put America on a digital broadcasting and receiving footing beginning January 1, 2009. Both components of the package are worthy of support. I would hope we could support those components of this package.

Mr. SPRATT. Mr. Speaker, I yield for the purpose of making a unanimous consent request to the gentleman from Washington (Mr. INSLEE).

Mr. INSLEE asked and was given permission to revise and extend his remarks.

Mr. INSLEE. I thank the gentleman for yielding.

Mr. Speaker, I would like to address comments by distinguished Chairman regarding a provision of the bill that addresses the FCC’s proceeding on unlicensed operation of wireless broadband devices in the vacant broadcast bands, commonly known as “white spaces.” I thank the Chairman for recognizing the importance of additional unlicensed spectrum.

Unlicensed, wireless broadband devices have spurred entrepreneurship, technological innovation and phenomenal new capabilities for the country. Hot spots in coffee shops and airports, and wireless access in homes and offices, have made it easier and easier for people to access the Internet. These unlicensed uses have generated billions in new business for U.S.-based manufacturers, retailers and providers. However, these devices could do more to bridge the digital divide and bring more broadband choices to consumers if they could operate in spectrum below 1 GHz, (spectrum below 1 GHz propagates over greater distances and through tougher obstacles than does the spectrum being used by today’s unlicensed wireless broadband devices).

Mr. Chairman, I know you are aware that in some smaller markets, only a handful of television stations are actually operating. In some rural or suburban markets, there may be dozens of TV channels available for other uses. Nationwide, the white spaces offer hundreds of megahertz of spectrum for unlicensed wireless broadband devices to operate in white spaces proceeding, the Commission proposes to allow unlicensed devices to operate in those spaces where the spectrum allocated to broadcast television stations is not being used, subject to the additional condition that the devices do not cause harm to licensed television broadcasters and certain other users of the spectrum. The Commission’s proposal outlines possible noninterference requirements.

In response to the Chairman’s point on preventing harm to broadcast signals, I would note that interference should be easily avoidable, because “smart” unlicensed devices identify frequencies in use with “listen-before-talk” technology and similar capabilities. Developers and producers of equipment for wireless broadband operation in the white spaces have every incentive to demonstrate that their equipment is designed so as to prevent interference to television signals, where such signals are actually being transmitted. The re- . ward of preventing interference is tremendous; the risk of being forced to exit a market because of an engineering mistake is equally heavy. The Commission has had this proceeding open for over a year, and meanwhile, innovation that could occur to deploy broadband to a greater number of Americans has been delayed.

In ordering the Commission to complete the white spaces proceeding within one year, my colleagues and I expect the Commission to promote robust and efficient use of vacant spectrum by unlicensed wireless broadband devices and networks. I thank the Chairman for his efforts on this issue, and I look forward to continuing to work with the Chairman to promote the use of additional unlicensed spectrum in the vacant broadcast bands.

Mr. SPRATT. Mr. Speaker, I yield for the purpose of making a unanimous consent request to the gentleman from California (Mr. FARR).

Mr. FARR asked and was given permission to revise and extend his remarks.

Mr. FARR. Mr. Speaker, I rise in opposition to the bill.

The American people know better than the politicians here in Washington about what’s best for American families. If you’ve learned anything from the things that you ought to listen to the American people. The American people know that this Congress, under the Republican Leadership, is cutting over $50 billion in important domestic programs, while still adding billions to the Federal deficit.

The Republican leadership’s fantasy of deficit reduction comes at the expense of significant cuts to domestic programs that middle class American families...”

You can say all you want, but none of you apparently raised your hand and asked about how about these constituents are urging me to oppose this bill and they’re screaming that America does NOT want: $14.3 billion in cuts to student aid programs, raising the cost of college for students and families. Nearly half a million Californians borrow money for education, we should be assisting the next generation of Californians, not raising fees and interest rates on students; $800 million cuts to food stamp programs, eliminating nutrition and lunch/breakfast programs for hundreds of thousands of families and children; billions in cuts to child support enforcement for over 50 years; Californian families will lose almost one billion in funds that should be going towards our children; $11 billion in cuts to Medicaid, with over $1 billion of those cuts coming out of California; and $425 million in cuts in Social Security Insurance benefits for the disabled.

With all of these cuts, the Republicans and this Administration will still be adding at least $20 billion to the Federal deficit when the Republicans push through $70 billion in tax cuts to benefit the wealthiest Americans. America deserves and wants a Federal budget that is fair and compassionate. I urge my colleagues to listen to their conscience and the voices of the American people and strongly oppose this bill and throw out these misplaced budget priorities.

Mr. SPRATT. Mr. Speaker, I yield 12 minutes to the gentleman from California (Mr. GEORGE MILLER) and ask unanimous consent that he be permitted to control that time. The SPEAKER pro tempore (Mr. THORNBERY). Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. GEORGE MILLER of California. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, last week the Republicans were unable to pass this bill because of the severity of the cuts. They have since then done a lot of horse trading about those cuts and apparently tonight, they’ve made some progress on the votes. But the one thing that remained consistent throughout all of that horse trading was they never lost their appetite to raise the cost of student loans. According to the CBO, this budget will add almost $8 billion on the backs of students as they borrow money to pay for higher education, a higher education that is absolutely essential today to fully participate in the American economy.

They will add almost $5 billion in new consolidation loan fees and higher interest rates that go directly to those students borrowing money. They mandated a 1% insurance fee, $1.47 billion, on the backs of these students. Repealing the lower interest rate caps, $505 million to these students. 1.5 percent origination fee, $350 million to these students. So that the average student today who borrows $17,000, you will increase their cost of that loan, and that education $5,800. Not according to me, but according to the Congressional Budget Office.

You can say all you want, but none of you apparently raised your hand and asked about how about these students? How about reducing the taxes on the students? How about reducing the $8 billion in new taxes on these students? Students who are going to Kansas, they are going to UT, 30 students here are going to Georgetown. Nobody raised their hand on behalf of these students or their families who are going deeper and deeper in debt.

Just 2 weeks ago, we got a report that the cost of a college education is outstripping the ability of middle-class families to pay for it, and certainly lower income families to pay for it. Earlier this day, you took away the promise of this President to increase...
Mrs. EMERSON. Mr. Chairman, I am hopeful that we might have the opportunity in conference to clarify in the GAO study that prior to implementation, States would be required to submit to the Secretary of HHS the amounts they would propose to pay next year under the payment formula. Would you be willing to work with me on this.

Mr. DEAL of Georgia. Yes.

Mr. NUSSLE. Mr. Speaker, I yield ½ minute to the gentleman from New York (Mr. KING).

Mr. KING of New York. I thank the gentleman for yielding.

Mr. Speaker, I would like to enter into a colloquy with the gentleman from Texas, the chairman of the Energy and Commerce Committee, regarding the Digital Television Transition Act of 2005 which is included in title III of H.R. 4241. Section 3406 of this bill directs the NTIA to establish a new $500 million interoperability grant program in title III of H.R. 4241.

Chairman BARTON, I strongly believe the Department of Homeland Security should be given, at the very least, a strong consultative role in the administration of this grant funds. Given that this expansive function of administering first responder grant programs and its responsibility for establishing and implementing the national policy on interoperable communications, I would ask the chairman to ensure that this new interoperability grant program for homeland security is not violated by the NTIA.

Chairman BARTON of Texas. Mr. Chairman, will the gentleman yield?

Mr. KING of New York. I yield to the gentleman from Texas.

Mr. BARTON of Texas. Mr. Chairman, will the gentleman yield?

Mr. KING of New York. I yield to the gentleman from Texas.

Mr. BARTON of Texas. I appreciate the comments of the gentleman from New York, who is also the chairman of the Committee on Homeland Security.

Chairman KING. I agree the Department of Homeland Security should have a strong consultative role in administering this new program. The Department of Homeland Security standards and grant guidance for interoperable communications must be used to ensure consistency in the administration of this new $500 million program.

It is true that the bill allows us to amend the language establishing the program, but I pledge to work with you and your committee to resolve this issue during conference.

Mr. KING of New York. Reclaiming my time, I thank the gentleman for his comments. I appreciate your willingness to address our policy concerns.

Mr. GEORGE MILLER of California. Mr. Speaker, I yield ½ minute to the gentleman from Michigan (Mr. KILDEE).

Mr. KILDEE. Mr. Speaker, the bill we consider today cuts over $50 billion from essential programs that help Americans struggling just to get by.

Over a quarter of these cuts, a staggering $14.3 billion, will be slashed from student aid programs, the largest cut in the history of these programs. According to a new CBO estimate, much of these so-called savings are generated by forcing students and parents to pay higher interest fees and increased interest rates. These cuts will force individual students and their families to pay as much as $5,800 more for college.

Why would Congress want to force students to pay more for college? The harsh truth, Mr. Speaker, is that the underlying intent of this bill is to balance the massive deficit and pay for additional tax cuts on the backs of students already struggling to pay for college. Instead of reinvesting the so-called savings into making college more accessible and affordable, we will vote later to hand out an additional $70 billion in tax cuts. These additional tax cuts, Mr. Speaker, will benefit the millionaires in our country while increasing the burden on ordinary Americans.

Mr. Speaker, our budget decisions reflect our values. This bill does not reflect the values that I cherish. I oppose the Bush-in-Denmark bill. I ask my colleagues to vote their conscience and oppose this merciless reconciliation package.

Mr. GEORGE MILLER of California. Mr. Speaker, I yield ½ minute to the gentleman from New York (Mr. BISHOP).

Mr. BISHOP of New York. I thank the gentleman from California for yielding.

Parents and students, please take note. College will soon become a lot more expensive if these budget cuts pass. Yes, at a time when college costs are rising and students are struggling to afford college, this bill cuts over $14.3 billion from Federal student aid programs. This represents the largest cut in the history of the student aid programs at a time when the College Board tells us that this is the most expensive semester ever.

This bill includes nearly $8 billion in new charges that will raise the cost of college loans through new fees and higher interest for millions of American students and families who borrow for college. While millionaires will soon gain another $19,000 tax break, the typical student already saddled with fees and higher interest rates. To whom does this make sense? We all know that championing tax cuts for the wealthiest Americans by punching holes in middle-class priorities is the hallmark of this administration's failed economic policies. But the burden should not be placed on the backs of students. All of us should rise in strong opposition to this legislation, for it will hurt the very generation that we eventually lead this country.

Mr. Speaker, I strongly urge my colleagues to vote against this unprecedented raid on student aid.
Mr. GEORGE MILLER of California. Mr. Speaker, I yield 1 1/2 minutes to the gentlewoman from Minnesota (Ms. McCOLLUM).

Ms. McCOLLUM of Minnesota. Mr. Speaker, I rise today to support America's college students. Our competitiveness in the global economy is built on a foundation of a highly educated workforce. My Republican colleagues feel higher education is a privilege and not a necessity for American students. The Republican strategy to cut and gut federal financial aid by over $14 billion for its students hurts families and threatens America's competitiveness. The Republican raid on student aid makes the largest cut in the history of financial aid while also increasing the deficit by $20 billion, adding more debt on the backs of hardworking Americans and students.

Tim McDonald who attends Hamline University in St. Paul, Minnesota, told me and other students last week: "The generation that benefited from highly subsidized affordable higher education is now pulling the ladder up with them and forcing us to finance debt not only of our own education but of their tax cuts.

Congress should promote hope and opportunity and provide America's scientists, engineers, entrepreneurs, police, nurses and teachers, our future leaders, with the skills and knowledge and opportunity to keep America strong and prosperous. This budget cuts and guts the resources students depend upon to achieve their career goals and contribute to America. Instead of investing in students, instead of investing in America's future, this reconciliation forces students to pay the price for a mismanaged Republican budget. I ask my Republican colleagues to protect America's economic future, to not abandon the next generation and to DEFEAT the cutting and gutting of hope and opportunity for American students.

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Mr. GEORGE MILLER of California. Mr. Speaker, I yield 1 1/2 minutes to the gentleman from Virginia (Mr. SCOTT).

Mr. SCOTT of Virginia. Mr. Speaker, this plan has $70 billion in tax cuts, $50 billion in spending cuts, and therefore adds $24 billion to the national debt. Let us look at one of those cuts, cuts in student aid. We know that your future opportunities depend on your education, and college will enhance your education.

Unfortunately, 400,000 children cannot go to college because they cannot afford to. It will get worse before it gets better. In the last 4 years, the cost of a public college education went up $3,000. The maximum Pell grant in this package as adopted will not go up at all. This bill cuts over $14 billion over 5 years from student aid, adding up to $3,800 per student of what they have to pay on those loans. That is not the right vision for the future.

It is particularly egregious when you look at the tax cuts that go into effect next year. One tax cut goes into effect involving personal exemptions and standard deductions. Mr. Speaker, this is a chart of who gets it. Under $200,000, you cannot even see what you get. Millionaires get $19,000; $500,000 to $1 million, over $4,000. Ninety-seven percent of this tax cut goes to those making over $200,000. Fully phased in, it is $100 billion over 5 years from student aid, adding up to $3,800 per student of what they have to pay on those loans. That is not the right vision for the future.

Instead, what we need to be doing is investing in economic growth. We are leaving too many of our students behind today when we need them advancing their skills and knowledge base more than ever. At a time when our long-term economic and national security hangs in the balance, it is as if the Republicans want to unilaterally disarm in the race for global creativity and innovation. Instead of being so eager to dismantle the New Deal, we should be offering the American people a new, new deal with the hope and promise of helping all Americans develop the skills and tools they need to compete in the global marketplace. This budget does not do it. We can do better. I encourage my colleagues to defeat this proposal.

Mr. GEORGE MILLER of California. Mr. Speaker, I yield the remaining time to the gentleman from Washington (Mr. INSLEE).

Mr. INSLEE. Mr. Speaker, it is true that dogs collect fleas, and so do large fiscal bills. This bill is no exception. I want to talk about one of those fleas infesting this bill. One of the worst infestations in this bill is a provision slipped in the dead of night, like many of these things happen, that will essentially give away America's most pristine forest areas to the special interest friends of the majority party.

There is a provision in this bill that will allow places that have been "patented for mining" to essentially give away these special interest companies that can take our most pristine national forests, somewhere between 300,000 and 20 million acres, and

Mr. KIND. Mr. Speaker, I thank the gentleman from California (Mr. GEORGE MILLER) for his leadership in education.

Mr. Speaker, tonight's debate really is not about fiscal responsibility. That ship sailed almost 2 years ago to the day when the Republican majority passed the largest expansion of entitlements in the last 40 years with the new prescription drug bill that they refused to pay for.

It is closer to $1.2 trillion today with no cost control and refusing to pay for it.

Tonight's debate is about what the values and priority of our Nation will be. Is it going to be another round of large tax cuts for the most well off, or will it be an investment in the education future of our students? They are choosing the tax cuts.
give it away to special interests, give it away to special interests and increase the deficit at the same time.

What will happen with that property? Anything the special interests of the majority party wants. It is not about mining. There is a provision in this bill that will allow your special interest friends to come into the Mount Baker National Forest in Washington, the national forest in Colorado, the national forests of California, take that property, pay the taxpayers nickels, literally. You take that property away from the people that want to enjoy those national forests right now.

It is bad enough that that bill will leave future generations $1 billion of debt. You would think you would give them the Cerces to take their kids out to be able to have a picnic in the national forest, portions of which will be gone because you want to feed the ravenous appetites of your special interest friends.

This is a rip-off of American taxpayers. It is unfair to the kids that want to go up to the national forests and enjoy this property. There is no excuse for it. You are doing it in the dead of the night. You ought to be ashamed.

Thank you to the Republican Party except tax cuts. You would sell anything in America to finance your tax cuts. The Washington monument could be next. This is a shame.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. Trottman) The Chair again reminds Members to direct their remarks to the Chair.

Mr. NUSSLE. Mr. Speaker, I am trying to find where we are taking away picnics now. I am looking for picnics in here. I may not vote for this now. I did not realize we were taking away picnics, of all things. My goodness. How could we do that, my friend.

I would now like to yield to the very distinguished gentlewoman from Florida (Ms. GINNY BROWN-WAITE) for 2 1/2 minutes.

Ms. GINNY BROWN-WAITE of Florida. Mr. Speaker, Federal spending has been on the rise. Over the period of time from 2001 to 2005, inflation has only gone up 12 percent during that period of time. However, when you look at the various other government spending programs, they have gone up anywhere from 21 percent all the way up to 99 percent for education.

Believe me, government has grown. It has grown to the point where our constituents are saying, stop already, make some changes. The significance of this chart is how much government has grown. A lot of it was due to the slowdown in the economy.

The time has come where we need to start cutting back on the future growth. That is all that this does is cut back on the future growth. That is all that this does by one-tenth of 1 percent.

I heard somebody say, where is the Democrat plan? Well, their plan would increase spending by $21.5 billion, provide $54 billion in new taxes and virtually no cuts. It would grow the government. That is not what our constituents and that is not what our tax payers want us to do.

Mr. Speaker, I would now yield to the gentlewoman from Maryland (Mr. HOYER).

Mr. HOYER. Mr. Speaker, I hope everybody in America knows, I say to the gentlewoman from Florida (Ms. GINNY BROWN-WAITE), your party has been in charge for all 5 of the years that spending has gone out of control, and your conservatives are telling you just that, including Mr. Dick Armey, your former majority leader. It is you who have allowed spending to go out of control.

[TABLE 1]

Mr. Speaker, I yield 1 1/2 minutes to the gentlewoman from New York (Mrs. MALONEY).

Mrs. MALONEY. Mr. Speaker, I thank the gentleman, the distinguished ranking member for yielding me time.

Mr. Speaker, we know that the reconciliation package Republicans have put together before us tonight is unfair and will increase the deficit. We have an analysis documenting that unfairness by the Democratic staff of the Joint Economic Committee which I will be placing in the Record.

The spending cuts hit programs that benefit middle and lower income families while the tax cuts go overwhelming to very high income people. For example, families in the bottom fifth of the income distribution receive only 3 percent of family income, but they are being asked to absorb 22 percent of the cuts in spending for individuals. When you put together the tax cuts and the spending cuts, you see that the richest 20 percent of the income distribution receive benefits from tax cuts that far outweigh their losses from the spending cuts.

In contrast, middle and lower income families, the remaining 80 percent of all families in our country, lose more from program cuts than they gain from tax cuts. This is terribly unfair. This plan does not reflect American values. We can do better.

The FY 2006 House budget reconciliation plan will increase the federal budget deficit and is unfair in its impact on families. The deficit will increase because reconciled spending cuts of $50 billion are not sufficient to offset reconciled tax cuts of nearly $60 billion, which could rise to $70 billion in a future conference agreement.

The plan is unfair because the spending cuts affect programs that benefit middle and lower-income families, while the tax cuts go mainly to very high-income people.

Spending Cuts

Of the $50 billion in reconciled spending cuts, about $22 billion are in payments for individuals that can be allocated by family income group (Table 1). That $22 billion is spread relatively evenly across families in all income groups. But because income is so unevenly distributed, the share of spending cuts borne by low-income families is substantially larger than their share of total income (Table 2). For example, families in the bottom fifth of the income distribution receive only about 3 percent of total income, but they bear 22 percent of the total cuts in spending on payments for individuals.

The remaining reconciled cuts and offsetting receipts do not directly reduce payments for individuals, such as the proceeds to the Treasury from auctioning electromagnetic spectrum licenses. Nevertheless, some of the additional cuts will hurt vulnerable families. For example, the roughly $5 billion in cuts to child support enforcement efforts will reduce payments to single parents and their children by over $7 billion.

Tax Cuts

Of the $57 billion in tax cuts, $28 billion are in taxes on individuals that are allocable by income group (Table 1). By far the largest amount ($23 billion) of the tax cuts for individuals that can be allocated by family income group go to the richest 20 percent of families (Chart 1). Most of the taxes that are not directly allocated in this analysis are business tax cuts that would also end up benefiting high-income taxpayers.

Net Impact

The top 20 percent of the income distribution receives benefits from the tax cuts that far offset losses from the spending cuts (Chart 1). Middle and lower income families (the bottom 80 percent of all families) lose more from program cuts than they gain from tax cuts.

[TABLE 1]

*Program cuts: Student loan programs -* -13.8
*Medical disgusted - -4.4
*Farm programs -* -2.9
*Food stamps -* -3.8
*Supplemental Security Income -* -0.7
*Child welfare services -* -0.6

Tableau program cuts, subtotal -7.1
Program expenses -2.6
Katrina health care relief -2.6
Mr. NUSSLE. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. HERGER), a member of the Ways and Means Committee, and the Ways and Means Committee has contributed reform to this package.

Mr. HERGER. Mr. Speaker, I rise in support of the Deficit Reduction Act of 2005. Congress must make the hard decisions to rein in Federal spending. The legislation before us today does just that by reducing or eliminating waste or unnecessary Federal spending across a range of programs.

I would like to thank the gentleman from California (Mr. THOMAS) and my fellow Ways and Means Committee members for their support in bringing this legislation to the floor this evening. Overall, the provisions in this legislation produced by the Ways and Means Committee saves over $8 billion over the next 5 years through common sense reforms that fix or clarify current law.

These changes target spending on administration, not benefits meant to be paid under current law. For example, this legislation ends double dipping on certain child support bonus funds. The bonus funds will continue. The double dipping will end. This change will save $1.6 billion over the next 5 years.

This legislation also extends and improves the 1996 welfare reform so even more parents will be able to leave welfare for work. It provides full funding for the Temporary Assistance to Needy Families Programs despite a 60 percent welfare caseload decline. It increases child care funding to support more work, and it encourages and supports healthy marriages and stronger families to further reduce poverty.

Mr. Speaker, I urge all Members to support these common-sense reforms.

Mr. SPRATT. Mr. Speaker, I yield 11 minutes to the gentleman from Illinois (Mr. EMANUEL).

Mr. EMANUEL. Mr. Speaker, this Congress is set to vote on a budget that will cut education and health care investments in order to make room for $70 billion in tax cuts for the wealthiest Americans.

If you are asking yourself what kind of Congress passes a budget that cuts $9.5 billion from Medicaid adversely affecting 6 million children while overpaying HMOs $10 billion, look no further. A Republican Congress.

What kind of Congress hands out $14.5 billion in tax subsidies to oil and gas companies, and yet cuts $14.5 billion in college tuition assistance? Look no further than a Republican Congress.

What kind of Congress cuts child care assistance to 330,000 children while giving special tax breaks to bow and arrow manufacturers and logging companies. Look no further than a Republican Congress.

Child care, child support, children’s health care, college tuition assistance. You guys give a whole new meaning to women and children first.

When George Bush in 2000 declared he was opposed to nation building, who knew it was America he was talking about.

This budget continues your policies of cutting taxes for the wealthiest 1 percent in America, while cutting child support, children’s health care, child support collection and child care assistance as well as college tuition assistance. Have you no shame? Have you no decency when it comes to America’s future? Then you stand up here having added $3 trillion to the Nation’s debt in 5 short years and declare yourself that we believe in our house in order, and all the while you add to the Nation’s deficit.

Mr. SPRATT. Mr. Speaker, I yield 6 minutes to the gentleman from Colorado (Mr. BEAUPREZ).

Mr. BEAUPREZ. Mr. Speaker, as we get close to the end this has been an interesting debate to listen to tonight.

If I listen to all the eloquence from the other side of the aisle, I must think this is surely the only place in the two States of America that believes we do not spend enough, nor tax enough.

I tell you what, I could go into any sale barn, any peach orchard, any market shop, any Mudder, sit around any kitchen table in my State of Colorado, and I could ask that question and they would tell me straight up, no, we do not believe that the United States Congress handles our money quite as efficiently as maybe they could.

Do you know what we are talking about here tonight? Over the next 5 years, reducing the rate of increase by a mere one-third plus or minus of 1 percent. One-third of a cent on a dollar rate of increase.

Now, go back home and ask the folks in your district, the folks that live across the street, the folks you go to church with if they really believe we are doing a good job in the United States Congress with their tax dollars that somehow, someway we could not find one-third of a penny of savings out of their dollar. You know how we are finding it. We are sending it back to you. If you want to get in the nursing home and you happen to have three-quarters of a million dollars of equity in your house, maybe you ought to take care of yourself for a little while.

We are saying that if you sign an oath that when you immigrated to the United States of America that you will not become a ward of the State, you will be self-sufficient, we think you ought to abide by that oath for 7 years. We are saying that student loans actually ought to go to students, not just brokers who trade them around in the market and try to make a buck off the deal. That is the kind of savings and efficiency that I think we all said we are going to come back to try to find for the American taxpayer. Tonight we have got a choice.

Mr. SPRATT. Mr. Speaker, I yield 6 minutes to the gentleman from Maryland (Mr. HOYER), the distinguished Whip of the Democratic Party.

Mr. HOYER. Mr. Speaker, I tell my friend, the chairman of the Budget Committee, this bill is no picnic.
Mr. Speaker, for 5 years, the Republican Party in Washington has pursued the most irresponsible and dangerous fiscal policies in the history of this country. Today, they claim they are getting tough on spending, that they are restoring fiscal discipline. A pose that is the fiscal discipline that they threw away over the last 5 years.

I say to my friends on the other side of the aisle, I have been a Member of this House for 25 years. For 17 of those years, I have been a Republican President in the United States of America. The one person that can stop spending in its tracks, none of the rest of us can, we can vote but only one of us in the government can stop spending in its tracks and that is the President of the United States. And during those 17 years that we have had Republican Presidents, every year without exception we have had large deficits. For 8 years, we had a Democratic President, and for 4 years we had surpluses, 4 straight years.

In every single one of those years that the Republican Presidents presided we had large and growing deficits. They will perpetrate that Republican performance.

Five years ago, the Bush administration and this Republican Congress inherited a projected 19-year surplus of $5.6 trillion according to President Bush. Mr. Bush promised the American people when he offered his economic program, “We can proceed with tax relief without fear of budget deficits even if the economy softens.” But almost immediately, the Washington Republicans enacted policies that instigated deficit and debt that will immorally force our children to pay our bills and then threaten our Nation’s future.

Under President Clinton, we had $559 billion of surplus in his last 4 years. Under your 5 years, I tell the amused chairman of the Budget Committee, you have planned and achieved $1.57 trillion of debt. At the very same time, Republicans raised the debt limit four times. $1.45 trillion of additional debt during your last 5 years.

Do you know how much during the last 4 years of the Clinton years we raised it? Zero. Zero. You talk about last 4 years of the Clinton years we debt during your last 5 years. Republicans have raised the debt limit $3.3 trillion later additional debt on the national debt. The gentleman from Iowa’s (Mr. Nussle) representation was totally, absolutely, unconscionably wrong in 2001, and your predictions today are equally in error.

Vote against this bad bill.

Mr. Nussle. Mr. Speaker, except the gentleman forgot Osama bin Laden, and I thank the gentleman for that.

Mr. Speaker. I yield 2 minutes to the very distinguished gentleman from Wisconsin (Mr. Ryan), a member of the Ways and Means Committee.

Mr. Shaw. Mr. Speaker, I thank the chairman for yielding me this time.

Today, Republicans say they want to restore fiscal discipline. All of America must ask, Why do you insult our intelligence?

President Bush has not vetoed one spending bill that you have offered. If spending is out of control, it is out of control because you let it get out of control, you planned to get it out of control, and you passed bills that put it out of control.

Republicans rammed a prescription drug bill through. They told us, which was not true and they knew it not to be true, it was going to cost $395 billion. Why? Because your budget said you were going to spend $400 billion. That was a lie. You knew it was not true. In fact, 2 weeks later, you came by and said, no, it is $24. Now, it is over a trillion dollars.

You claim that you are cutting spending by $50 billion, but you are coming with a tax bill that is going to add $3 trillion additional debt. That is why you have had 17 straight years under your Presidents of deficits.

Look at the facts. I implore my colleagues on the other side of the aisle, fiscal reality. Stop posturing, vote no on this irresponsible bill. Join Democrats in adopting a budget plan as we offered that balanced the budget in ten years. You did not even plan to balance it.

Let me read now a quote. “We do not touch Social Security. It does not touch Medicare. This budget accomplishes the largest reduction of the debt held by the public in our history. By the end of 10 years of this budget, we will have eliminated the debt held by the public.” Chairman Jim Nussle, May 25, 2001.

$1.57 trillion in budget deficits and $3 trillion later additional debt on the national debt. The gentleman from Iowa’s (Mr. Nussle) representation was totally, absolutely, unconscionably wrong in 2001, and your predictions today are equally in error.

Vote against this bad bill.

Mr. Nussle. Mr. Speaker, except the gentleman forgot Osama bin Laden, and I thank the gentleman for that.

Mr. Speaker. I yield 2 minutes to the very distinguished gentleman from Wisconsin (Mr. Ryan), a member of the Ways and Means Committee, so maybe he can answer some of the diatribe that we heard.

Mr. Ryan of Wisconsin. Mr. Speaker, in 2 minutes I will try to answer all of that diatribe. It is going to be very challenging.

Number one, the last speaker talked about all the new spending. Every time we brought a spending bill to the floor of the House, an appropriations bill, a budget bill, a Medicare bill, what did they do? They proposed and more spending. Our budget on Medicare, $400 billion. Their bill on Medicare, $1 trillion. What did our budget on Medicare come in at? $319 billion because competition is working.

Mr. Speaker, let us put this in perspective. Look at the rhetoric we have been hearing tonight: deep cuts; draconian cuts to government; we are hurting women; we are hurting children; we are hurting children with cystic fibrosis; we are taking picnics away from tourists; are burning the house down. What is this budget doing?

Mr. Speaker, this budget, if it does not pass, the government will spend over the next 5 years $13.855 trillion. With this budget, the government will spend over the next 5 years $13.795 trillion. We are talking about growing entitlement spending at 6.3 percent instead of 6.4 percent, a one-tenth of 1 percent reduction in the increase of controlled spending. Yet you claim that the world would be coming to an end.

There is a difference here. There is a difference in philosophy. Mr. Speaker, it is this: they are talking about tax cuts. They are talking about big tax cuts. They are talking about $3 trillion additional debt. They are raising taxes because this budget does not cut taxes. This budget keeps taxes where they are. We are simply proposing that we do not raise taxes; and, instead, we want to control spending. What is it they are offering? No spending control and more tax increases.

We are going into a very expensive winter. Where I come from in Wisconsin, we are going to have a cold winter. We are going to have high heating costs. We are going to pay a lot for our heating bills. We have high health care costs. Why on Earth would we want to stick our constituents, the American people, with more taxes?

Mr. Speaker, we should vote for this bill to control spending and keep taxes low and disallow their world view of higher spending and higher taxes.

Mr. Nussle. Mr. Speaker, I yield 2 minutes to the gentleman from Florida (Mr. Shaw), a very distinguished gentleman from the Ways and Means Committee.

Mr. Shaw. Mr. Speaker, I thank the chairman for yielding me this time.

Anyone watching this debate tonight must be very, very confused. Are we talking about cuts? What are we talking about? Are we talking about cuts? Taxes are not a part of this bill. Are we talking about cuts? Let me tell you what is happening under just the Ways and Means portion of this bill.

The programs affected in this legislation within my committee’s jurisdiction grow. Let me repeat that. Federal spending for the open-ended entitlement programs that are affected in any way by changes in this legislation will grow. These programs include cash welfare, yes, child care, child support enforcement, also foster care and disability benefits.

This year, the Federal Government will spend about $68 billion on this set of programs. That is almost $650 in spending per household in America, and that is before we start counting any spending on health care, retirement, defense, education and other programs; and guess what, spending on these programs, they will grow under this legislation.

Five years from now, we will spend $74 billion on them or $6 billion more than today; but because the spending 5 years from now will not be a projected $76 billion, or about $8 billion more than today, compared with a $6 billion increase provided in this bill, we are supposedly engaging in draconian cuts.
Mr. Speaker, figures do not lie, and neither should we.

Mr. NUSSELE. Mr. Speaker, I yield myself 4½ minutes.

Mr. Speaker, it is interesting. The Democrats on the floor want us to remember two parts of a very large story. They want us to remember back in May now of 2001. It is kind of an interesting date they picked out of the air, May of 2001. What a wonderful time they are willing to come back and spend 4½ minutes of the time of the Congress, the debate here this evening on a very important matter to the American people, a matter that consumes a great deal of the time of the Congress, the deficit and where, in minutes, the Congress is willing to put the plan out. We have got to do it tonight.

But if you want to govern, you need a plan. If you want to govern, you have got to put it on the table. If you want to govern, you have to be serious about the activities and not just come to the floor and be negative. If you want to govern, you need to put it out so that we can decide whether it is the right way to go or not.

Well, we have a plan. It reforms government. It grows the economy, it protects America, and it gets us moving again in a positive way that trusts America to make important decisions about their future and not trust government to do it for them.

People, individuals and families, make much better decisions about their daily lives than the government can do for you. When Democrats come to the floor, their plan will be tax increases and trusting bigger government, bigger bureaucracy, more big, fancy, white buildings filled with bureaucrats to provide the compassion that they do for the American people will have for themselves. They have got to manufacture it through government and government bureaucracy; and that is the reason that we are here tonight, because that has not worked. Our government bureaucracy has let down the American people.

We have got to reform those programs so they deliver a quality product, and we have to do it tonight, and we are the only ones to do it. There is no point in talking to the Democrats. They are all in lock-step going to vote "no." They have decided tonight they are going to wait for the election for the American people. They are not going to do anything in the meantime except be negative.

So we have got to do it. We have got to put the plan out. We have got to support it. We have got to provide the reforms, and we have to provide the savings so that we can reduce the deficit and get back to fiscal responsibility.

Mr. SPRATT. Mr. Speaker, I yield 15 seconds to the gentleman from Maryland (Mr. HOYER).

Mr. HOYER. Mr. Speaker, I thank the gentleman for the time.

1984, it was Good Morning in America, the economy was growing, President Reagan was President, Bob Dole the Republican the majority leader of the United States Senate, and big deficits, big deficits, big deficits, big deficits, big deficits.

Mr. SPRATT. Mr. Speaker, I yield the balance of our time to the gentleman from California (Ms. PELOSI), the minority leader.

Ms. PELOSI. Mr. Speaker, up until now I think we have had a very civil debate here this evening on a very important matter to the American people, a matter that consumes a great deal of the time of the Congress, the blueprint for what we do in the year, the budget for 2006.

Tonight, the Republicans are launching an attack on America’s children and America’s families; and they are also launching an attack on America’s middle class, all of this to give a tax cut to the wealthiest people in our country.

This budget is a sham, and it is a shame. Democrats believe that to govern America can do better.

I am so proud of my Democratic colleagues tonight because they have stood proudly for fiscal responsibility.

I am so proud of the Blue Dogs and how they led this fight for pay-as-you-go, for no deficit spending, for fiscal soundness so that future generations will not have to bear the brunt of the fiscal irresponsibility that the Republicans are continuing to present to the Congress.

I am proud of the gentleman from South Carolina (Mr. SPRATT) for his tremendous leadership as our ranking Democrat on the Budget Committee. He, indeed, has put forth an alternative budget, a Democratic budget, that would eliminate the deficit in 2012, was balanced in terms of its values, its priorities and in addition to its funding.

Mr. Ranger led the way from the Ways and Means Committee in terms of tax fairness in our country. Mr. Dingell spoke in and his members spoke so eloquently about what would happen to Medicaid in this Republican proposal, and Mr. Miller, of course, was relentless in his advocacy for America’s students.

I have heard my Republican colleagues talk about those who disagree with their budget priorities as hypocrites and demagogues. Well, let me introduce some others to this debate who might fall into that category by our Republican colleagues’ characterization.

Let me start with the National Council of Churches USA. They have written to every Member of Congress and very carefully dissected this budget, and this is what they say: ‘The role of government is to protect the people and work for the common good. This is not the time for the budget reconciliation process to create greater hardships for those who are already experiencing great suffering. To do so is not only unjust; it is a sin. It violates all the fundamental Christian principles of loving thy neighbor, caring for the poor, and showing mercy. As religious leaders, this is a violation that is unacceptable to us.’

Is it that we show mercy for oil millionaires and not hurricane survivors? We urge you to change this destructive course of action for the sake of our Nation and for generations to come.

I submit this for the Record. But first I want to read a list of those who signed the letter so that they perhaps will be labeled by our colleagues on the Republican side as hypocrites and demagogues.

The National Council of Churches USA, the Alliance of Baptists; the Diocese of the Armenian Church of America; the Evangelical Lutheran Church
in America; Friends United; Philadelphia Religious Society of Friends; Greek Orthodox Archdiocese of America; International Council of Community Churches; Moravian Church in America; National Baptist Convention USA; National Missionary Baptist Convention; Presbyterian Church USA; Progressive National Baptist Convention; Swedish Baptist Church; United Church of Christ; General Board of Church and Society; Religious Coalition for Reproductive Rights.

I am very proud, also, that we have a letter from Catholic Charities. And Catholic Charities says that it is our “tradition that teaches us that society, acting through government, has a special obligation to consider first the needs of the poor. Yet the proposed budget cuts put a disproportionate burden on the poor, those that can least afford it.”

“We urge you to oppose these proposed cuts.”

And that letter I wish to submit for the RECORD because it carefully goes into every detail of this budget and urges opposition. And, in fact, leaders of the faith community, indeed, came to this Congress to pray that Congress would make the right decision. On November 3, they said that the House Republicans seem to be saying that they literally want to take food out of the mouths of children to make rich, richer. They said that budgets are moral documents and they reflect our national priorities and values. In the name of social conscience, fiscal responsibility, equality of opportunity, protecting our communities, and the very idea of the common good, they said that the faith community is drawing a moral line in the sand against these provisions in this budget.

Democrats will join the faith community in drawing a moral line in the sand, this time and now that together America can do better.

My Democratic colleagues have eloquently made an indictment against this budget, which is immoral because, with more than $70 billion tax cuts which mainly benefit the wealthiest people in America, this Republican budget decimates the very programs that millions of middle class Americans rely upon to get ahead. As the number of people without health insurance continues to rise for 4 years in a row under the Bush administration, Republicans are charging ahead with billions under the Bush administration, Repub-

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ration. Seven million more people go to sleep hungry because they cannot afford to buy food. That is a 12 percent increase. Republicans are slashing food assistance for America’s poor children; slashing funds for preventative services and foster care for abused and neglected children when more help, not less, is needed; drastically reducing funding for child support enforcement programs, which could result in billions in reduced child support from delinquent dads for their children.

And how about this one: For our troops in combat zones in Iraq they are prevented from fully accessing the low-income tax credit. How is that for honoring our men and women in uniform?

The Republicans, as the people of faith said in their document, are literally taking food out of the mouths of children to give tax cuts to America’s wealthy. This is not a statement of American values. In their years in the majority, Republicans have turned budget surpluses into seas of red ink. These budget deficits are the result of misplaced Republican priorities, a refusal to join Democrats in putting forth fiscally responsible budgets, Pay-As-You-Go, no deficit spending, and shared sacrifice in spending cuts. Democrats do believe that together America can do better.

And we did. I want to join my distinguished colleague from Maryland (Mr. HOYER), our distinguished whip, in singing the praises of the Democrats. In 2003, in an economic package that led to historic growth in our economy, and we did so without one Republican vote. As Mr. HOYER said, in the Clinton administration, we had zero deficits. In fact, we had surplus for the last several years of the Clinton administration. We were on a trajectory of $5.6 trillion in surplus. And then the Bush administration began and then all reversed. They have taken us on a trajectory of over $4 trillion in debt. And the largest swing from surplus to deficit in our history by far, and a disgraceful one at that. The surpluses were based on Pay-As-You-Go, no deficit spending, and they were implemented with not one Republican vote for fiscal soundness.

The Republican Congress wants to give tax cuts to the rich, to subsidize oil companies which are enjoying obscene profits while American consumers are paying an increased price at the pump and an increased price for their home heating gas and oil. As the religious community said, why are we giving relief to the oil companies and not the people? They are increasing taxes on the middle class. Nineteen million middle-income Americans will have their taxes increased under this bill.

This is not a values-based budget. It is not worthy of our support. I urge my colleagues to reject this resolution that will increase the budget deficits by another $20 billion, hurt our most vulnerable citizens and the middle class. Again, together, America can do better with a budget that would help Katrina and Rita survivors, veterans, students, working families struggling to fill their gas tanks, heat their homes, and afford medical care.

Democrats are proud to join the faith community in rejecting programs, which would hurt America’s citizens and not just a privileged few.

This is a grave time in our Nation. We are in the midst of a tremendous social and economic crisis, thrust vividly into public view in the recent natural disasters along the Gulf Coast. The times demand profound changes if the quality of life is to improve for millions of families. Republicans’ budget is a reflection of who we are and what our priorities are as a Nation. It is inconceivable—in the wake of the devastating im-

ages to come.)

We watched as members of Congress vowed to help rebuild the Gulf Coast. We heard our representatives promise to make helping those affected by hurricanes Katrina and Rita a national priority. Yet despite those pledges, members of Congress now stand ready to cut $50 billion in essential programs that help those in need, while maintaining excessive tax cuts that help only the wealthy. The hurricanes were a natural disaster and this proposed reconciliation would be a moral disaster of monumental proportions—and it is one that can be avoided.

The role of government is to protect its people and work for the common good. This is not the time for the budget reconciliation process to create greater hardships for those who are already experiencing great suffering. To do so is not only unjust; it is a sin. It violates all the fundamental Christian principle of loving thy neighbor, caring for the poor, and showing mercy. As religious leaders, this violation is unacceptable to us.

(How is it that we show mercy for oil millionaires and not hurricane survivors? We urge you to change this destructive course of action for the sake of our nation and for generations to come.)

The outrage expressed by Americans across the country to the images of injustice following Hurricane Katrina—and the subsequent government response—these same citizens—is a message from the grassroots that our government’s priorities and budget must reflect American values by those most in need. Please call a halt to budget reconciliation negotiations that are detrimental and direct your attention to healing rather than harming our society.

Respectfully submitted,
Signed (as of October 19, 2005)

DEAR MEMBER OF CONGRESS: (As leaders of America’s major faith communities, we urge you at a moral ur-

gency for our Nation when hundreds of thou-
sands of our most vulnerable citizens are at risk.) We urge you to put aside partisan poli-
tics and pass a Federal budget that reflects the moral priorities of the wide majority of Americans. (We urge you to work for, not against, the common good of all of America’s citizens and not just a privileged few.

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Respectfully submitted,
Signed (as of October 19, 2005)
Chairman, Committee on the Budget, House of Representatives.

We urge you to oppose these proposed cuts in the House to programs that assist families who are working, children, the elderly and the disabled which will have very serious long lasting consequences for individuals, communities and in fact our Nation as a whole.

Increasing numbers of working families are seeking assistance from our agencies to meet basic needs even with the current levels of assistance they receive. Trapped at the bottom of the labor market, they are unable to meet the rising costs in housing, heating and transportation. The expenses these families face are not optional expenses; they must provide these basic needs for their families and are falling further and further behind. Among these families has emerged a new group, who because of a natural disaster, an event totally out their control, find themselves falling further and further behind. Those who were living on the margins before the disaster are now in fact destitute.

House committees have proposed a series of budget cuts to programs that will in fact make it impossible for these American families trying to meet the basic necessities of life for their members. These cuts are certain to have long-term effects on the children, elderly, and physically challenged. At the same time, the Energy and Commerce Committee proposed to Medicaid financed health care, thereby opening the door to allow states the ability to eliminate coverage for many services to children. Many of whom already skip eating to keep their homes and heat them will find it necessary to pay increased costs from their already stretched budgets for life-saving medication and treatments or go without.

The Ways and Means Committee has chosen to meet its deficit reduction targets by targeting poor families with children. The Committee’s proposals would reduce the safety net for which government has a moral as well as legal responsibility: protecting and collecting child support from absent parents.

The Committee proposes that low-income grandparents who make great sacrifices to raise abused and neglected children must forego aid from the government. The proposed cut in the foster care and adoption foster care funding would sharply increase work requirements for mothers of infants and toddlers. Many middle income families make the choice for mothers to work only part time to meet its deficit reduction targets by imposing without sufficient child care support from absent parents. These cuts, if implemented, would reduce federal child support programs by 40 percent, severely reducing states’ ability to collect child support for low- and moderate-income families. The Congressional Budget Office projects that child support collections would drop by $24.1 billion over the next ten years. Many states believe that these estimates underestimate the impact of the cuts on their ability to collect child support for families.

We are also deeply disappointed that the Committee’s TANF reauthorization proposal, which is included in its reconciliation package, would sharply reduce work requirements for mothers of infants and toddlers. Many middle income families make the choice for mothers to work only part time with children in need of constant attention. Even parents who can afford excellent child care often choose part time care for pre-schoolers, yet here Congress would be telling very poor single mothers that they have no choice but to put their children in full time day care while they struggle to survive on incomes which are, on average, less than the poverty level. With all the available research pointing to the importance of the relationships and care giving of children 0-2 on their brain development, this policy seems to suggest just the opposite.

Moreover, the increased work requirement would be imposed without sufficient child care funding for even the current work requirement. Without adequate resources, parents are forced to leave children in less than desirable circumstances with little or no stimulation. In the last Congress, the House agreed to an increase of at least $1 billion for child care, yet the Committee’s recommendations only half that, despite rapidly growing need.

The House Agriculture Committee’s proposal to “save” $944 million by cutting funding. The conservation program is inexcusable to us when U.S. Department of Agriculture reported last week that 38.2 million people lived in households that were “food insecure” in 2004—a government measure of the number of people who have difficulty meeting their food budgets. The USDA report shows that this food insecurity increased by almost two million people between 2003 and 2004. The Agriculture Committee proposal would reduce help for the working poor to qualify for food stamps, despite clear need.

In addition, legal immigrants who are already barred from receiving food stamps (and Medicaid and TANF) for the first 5 years they live and work in the U.S. would be denied food stamps for an additional 2 years. Even then the children of those who work full time at very low wages and elderly and disabled immigrants who are unable to work would be denied assistance. This proposal would reverse President Bush’s successful effort in 2002 to restore food stamp benefits to legal immigrants who have been in U.S. for five years.

On the other hand, the Energy and Commerce Committee package includes a provision for an additional $1 billion in mandatory spending for the Low Income Home Energy Assistance Program. Currently needed to help offset the ruinous increase in home heating costs to be borne this winter by millions of vulnerable people and families. We urge the House to include that provision in its reconciliation bill.

Taken as a whole, the proposals for cuts in programs that support low-income working families, families who take in vulnerable children and our elderly will have long term effects on the families and our nation. They would leave the most vulnerable among us poorer, sicker, hungrier, and more isolated.

On behalf of Catholic Charities USA, I strongly urge you to oppose cuts in programs that serve the poorest people in America. Our Catholic tradition teaches that society, acting through government, has a special obligation to consider first the needs of the poor, yet the proposed budget cuts put a disproportionate burden on the poor—those that can least afford it.

Sincerely,

FR. LARRY SNYDER
President, Catholic Charities USA.
of war, record deficits, rising poverty and hunger, and natural disasters. Cutting food stamps and health care that meets the basic needs of poor families would be a moral failure."

"As this moral battle for the budget unfolds, I am calling on Members of Congress, some of whom make much out of their faith, to start some Bible studies before they cast votes to cut food stamps, Medicaid, child care and more that hurt the weakest in our Nation. The faith community is drawing a moral line in the sand against these priorities. I call on political leaders to show political will in standing up for 'the least of these,' as Jesus reminds us to do.

For the past 4 weeks, Jim Wallis and religious leaders from diverse traditions have met with Members of Congress to discuss how social cuts for poor families and tax cuts for wealthy Americans are unconscionable and immoral. Budgets are moral documents and they reflect our national priorities and values. The name of social conscience, fiscal responsibility, equality of opportunity, protecting our communities and the very idea of a 'common good,' the upcoming budget votes will be closely watched by people of faith," said Wallis.

Mr. NUSSLE. Mr. Speaker, but still no plan.

But to close on our plan, Mr. Speaker, I yield the balance of my time to the distinguished gentleman from Illinois, Mr. HASTERT, the Speaker of the House.

Mr. HASTERT. Mr. Speaker, I thank the chairman for yielding me this time.

I guess we have heard it all. We have heard an argument wrapped in religious morality. We have heard revisionist history. We have actually heard a lot of words tonight. We have had epithets thrown back and forth across this hall, which does not make me proud, let alone not make the American people. But what we have to do is do the people's work. We were elected by the American people to make a difference.

Now, I remember 1993. I remember the last tax increase in American history. That is what they call 'fiscal integrity.' The American people rejected that. I also remember 1997. Maybe I have been around too long, but in 1997, we did deficit reduction. We also did welfare reform. If I remember right, we passed it once; it got vetoed. We passed it twice; it got vetoed. We passed it three times, and the President decided if he was going to get re-elected, he had better sign it, and then he couldn't push it through Congress.

In this body it has been the people on this side of the aisle that have done the tough work, that have done the homework, and have made a difference.

I also remember in 1999, 2000, and 2001, we paid down $500 billion of public debt. We wiped that debt off. I will tell my colleagues in 2001 we had 9/11. Three thousand people got killed in 45 minutes in this country. And we probably had to respond to that. And we have; then we had a deficit. The great bubble burst. It did not burst on their watch, but it burst because people were overleveraged and it was overheated. But we have responded. And we have had 10 consecutive quarters of 3 percent-plus economic growth because this party has worked hard to do what the American people sent us here to do.

You can talk about meanness and mean spiritedness, but will tell you the mean and spiritless thing we can do is to leave our children with a debt that they cannot pay. We can leave our children with a deficit. And you are right. You are right. Stand up and clap because we will leave our children with a deficit that they cannot spend down or save.

I will tell my colleagues when we look at this bill, we talk about the growth in Medicaid. Governors are calling us from both parties and saying, Help us do something, help us to have a plan to reform Medicaid so that we can save some money, so that we can offer more services to more people in a better way.

And you know what? We worked at it. We did have reform. And Medicaid is growing at a 7.3 percent growth rate per year. A 7.3 percent growth rate. It has been growing for years.

Is there a better way to do it? Is there a more efficient way to do it? Is there a more difficult way to make it better? Yes, we should. And we are bending that growth rate from 7.3 to 7 percent. Think about it.

The American people expect us to do what is right. The American people do not want all of these plagues of moral indignity. They want us to go to work. They want us to do our job. They want us to provide a better life for themselves and their children, and this majority will do it. It is our responsibility. We can start right now by voting for this bill.

Mr. KENNEDY of Rhode Island. Mr. Speaker, I would like to take this opportunity to share my concerns on the language in the Budget Reconciliation Act on Medicaid pharmacy payments. As I understand these provisions, states are required to pay dispensing fees to pharmacies for Medicaid prescriptions. While this might seem like a step forward, all states pay such fees now. Thus, we are really not ensuring adequate access to pharmacies by just specifying that states have to pay a dispensing fee. I represent a state with almost 200,000 Medicaid beneficiaries and by the end of this decade, one in five Rhode Islanders will have no choice but to turn to Medicaid for basic health care. As state fees are forced to enroll in Medicaid, it is their duty to ensure that they are able to access providers and pharmacies to receive the care they so desperately need.

This legislation sets a minimum $8 dispensing fee for generic drugs, but I will tell you is there a more efficient way to do it? Should we find some reforms to make it better? Yes, we should. And we are bending that growth rate from 7.3 to 7 percent. Think about it.

Help us do something, help us to have a plan to reform Medicaid so that we can save some money, so that we can offer more services to more people in a better way.
adopted. The Bush budget was passed by Congress and became law. In fiscal 2005 there was no surplus, but instead a deficit of $319 billion. Estimates indicate that these deficits will only get worse over the next ten years, and it will be hurricane victims and the poor who will pay the price. I cannot support the Deficit Reduction Act and I will vote against its enactment in its present form.

Ms. FOXX. Mr. Speaker, as a lawmaker, we constantly must make important decisions while various forces pressure us one way or the other. Frequently “doing the right thing” is not the most popular choice. Often, “doing the right thing” for the majority of Americans could negatively impact small factions in the process. Rarely is “doing the right thing” an easy thing to do.

But “doing the right thing” is what my constituents elected me to do. “Doing the right thing” is why I first sought public office, and why I will continue to do so as long as my body allows. “Doing the right thing” is why I have supported legislation for budget reconciliation and restrained spending. My constituents work hard for their money, and that money is not meant for the federal government to take and waste. I can’t take a difficult vote against the massive Hurricane Katrina spending bill because it was the right thing to do. It was not easy and it was not initially popular, but it was the right thing to do. Unfortunately I lost that vote, and as a result our government slipped even deeper into a mess as my constituents spend less on other things when they encounter emergency costs, the federal government must do the same.

Although it wasn’t the easy thing to do, we are now doing the right thing by slowing the growth of government spending to accommodate for the hurricane funding. Our Committee chairmen have been meticulous in cutting wasteful and duplicative spending so that the slowed growth that federal programs face will be minor. I am proud to have played a role in that process in the Education and Workforce and Agriculture Committees.

Over the past few weeks I have met with community pharmacists from North Carolina and my staff has spoken with dozens on the phone. The pharmacists believe that slowing the growth of the Medicaid bureaucracy will negatively impact them to the point that their pharmacies can no longer operate. As their Representative and as a customer of community pharmacies, those concerns are extremely important to me.

I approached Chairman BARTON and his staff on the issue, and if the changes made in this bill indeed adversely affect community pharmacists in the long term to the point that they can no longer operate, we must promptly revisit these along with legislation to fix some other technical fix. However, I can not in good conscience vote against a bill so important to our nation’s prosperity because of its effect on one important interest. That is not to say that their concerns did not weigh heavily on my mind: the good simply could not be thrown away for the perfect.

Voting for this bill is the right thing to do, and I hope we will continue to slow the growth of our federal government. My constituents know how best to spend their money—not politicians.

Mr. DINGELL. Mr. Speaker, today we are considering what my colleagues on the other side of the aisle call budget reconciliation. Ironically, they are being asked to rationalize cutting the very programs the hurricane survivors rely on. In fact, this budget will do more harm to the poor and unfortunate than the storms.

Let us be clear about the purpose of the legislation before us today: all of these spending cuts are going towards financing tax cuts. In recent years, deficits have been the largest in history—indicate that we are spending far beyond our means. I find it ironic that Republicans are calling this bill the “Deficit Reduction Act,” because it will actually increase the deficit.

Republicans are asking working families to foot the bill for a massive tax giveback for the wealthy. Due to the President’s previous tax policies, millionaires get an average tax cut of $103,000 a year and the new bill will continue this trend. By cutting financial assistance to the poor and sick, poor and the unfortunate will get a reduction in benefits.

I have been before this body on numerous occasions to discuss priorities, so it is not necessary to go into detail about how misguided this legislation is to do again. Why now, how the Republican fiscal policy has been working to stimulate the economy and create jobs. No one has yet seen the evidence of this so-called success. My people back in Michigan certainly are not celebrating any success. The Federal Government and not just in Michigan—poll after poll shows two-thirds of the American people disapprove of the way the President is handling the economy.

I frequently hear from constituents who are struggling just to make ends meet. From veterans who are not getting medical treatment, students trying to pay for college, farmers and laborers alike—all of these people are working hard to scrape by and make a decent living in this country. At minimum wage, they would earn $10,700 per year, barely one-tenth of the average tax giveback for millionaires.

Meanwhile, my colleagues will ask these hard-working Americans to foot the bill for another massive tax giveback. Those with particularly low incomes will be hurt the most. The reconciliation package will cut food stamps, student aid and Medicaid—all are programs which largely benefit the most vulnerable members of our society.

The current conflict in Iraq has been entirely funded by the deficit. During times of war, past presidents have found ways to curb the deficit through increased revenue, closing tax loopholes and budgetary enforcement rules such as PAYGO. President Reagan realized that his tax act was causing large deficits and so in 1982 he supported a repeal of the parts of his tax bill that had not been enacted. President George H.W. Bush also realized that the deficit was getting too large and increased taxes in 1990. It may not have been politically popular, but it was the right thing to do. Shocking as it may seem to Republicans, President Bush’s tax increase, along with President Clinton’s balanced budget, led us into an unprecedented period of surplus and economic well-being.

This Administration and this Congress have chosen to ignore the obvious, opting instead to keep the blinders on and march forward with their reckless tax policies. Republicans complain incessantly about “tax and spend” liberals, but all I see in Congress and the White House are “spend and spend” Republicans who cut programs which benefit ordinary Americans.

I know that many of my colleagues on both sides of the aisle have doubts about this legislation and I urge them to oppose it. This is not sound policy. We can do far better.

Mr. MORAN of Virginia. Mr. Speaker, this Republican-controlled Congress has fun high-er annual deficits and accrued more debt than ever before in the history of our Nation. This budgetary irresponsibility is leading us down a dangerous path and must be stopped.

After the devastation of Hurricanes Katrina and Rita, and with the continuing costs of our ill-advised war in Iraq, restoring fiscal discipline has taken on added urgency.

Our responsibility today is to decide how to begin to allocate the burden of restoring financial order. Our choice is straightforward: we can place the burden on those least able to bear it by cutting financial assistance to the poor and social services programs to the needy, or we can place it on those far more able to bear it by deferring the billions in tax cuts which were enacted just two years ago, some provisions of which have yet to take effect.

How we exercise this responsibility will reflect our philosophy on government, our faithfulness to the concept of a caring community, and the values of compassion and fairness we hold most important. The Federal Government should not retreat from its role of caring for those Americans who are most in need and of enabling every individual to participate in the remarkable opportunities that America has to offer. I believe that all Americans have a responsibility, and must have a desire, to share in our national burdens and to participate in our national response to crisis. And I believe that every action this Congress takes must reflect the values and principles that make this country so unique in its greatness.

This bill is contrary to each of these beliefs, for it imposes practically the entire burden of putting our fiscal house in order on the members of our national community who are least able to bear it.

This bill cuts more than $50 billion in mandatory spending on vital programs, such as food stamps, Medicaid, child support, student loans, SSI, and child care—$15 billion more than the $35 billion in mandatory cuts in the original budget resolution.

The bill will lead to 250,000 people losing food stamps, will result in children missing mental health treatment or simple aids like eye glasses because of the $12 billion in cuts from Medicaid, and will make it more difficult for students to pay back student loans.

The bill will cut child support programs and SSI benefits, and will force a decline in the number of children who receive child care while their single mothers work.

Soon after considering this bill, we will consider another bill that proposes to reduce federal taxes by $70 billion. These tax cuts, and the corresponding benefits, will affect a much different segment of Americans than the bill now under consideration. Indeed, the majority of these tax benefits will go to the 0.2 percent of Americans with annual incomes over $1 million.
Mr. Speaker, in strong opposition to this Republican Budget cut package.

First, let me state that I strongly support balancing the federal budget and paying off the national debt. I am tremendously proud that during the past two years, the U.S. House, Congress and the White House worked together in a bipartisan manner to balance the federal budget for the first time in a generation and produced record budget surpluses.

Unfortunately, the current Republican Congress has produced a budget plan with harmful cuts to essential services that does nothing to reduce the budget deficits or offset the costs of recovery from Hurricane Katrina or the ongoing war in Iraq. At a time when American families are getting squeezed, the budget reconciliation package cuts funding for priorities including Medicaid, student loans, child support and food stamps that assist the working poor and the middle class.

Specifically, this legislation will cut Medicaid by $1.9 billion, student loans by $4.3 billion, food stamps by $796 million and child support by $24.1 billion. The bill also breaks the promise of the Farm Bill by cutting $1 billion from agriculture support and $760 million from conservation. Although I am pleased this version of the bill abandons earlier attempts to open the Arctic Wildlife Refuge and coastal areas like the Outer Banks to oil and gas drilling and a few other modest improvements, these changes in no way compensate for the bill's fundamental flaws.

Congress should reject this legislation and go back to the drawing board to produce a responsible federal budget for the American people. I support pay-as-you-go (PAYGO) budget rules to enact budget discipline and restore fairness and equity to the budget process. I want Congress and the President to work together and find the bipartisan device to balance the budget once again, pay down the national debt and invest in our people and our country's economic competitiveness in the 21st century global marketplace.

I urge my colleagues to join me in voting against this budget cut package.

Mr. ORTIZ. Mr. Speaker, when we passed the federal budget earlier this year, Democrats offered an alternative that would have achieved a balanced budget in 10 years... 10 years... to spread out the pain of finally paying our bills again and freeing up the future for our children.

When we passed this budget last spring, we were told there was no fat in it—it was all bone. Well, when you cut bone, you fall down.

Today's cuts are striking out... even if this bill passes today, let it forever be known as the "3 strikes and you're out" budget.

Strike 1: It hits hard our senior citizens, who built this great country... 

Strike 2: It smacks our middle class that pays the taxes and struggles to pay the household bills... and

Strike 3: It dums on our children and students that represent the future of this nation.

Three strikes... congratulations, today Congress hasounted our three components of American society with these budget cuts.

But let's get to why this bill is before us today. We're not here because the hurricanes busted the budget... it's not the war... it's that many people in this House demand that we spend the Treasury's money on tax cuts for wealthier Americans. Period. It's about nothing more than spending this money on tax cuts—or, more appropriately: tax increases on our children.

The Budgets are a reflection of who we are and what we value. The budget cuts offered in the House of Representatives today—which I oppose—simply do not represent the values that we say are important to us in this nation.

South Texans have been astounded at the depth of cuts in the federal budget, which means Texas students will be less likely to stay in school or go to college... Low income Texas children will be sicker with the cut in health benefits... Seniors will lose essential services.

Today's bill will increase the deficit by $20 billion, give more tax cuts to the wealthy, and hurt those who use student loans, who need health care and who benefit from rural programs.

We have got to come up with a budget that represents the right priorities for students, seniors, Katrina families and rural Americans. We had an opportunity to vote for such a budget last spring, with the right priorities, that paid down the deficit—authored by JOHNN SPARRATT—but the House rejected it.

It is incumbent upon all of us in Congress to help all Americans, not just the wealthy few. We can do better than this—and we must.

Mr. SKEETON. Mr. Speaker, budgets illustrate the values of our nation. This year's budget reconciliation bill fails to live up to the values of the people I am privileged to represent in West Central Missouri.

The Republican budget opens the 2002 Farm Bill by reducing farm, rural development, and conservation programs; slashes Medicaid; diminishes financial aid programs for Missouri's college bound students; and denies low-income working families access to food and nutrition initiatives. These reductions in critical rural programs are recommended at the same time as Republicans push for more expansive tax cuts for the wealthiest in society.

Most of us in rural Missouri pride ourselves on being prudent with our money. We balance our checkbooks each month and do not dig too deep into debt. While running a family is much different than running a country, these common sense Show-Me State values ought to be replicated in Congress.

But instead, the Republicans are plunging our country deeper into debt by passing a budget that includes more tax cuts than spending cuts. The budget bill ignores our nation's growing economic need after Hurricane Katrina, Rita, and Wilma. It also fails to properly account for expected future supplemental spending requests for ongoing military operations.

Our nation's fiscal house is not in order and this bill does nothing to fix that. Congressional leaders and the President need to go back to the drawing board and meet in a bipartisan fashion to develop a budget that more adequately balances the interests—and values—of the American people. When George H.W. Bush faced a similar budget crisis, he had the courage to call a summit in his 1990 budget and to implement needed budget constraints.

America is better for it, and I hope that our leaders today will follow that example.

Mr. Speaker, the Republican budget reconciliation bill should be defeated. Congress must do better at representing the interests of every American, not just the wealthy few. I stand ready to work with all my colleagues in a bipartisan fashion, ensuring that the budget we prepare truly represents the values of a caring nation.

Mr. HOLT. Mr. Speaker, I rise today to oppose strongly the budget reconciliation bill under consideration. Those who support this bill claim it imposes spending discipline to pay for the costs of Hurricane relief; in truth, it only continues the majority's pattern of taking from the middle class and the needy to give it to the wealthiest percent.

The American people came together to respond to the devastation caused by Hurricane Katrina. Families donated record amounts to the Treasury and opened their doors to those displaced by the storm. But now the Republicans are using Katrina to divide our Nation again. They claim that deep cuts of $54 billion are needed in programs like Medicaid, food stamps and child support enforcement to pay for Hurricane relief. They propose $70 billion in tax cuts for the wealthiest Americans that we will be considering shortly.

Mr. Speaker, these cuts are being made on the backs of the working poor, seniors and middle class families. In many cases, those who have the least are being made to sacrifice the most. For example, there are about one million Medicaid recipients in New Jersey. Almost half of them are children. This budget reconciliation bill would slash Medicaid by $11.4 billion, putting our nation's most vulnerable citizens, including those affected by Hurricanes Katrina, Rita, and Wilma, at risk of losing the only health insurance they have.

Another provision in the bill cuts $796 million from food stamps. Again, how can the majority even consider these cuts when the hurricanes cost hundreds of thousands of Americans their homes and livelihoods? Cutting food stamps for the impoverished while giving tax breaks to wealthiest America is not just bad policy, it is immoral.

New Jersey is hit particularly hard by many of the cuts in this bill. We all know that the price of heating a home, either with natural gas or heating oil will be extremely high this year because of rising energy prices. Families are bracing for higher bills. And yet, the Low Income Home Energy Assistance Program, which helps people pay their energy bills when it is needed most is being cut by more than $10 million in New Jersey alone. As a result, about 20,000 New Jerseyans are expected to lose needed assistance after Hurricane Katrina. Well-to-do families receiving tax breaks instead will sleep in warm homes this winter. Why the majority is choosing this path baffles and sorely disappoints me.

The list of cuts goes on. In New Jersey alone 3,000 mothers will be dropped from the Women Infant Child (WIC) program which helps mothers care for their babies before and after birth by ensuring they get proper healthcare, food and training for being a parent. Five hundred children in New Jersey currently attending Head Start will be cut out of the country's most important children's development program. Two thousand, nine hundred low-income and disabled people will be cut from Section 8 housing vouchers, all in New...
Jersey alone. New Jersey will lose $11 million for cleaning water for drinking and recreation. Child support enforcement is also slashed. Mr. Speaker, I thought the majority believed in accountability and in fathers paying a fair share for the upbringing of their children. If they do, why are they cutting funding for enforcing child support by nearly $5 billion?

A college education will soon get even more expensive if this bill passes. 125,000 college students in New Jersey will be affected. That’s because the plan makes $14.3 billion in cuts to federal student financial aid, the largest cut in history. The result will be nearly $8 billion in new charges that will raise the cost of college loans—through new fees and higher interest—for millions of American students and families who borrow to pay for college. For the typical student borrower, already saddled with $17,500 in debt, these new fees and higher interest charges could cost up to $5,800.

It is wrong to cut financial aid for students and families struggling to pay for college in order to pay for more tax breaks for the richest Americans. Financial barriers should never prevent a qualified student from going to college, and that is why America has long since made the commitment to help all Americans pay for it. Federal support for student loans is good for our economy and world leadership. Using these funds to pay for tax breaks for people who need them least robs us of an important investment in our future.

Mr. Speaker, this budget reconciliation bill is terribly misguided. Why should we have yet another tax cut for the top one percent, paid for with cuts to investments in critical areas like health, education and environment? And why, further, should we go even deeper into debt—borrowing even more money from China—for plans that we should be ashamed to force upon our children and grandchildren? Together we can do better, Mr. Speaker. I urge my colleagues to oppose this bill.

Mr. V. HOLLIDAY. Mr. Speaker, I rise today in strong opposition to this reckless and misguided budget reconciliation package.

At their heart, budgets are about our priorities. And the priorities we choose reflect the values we hold.

Mr. Speaker, I do not believe this budget represents the priorities of the American people—and it flies directly in the face of the values that have always made this nation shine.

First of all, let’s dispense with the fiction that this measure is some kind of down payment on the majority’s newfound commitment to fiscal responsibility. In point of fact, the net effect of these spending cuts—when paired with their accompanying tax cuts—will be to actually increase the deficit by $20 billion. So much for fiscal responsibility.

And where are these cuts coming from? Are we scaling back the billions in excess payments to HMOs and drug companies in the Medicare bill? Or the billions in tax breaks for corporate interests in the FSC/ETI bill? Or the billions in tax breaks for highly profitable oil companies? Of course not.

Instead, in the aftermath of a lethal hurricane, with stagnant wages and rising poverty, 45 million Americans uninsured, and unprecedented global competition, we are slashing Medicaid for the poor, food stamps for the hungry, and financial assistance to families trying to afford college.

This budget is a disgrace. Parts of our Nation were recently devastated by a natural disaster. Tonight, the damage being done is entirely man-made, and entirely avoidable. The wounds are self-inflicted. Because I sit on the Education and Workforce Committee, I want to say a word about the Republicans’ unprecedented Raid on Student Aid.

When the Higher Education Act was signed into law in 1965, it began a 40-year federal commitment to throw open the doors of higher education to every college-ready student, regardless of their family’s income. It was the right thing to do for our students—and the smart thing to do for our country.

You see, in addition to the importance of giving every child the opportunity to reach his or her full potential, the reality is that college graduates earn $1 million more over their lifetime than their counterparts who don’t attend college. That’s an enormous return the taxpayers’ original investment—an investment that is only getting more important as we compete to win in the global marketplace of the 21st century.

Which is why it is simply astonishing that this package includes the single largest cut to federal student aid in the 40-year history of the Higher Education program. By draining $15 billion out of student financial assistance, we are effectively taking $5800 onto the cost of college for today’s average student. We are making college less affordable at a time when we should be doing precisely the opposite. Predictably, the result will be less people going to college.

The Congressional Advisory Committee on Student Financial Assistance has already projected that financial barriers will prevent 4.4 million high school graduates from attending a four-year public college over the next decade, and another two million high school graduates from attending any college at all. This reconciliation package is going to make that statistic much, much worse.

And for what? To pay—or I should really say partially pay—for tax cuts, over 50 percent of which go to the top 2 percent of households already earning over $1 million a year. Mr. Speaker, the choices in our budgets should reflect the values and priorities of the American people. This budget fails that test. I urge my colleagues to oppose this bill.

Ms. SCHAKOWSKY. Let’s have a little reality check, Mr. Speaker. There are Republicans cowering in fear right now about their vote on this immoral budget bill. That’s right. There are Republicans right now, huddled in their offices, who are scared to death that their hard working constituents will be furious if they vote for cutting student loans for their kids, or cutting health care for pregnant woman and little children, or literally taking food out of the mouths of hungry kids so that rich people can get tax cuts.

Mr. Speaker, those Republicans ought to be scared and I want to offer them some friendly advice. Remember, I warned them that seniors would be very unhappy with the Medicare prescription drug bill they insisted on passing, and I was right. So now I’m warning you that, no matter how sarcastic or self-righteous your leaders get tonight, your constituents get it: cuts for seniors, cuts for students, cuts for millionaires, and unprecedented increases in deficits. Don’t kid yourself. The American people see it.

It is very dangerous to underestimating the American people, and there are many Republicans that know that. All the fancy arguments that say “reduced spending is not really a cut” are going nowhere, and they know it. They can walk the plank for their leaders tonight, but if they think they are going to get away with it, they should think again.

Mr. HONDA. Mr. Speaker, rise in strong opposition to H.R. 4241, legislation that will require approximately $57 billion in federal spending reductions. Deceptively titled the Deficit Reduction Act, the bill resorts to trickery—a sleight of hand in which fiscal responsibility is promised, but in fact H.R. 4241 could actually increase the deficit by $35 billion, while instituting draconian cuts to essential federal programs, such as Medicaid and student loan.

Proponents of the bill suggest that such cuts are necessary to offset the recovery and reconstruction costs of Hurricanes Katrina and Rita. The cuts to federal student aid in H.R. 4241 could actually increase the deficit by $35 billion, while instituting draconian cuts to essential federal programs, such as Medicaid and student loan.

The American people should not be misled. These long-planned spending cuts have little to do with Biloxi or Baghdad. They, instead, are a necessary prelude to another Republican effort to shepherd through Congress tax cuts that disproportionately benefit the wealthiest Americans. In fact, the Deficit Reduction Act is a part of a much broader budget resolution that calls for a total of $106 billion in additional tax cuts.

With tax cuts for the rich in the offing, Republicans propose to restore fiscal restraint by imposing cuts to federal programs that benefit the most vulnerable Americans. The bill, for example, cuts Medicaid spending by $11.4 billion. Since 2003, Congress has approved three colossal supplemental spending bills for the war and reconstruction effort in Iraq without providing any offsets as proposed by Democrats. Why are Republicans suddenly so interested in off-setting cuts in Medicaid, Biloxi, but not the reconstruction of Baghdad? The American people should not be misled. These long-planned spending cuts have little to do with Biloxi or Baghdad. They, instead, are a necessary prelude to another Republican effort to shepherd through Congress tax cuts that disproportionately benefit the wealthiest Americans. In fact, the Deficit Reduction Act is a part of a much broader budget resolution that calls for a total of $106 billion in additional tax cuts.

The bill would allow states to increase cost-sharing and impose new premiums on many categories of Medicaid beneficiaries. Research shows that when cost-sharing is increased significantly for low-income people, their use of health care services declines and their health status worsens. To make matters worse, H.R. 4241 allows states, for the first time, to let healthy, non-elderly, non-disabled adults who are going nowhere, and they know it. They can walk the plank for their leaders tonight, but if they think they are going to get away with it, they should think again.

Mr. Speaker, those Republicans ought to be scared and I want to offer them some friendly advice. Remember, I warned them that seniors would be very unhappy with the Medicare prescription drug bill they insisted on passing, and I was right. So now I’m warning you that, no matter how sarcastic or self-righteous your leaders get tonight, your constituents get it: cuts for seniors, cuts for students, cuts for millionaires, and unprecedented increases in deficits. Don’t kid yourself. The American people see it.

The Republican budget reconciliation bill also calls for $14.3 billion in cuts to student loan programs. The State of California has the highest number of student borrowers at 496,822. Tuition at public universities has skyrocketed by 57 percent over the last five years. Yet the GOP proposes the largest cut in the history of student aid—resulting in the typical student borrower having to pay as much as $5,800 more for his or her college
The provisions pending in the budget reconciliation bill before us today, however, would under the guise of reforming the Mining Law of 1872, signed into law by President Grant, and still on the books today, transform this law into a general federal lands sale program with no nexus to mining. As the Denver Post editorialized today, "the amendments really aren't about mining; they're about real estate speculation." The editorial noted: "It's an invitation to condo developers, mini-mansion homebuilders and other speculators to snatch up federal lands that otherwise would never leave federal ownership.

With a wink and a nod, this budget proposal sells not just the minerals under these federal lands, but the pristine lands that just happen to be located near high-priced zip codes. Because these provisions eliminate the existing moratorium on the patenting—the sale—of mining claims and dissociate the act of staking and maintaining a mining claim on western federal lands from having to make a showing that a valuable mineral deposit actually exists, under one of a 'mining law' vast areas of federal lands would be put on the sales block for either $1,000 an acre or the fair market value of the surface estate, regardless, and I stress, regardless, of whether there are billions of dollars worth of underlying valuable hardrock minerals such as gold and silver.

Ironically, these provisions have the potential to put on the sales block more than 270 million acres of federal lands, equivalent to what was disposed of under the Homestead Act of 1862.

And to be clear, these land sales could take place in National Forests, Wilderness Study Areas and Areas of Critical Environmental Concern. Further, while the legislation purports to exempt National Parks, it does nothing to stop the sale of the 900 mining claims already existing in park units to developers.

We are literally looking at the prospect of McDonalds, Wal-Marts, condos, or any other type of commercial or private developmentsspringing up smack dab within some of America's most cherished units of the National Park System.

Incredible, simply incredible, and all being done without a single Congressional hearing on these provisions.

I am on record as having requested the Rules Committee to omit these provisions from the budget reconciliation bill or in the alternative, allow me to offer an amendment which I am certain would have garnered sufficient votes to strip these egregious provisions from the legislation.

I was not afforded an opportunity to offer that amendment. But I can guarantee one thing, as this proposed massive give-away of public lands, but the pristine lands that just happen to be located near high-priced zip codes. Because these provisions eliminate the existing moratorium on the patenting—the sale—of mining claims and dissociate the act of staking and maintaining a mining claim on western federal lands from having to make a showing that a valuable mineral deposit actually exists, under one of a 'mining law' vast areas of federal lands would be put on the sales block for either $1,000 an acre or the fair market value of the surface estate, regardless, and I stress, regardless, of whether there are billions of dollars worth of underlying valuable hardrock minerals such as gold and silver.

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I was not afforded an opportunity to offer that amendment. But I can guarantee one thing, as this proposed massive give-away of the public's lands become more known to the American public there will be a great hue and cry.

These provisions not only turn over many of our most cherished natural resource heritage sites to development, but will rob the public of recreational activities and tourism. They will be met with "no trespassing signs" on lands they have traditionally used for hunting, fishing and other recreational pursuits.

There are alternatives. Rather than enact these horrific provisions which CBO estimates would raise a paltry $158 million over the next five years, we could, as I have long advocated, engage in real reform of the Mining Law of 1872.

We should maintain the bipartisan moratorium on the patenting of mining claims that I advocated and which has been in place since fiscal year 1994, and impose an 8% royalty on production of valuable minerals from mining claims which would raise $350 million over the next five years.

For these reasons, and many others, I urge a no vote on this ill-conceived budget bill.

**NEUGBAUER**

Mr. Speaker, the federal government is facing a serious deficit due to recession, attacks on our Nation and the ongoing war on terrorism. The good news is that the deficit is going down, and although it doesn’t go as far as I would like, this legislation reduces the deficit further.

Much-needed tax relief helped boost the economy and create more than 4 million jobs since May of 2003. Following three straight years of tax relief, tax revenues are up and the deficit is down by nearly $200 billion.

The growing economy makes a difference, but Congress must also take action on the spending side of the equation. For the first time in more than 20 years, we are on track to reduce discretionary spending by almost one percent. However, for federal spending takes place through programs with budgets that essentially run on auto-pilot.

Until we address the runaway spending growth in these programs, which is outpacing growth of the economy, Congress will never be able to balance the budget.

Republicans in Congress have developed a plan that will reform these auto-pilot programs and save taxpayer dollars in order to reduce the deficit. The Deficit Reduction Act includes program reforms totaling nearly $30 billion in net savings over the next five years. To put this in perspective, this slows the rate of growth in the automatic portion of the budget by one-tenth of a percent. No, this is not nearly enough to close the deficit gap, but it is an important start that will have positive effects.

Although I support the savings in this bill, I am extremely disappointed that the portion of our plan that would reduce dependency on foreign oil by allowing exploration in a small portion of the Arctic Refuge was struck from the bill. Raising $3.678 billion over five years through oil and gas leases would not only help reduce the deficit but would also increase our energy security. The House has overwhelmingly voted to open ANWR in the past, and there is no good reason why this bill should not include it.

All areas of government must contribute to the savings in this bill, and agriculture is no exception. However, with high fuel costs, the last thing our producers need is to bear a disproportionate burden of the deficit-reducing efforts. In order to ensure that our contribution treats farmers fairly, protects the core policies of the 2002 Farm Bill, and looks at all areas of spending within USDA. Our plan reduces farm program direct payments by just one percent for the next four years and delays eligibility for the competitiveness program until August, 2006.

I support the reforms we are making in the food stamp program to help ensure that benefits are going to those who are truly eligible and in need. Despite the claims to the contrary, we are not reducing nutrition assistance for a single U.S. citizen who meets the eligibility requirements. Rather, our reforms will direct benefits to U.S. citizens and discontinue
the practice of automatically granting enrollment to certain groups of recipients without first determining their eligibility. This irresponsible practice has resulted in millions of dollars of benefits going to those who are not eligible.

Our plan strengthens Medicaid, which has helped many low-income Americans gain access to healthcare. Federal Medicaid spending has increased 97 percent since 1995 and will continue to grow by an unsustainable seven percent each year if no reforms are made.

Because Medicaid represents a large share of state budgets, provisions offered by a bipartisan coalition of governors are included in our plan. These provisions include requiring more accurate prescription drug pricing and closing loopholes that have allowed wealthy Americans to deplete their assets and collect benefits intended for those who truly need them. We also require states to better enforce current laws and prevent illegal immigrants from getting Medicaid. These reforms will save $12 billion through the end of this decade.

Some have questioned the fiscal responsibility of our proposals and their allies outside these halls, attack this plan and willfully misrepresent the effects it will have on Americans. Let’s be clear: Congress is not cutting programs. What we are doing is taking a step to slow the unsustainable growth rate of these programs and reform them to prevent waste and abuse.

Those who criticize this effort have offered no alternative of their own. Because they are bereft of new ideas, they are content to carp from the sidelines. But left to their own devices, they would increase taxes on hardworking American families to deplete their assets and collect benefits intended for those who truly need them. We also require states to better enforce current laws and prevent illegal immigrants from getting Medicaid. These reforms will save $12 billion through the end of this decade.

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toward fiscal responsibility by declaring a 10 percent reduction in real spending, followed by a renewed commitment to reduce spending in a manner consistent with our obligation to uphold the Constitution and the priorities of the American people. This is the only way to make real progress on reducing spending without cutting programs for the poor while increasing funding for programs that benefit foreign governments and corporate interests.

Mr. SPRATT. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. The question is on the motion offered by Mr. SPRATT, and agreeing to the resolution, H. Res. 546, as amended.

Yeas and nays are ordered.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida (Ms. ROS-LEHTINEN) that the House suspend the rules and agree to the resolution, H. Res. 546, as amended, and that a committee of seven members, composed of members of the majority party and the minority party in each House, be appointed to report thereon.

Mr. GUTIERREZ changed his vote from "aye" to "no."

Mr. GILCHREST and Mr. LA TOURETTE changed their vote from "no" to "yea."

So the bill was passed. The result of the vote was announced by the Acting Clerk. A motion to reconsider was laid on the table.

CONDEMNING TERRORIST ATTACKS IN JORDAN

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and agreeing to the resolution, H. Res. 546, as amended.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida (Ms. ROS-LEHTINEN) that the House suspend the rules and agree to the resolution, H. Res. 546, as amended.

The resolution was agreed to, yeas 409, nays 0, not voting 2, as follows: [Roll No. 662]
Mr. NUSSLE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 4241.

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

There was no objection.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Ms. Curtis, one of its clerks, announced that the Senate has passed a bill of the following title: H.R. 4236. An act to authorize the Secretary of the Navy to enter into a contract for a nuclear refueling and complex overhaul of the U.S.S. Carl Vinson (CVN-70).

The message also announced that the Senate has passed a bill of the following title in which the concurrence of the House is requested:

S. 705. An act to establish the Interagency Council on Meeting the Housing and Service Needs of Seniors, and for other purposes.

AUTHORIZING THE CLERK TO MAKE CHANGES IN ENGROSSMENT OF H.R. 4241, DEFICIT REDUCTION ACT OF 2005

Mr. NUSSLE. Mr. Speaker, I ask unanimous consent that the Clerk be authorized to make technical and conforming corrections to the text of H.R. 4241, as passed by the House.

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

There was no objection.

THANKING STAFF FOR THEIR WORK ON THE DEFICIT REDUCTION ACT

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

Mr. NUSSLE. Mr. Speaker, I would like to speak out of order for a moment just to thank the staff of the Budget Committee, Jim Bates, a very able staff that put together the bill. I also would like to thank so many of the leadership staff that do such good work around here and the committee staff that put all of this together. They did an excellent job and they deserve a lot of credit for that work.

DEFICIT REDUCTION OMNIBUS RECONCILIATION ACT OF 2005

Mr. NUSSLE. Mr. Speaker, pursuant to section 3 of House Resolution 560, I call up the Senate bill (S. 1932) to provide for reconciliation pursuant to section 202(a) of the concurrent resolution on the budget for fiscal year 2006 (H. Con. Res. 95), and ask for its immediate consideration in the House.

The Clerk reads the title of the Senate bill.

The text of the Senate bill is as follows:

S. 1932

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

SECTION 1. SHORT TITLE.

This Act may be cited as the “Deficit Reduction Omnibus Reconciliation Act of 2005”.

SEC. 2. TABLE OF CONTENTS.

The table of contents for this Act is as follows:

Title I—Committee on Agriculture, Nutrition, and Forestry

Sec. 1001. Short title.

Subtitle A—Commodity Programs

Sec. 1101. Cotton competitiveness provisions.

Sec. 1102. Forfeiture penalty for nonrecourse payments.

Sec. 1103. Cotton competitiveness provisions.

Sec. 1104. National dairy market loss payments.

Sec. 1105. Advance direct payments.

Subtitle B—Conservation

Sec. 1201. Conservation reserve program.

Sec. 1202. Conservation security program.

Sec. 1203. Environmental quality incentives program.

Subtitle C—Miscellaneous

Sec. 1301. Initiative for future agriculture and food systems.

Title II—Committee on Banking, Housing, and Urban Affairs

Subtitle A—Merger of the Deposit Insurance Funds


Sec. 2003. Merger of BIF and SAIF.


Sec. 2006. Other technical and conforming amendments.

Sec. 2007. Effective date.

Subtitle B—Deposit Insurance Modernization and Improvement

Sec. 2101. Short title.

Sec. 2102. Changes to Federal deposit insurance coverage.

Sec. 2103. Designated survivor ratio.

Sec. 2104. Assessment credits and dividends.

Sec. 2105. Assessments-related records retention and statute of limitations.

Sec. 2106. Increase in fees for late assessment payments.

Sec. 2107. Regulations required.

Sec. 2108. Studies of potential changes to the Federal deposit insurance system.

Sec. 2109. Effective date.
Sec. 7715. Applications for demonstration projects to ensure students with disabilities receive a quality higher education.

Sec. 7716. Authorization of appropriations for the demonstration projects to ensure students with disabilities receive a quality higher education.

Chapter 9—Miscellaneous

Sec. 7801. Miscellaneous.

Chapter 10—Amendments to Other Laws

Subtitle A—Education of the Deaf Act of 1966

Sec. 7901. Laurent Clerc National Deaf Education Center.

Sec. 7902. Agreement with Gallaudet University.

Sec. 7903. Agreement for the National Technical Institute for the Deaf.

Sec. 7904. Cultural experiences grants.

Sec. 7905. Audit.

Sec. 7906. Reports.

Sec. 7907. Monitoring, evaluation, and reporting.

Sec. 7908. Liaison for educational programs.

Sec. 7909. Federal endowment programs for Gallaudet University and the National Technical Institute for the Deaf.

Sec. 7910. Oversight and effect of agreements.

Sec. 7911. International students.

Sec. 7912. Research priorities.

Sec. 7913. Authorization of appropriations.

Subtitle B—United States Institute of Peace Act

Sec. 7921. United States Institute of Peace Act.

Subtitle C—The Higher Education Amendments of 1998

Sec. 7931. Repeals.

Sec. 7932. Grants to States for workplace and community transition training for incarcerated youth offenders.

Subtitle D—Indian Education

Part I—Tribal Colleges and Universities

Sec. 7941. Reauthorization of the Tribally Controlled College or University Assistance Act of 1978.

Part II—Navajo Higher Education

Sec. 7945. Short title.

Sec. 7946. Reauthorization of Navajo Community College Act.

Subtitle D—Hurricane Relief

Sec. 7947. Findings.

Sec. 7948. Immediate aid to restart school operations.

Sec. 7949. Hold harmless for local educational agencies serving major disaster areas.

Sec. 7950. Teacher and paraprofessional reciprocity delay.

Sec. 7951. Assistance for homeless youth.

Sec. 7952. Temporary emergency impact aid for displaced students.

Sec. 7953. Original allotment for student loans.

Sec. 7954. Authorization and appropriation of funds.

Sec. 7955. Sunset provision.

Title VIII—Committee on the Judiciary

Sec. 8001. Recapture of unused viss numbers.

Sec. 8002. Fees with respect to immigration services for intracompany transferees.

Sec. 8003. Justice programs.

Sec. 8004. Copyright program.

Division A—Amtrak Reauthorization

Sec. 1. Short title.

Sec. 2. Amendment of Title 49, United States Code.

Title I—Authorizations

Sec. 101. Authorization for Amtrak capital and operating expenses and State capital grants.

Sec. 102. Authorization for the Federal Railroad Administration.

Sec. 103. Repayment of long-term debt and capital leases.

Sec. 104. Excess railroad retirement.

Sec. 105. Other authorizations.

Title II—Amtrak Reform and Operational Improvements

Sec. 201. National railroad passenger transportation system defined.


Sec. 203. Establishment of improved financial accounting system.

Sec. 204. Development of 5-year financial plan.

Sec. 205. Establishment of grant process.

Sec. 206. State-supported routes.

Sec. 207. Independent auditor to establish methodologies for Amtrak route and service planning decisions.

Sec. 208. Metrics and standards.

Sec. 209. Passenger train performance.


Sec. 211. Alternate passenger rail service program.

Sec. 212. Employee transition assistance.

Sec. 213. Northeast corridor state-of-good-repair plan.

Sec. 214. Northeast corridor infrastructure improvements.

Sec. 215. Restructuring long-term debt and capital leases.

Sec. 216. Study of compliance requirements at existing intercity rail stations.

Sec. 217. Incentive pay.

Sec. 218. Access to Amtrak equipment and services.

Sec. 219. General Amtrak provisions.

Sec. 220. Private sector funding of passenger rail project.

Sec. 221. On-board service improvements.

Sec. 222. Amtrak management accountability.

Title III—Intercity Passenger Rail Policy

Sec. 301. Capital assistance for intercity passenger rail service.

Sec. 302. State rail plans.

Sec. 303. Next generation corridor train equipment pool.

Sec. 304. Federal rail policy.

Sec. 305. Rail corridor research program.

Title IV—Passenger Rail Security and Safety

Sec. 401. Systemwide Amtrak security upgrades.

Sec. 402. Fire and life-safety improvements.

Sec. 403. Amtrak plan to assist families of passengers involved in rail passenger accidents.

Sec. 404. Non-urban border rail passenger report.

Sec. 405. Passenger, baggage, and cargo screening.

Title I—Committee on Agriculture, Nutrition, and Forestry

Sec. 1001. Short title.

This title may be cited as the “Agricultural Reconciliation Act of 2005”.

Subtitle A—Commodity Programs

Sec. 1101. Reduction of Commodity Program Payments.

(a) In General.—Subtitle F of title I of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 7901 et seq.), is amended by adding at the end the following:

“SEC. 1619. REDUCTION OF COMMODITY PROGRAM PAYMENTS.

“(a) Definition.—The term ‘commodity program payments’ means—

“(1) direct payments;

“(2) counter-cyclical payments; and

“(3) payments and benefits associated with the loan program, including gains from the disposal of any commodity pledged as collateral for loans and gains from in-kind payments described in section 166 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7916), as determined by the Secretary.

“(b) Reduction.—

“(1) In General.—Notwithstanding any other provision of this section, for each of the 2006 through 2010 crop years for wheat, corn, grain sorghum, barley, oats, upland cotton, extra long staple cotton, rice, soybeans, flaxseed, cottonseed, sunflower seeds, wool, dry peas, lentils, small chickpeas, unshorn pelts, silage, hay, and peanuts, the Secretary shall reduce the total amount of commodity program payments received by the producers on a farm for those commodities for that crop year by an amount equal to 2.5 percent of that amount.

“(2) MILK.—During the period beginning on October 1, 2005, and ending on September 30, 2007, the Secretary shall reduce the total amount of payments received by producers pursuant to section 1502 by an amount equal to 2.5 percent of that amount.”.

(b) Commodities.—

“(1) In General.—Title I of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 7901 et seq.), including each amendment made by that title, is amended by striking “2007” each place it appears (other than in sections 1104(1), 1304(c), and 1307(3) and amendments made by this title) and inserting “2011”.

“(2) Cotton.—Sections 1209(b)(1) and 1209(b) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 7934(e)(1), 7938(a)) are amended by striking “2008” each place it appears and inserting “2012”.

Title II—Forfeiture Penalty for Non-Recourse Sugar Loans

Section 156 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7272) is amended—

(1) by redesignating subsections (h), (i), and (j) as subsections (i), (j), and (k), respectively; and

(2) by inserting after subsection (g) the following:

“(b) Forfeiture Penalty.—

“(1) In General.—In the case of each of the 2006 through 2010 crops of sugar beets and sugarcane, a penalty shall be assessed on the forfeiture of any sugar pledged as collateral for a nonrecourse loan under this section.

“(2) Amount.—The penalty for sugar beets and sugar beets under this subsection shall be 1.2 percent of the loan rate established for sugar beets and sugar beets under subsections (a) and (b), respectively.

“(3) Effect of Forfeiture.—Any payments owed producers by a processor that forfeits any sugar pledged as collateral for a nonrecourse loan shall be reduced in proportion to the loan forfeiture penalty incurred by the processor.

“(4) Crops.—This subsection shall apply only to the 2006 through 2010 crops of sugar beets and sugarcane.”.

Title III—Cotton Competitiveness Provisions

(a) In General.—Section 1207 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 7937) is amended—

(1) by striking the section heading and in paragraphs (1) and (2) by inserting after subsection (g) the following—

“(b) Cotton.—Sections 1209(e)(1) and 1209(a) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 7934(e)(1), 7938(a)) are amended by striking “2008” each place it appears and inserting “2012”.
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(i) in subparagraph (B), by striking "adjusted for the value of any certificate issued under subsection (a)"; and
(ii) in subparagraph (C), by striking "for the value of any certificates issued under subsection (a)"; and
(B) in paragraph (4), by striking "subsection (c)" and inserting "subsection (b)"; and
(5) in subsection (b)(2) (as so redesignated), by striking "subsection (b)" and inserting "subsection (a)".
(b) SUSTAINING.—Section 136 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7236) is repealed.
(c) EFFECTIVE DATE.—The amendments made by this section take effect on August 1, 2006.

SEC. 1104. NATIONAL DAIRY MARKET LOSS PAYMENTS.

(a) AMOUNT.—Section 1102(c) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 7982(c)) is amended by striking paragraph (3) and inserting the following:

"... (D) during the period beginning on the first day of the month the producers on a dairy farm enter into a contract under this section ending on September 30, 2005, 45 percent; and "(B) during the period beginning on October 1, 2005, and ending on September 30, 2007, 34 percent; "(b) DURATION.—Section 1002 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 7982) is amended by striking "2005" each place it appears in subsections (f) and (g)(1) and inserting "2007".
(c) CONFORMING AMENDMENTS.—Section 1002 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 7982) is amended—
(1) in subsection (g)(1), by striking "and subsection (h)"; and
(2) by striking subsection (b).

SEC. 1105. ADVANCE DIRECT PAYMENTS.

(a) IN GENERAL.—Section 1240B(a)(1) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7261(b)(3)) is amended by striking "2005" each place it appears in subparagraphs (B) and (C) and inserting "2006".
(b) LIMITATION ON PAYMENTS.—Section 1240G of the Food Security Act of 1985 (16 U.S.C. 3883a-7) is amended by striking "more than $6,000,000,000" in fiscal year 2006 and inserting "more than $6,000,000,000" in fiscal year 2006 through 2015.
(c) IMPLEMENTATION.—In implementing the amendments made by this section, the Secretary of Agriculture shall achieve the new maximum acreage enrollment limit not later than 3 years after the date of enactment of this Act without affecting conservation reserve existing contracts.

SEC. 1106. CONSERVATION SECURITY PROGRAM.

(a) IN GENERAL.—Section 1239A(a) of the Food Security Act of 1985 (16 U.S.C. 3883a(a)) is amended by striking "2007" and inserting "2011".
(b) FUNDING.—Section 1241a(3) of the Food Security Act of 1985 (16 U.S.C. 3881a(3)) is amended by striking "not more than $6,000,000,000" and all that follows through "2014" and inserting the following:

"(A) $1,954,000,000 for the period of fiscal years 2006 through 2010; and "(B) $5,300,000,000 for the period of fiscal years 2006 through 2015."...

SEC. 1107. ENVIRONMENTAL QUALITY INCENTIVES PROGRAM.

(a) IN GENERAL.—Section 1240B(a)(1) of the Food Security Act of 1985 (16 U.S.C. 3883a-2(a)(1)) is amended by striking "2007" and inserting "2011".
(b) LIMITATION ON PAYMENTS.—Section 1240G of the Food Security Act of 1985 (16 U.S.C. 3883a-7) is amended by striking "more than $6,000,000,000" in fiscal year 2006 and inserting "more than $6,000,000,000" in fiscal year 2006 through 2015.
(c) IMPLEMENTATION.—In implementing the amendments made by this section, the Secretary of Agriculture shall achieve the new maximum acreage enrollment limit not later than 3 years after the date of enactment of this Act without affecting conservation reserve existing contracts.

SEC. 1108. NATIONAL DAIRY MARKET LOSS PAYMENTS.

(a) AMOUNT.—Section 1102(c) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 7982(c)) is amended by striking "2005" each place it appears in subsections (f) and (g)(1) and inserting "2007".
(b) DURATION.—Section 1002 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 7982) is amended—
(1) in subsection (g)(1), by striking "and subsection (h)"; and
(2) by striking subsection (b).

SEC. 1201. CONSERVATION RESERVE PROGRAM.

(a) IN GENERAL.—Section 1231 of the Food Security Act of 1985 (16 U.S.C. 3891) is amended—
(1) in subsection (a), by striking "2007" and inserting "2011";
(2) in subsection (d), by striking "up" and all that follows through "years" and inserting "the conservation reserve at any time 36,400,000 acres during the 2002 through 2010 calendar years and 38,300,000 acres in the 2011 calendar year"; and
(3) in subsection (b)(1)(A), by striking "2007" and inserting "2011".
(b) FUNDING.—Section 1241a(1) of the Food Security Act of 1985 (16 U.S.C. 3891a(1)) is amended—
(1) in the matter before paragraph (1), by striking "For" and inserting "Except as otherwise provided in this subsection, for"; and
(2) by striking "The conservation" and inserting "For fiscal years 2002 through 2011, the conservation".

(a) IN GENERAL.—Section 1241 of the Federal Deposit Insurance Act of 1991 (12 U.S.C. 1831q) is amended—
(1) by inserting paragraph (1) before paragraph (2);
(2) by striking "section 3(h) of the Federal Deposit Insurance Act" and inserting "section 4(h) of the Federal Deposit Insurance Act"; and
(3) by striking "the term "designated reserve ratio" means the ratio of the designated reserve ratio held in all insured depository institutions for the 2006 through 2010, the conservation area" and inserting the following:

"(A) the term "designated reserve ratio" means the ratio of the designated reserve ratio held in all insured depository institutions for the 2006 through 2010, the conservation area".

SEC. 1202. MERGER OF BIF AND SAIF.

(a) IN GENERAL.—The Bank Insurance Fund and the Savings Association Insurance Fund shall be merged into the Deposit Insurance Fund.
(b) DISPOSITION OF ASSETS AND LIABILITIES.—All assets and liabilities of the Bank Insurance Fund and the Savings Association Insurance Fund shall be transferred to the Deposit Insurance Fund.

SEC. 1203. MERGER OF BIF AND SAIF.

(a) IN GENERAL.—The Bank Insurance Fund and the Savings Association Insurance Fund shall cease on the effective date of the merger thereof under this section.
(b) REPEAL OF OUTDATED MERGER PROVISION.—Section 2704 of the Federal Deposit Insurance Act of 1991 (12 U.S.C. 1812 note) is repealed.

SEC. 1204. ESTABLISHMENT OF THE DEPOSIT INSURANCE FUND.

(a) IN GENERAL.—Section 11(a)(4) of the Federal Deposit Insurance Act (12 U.S.C. 1821(a)(4)) is amended—
(1) by redesignating subparagraph (B) as subparagraph (C);
(2) by striking subparagraph (A) and inserting the following:

"(A) maintain and administer; "(ii) use to carry out its insurance purposes, in the manner provided by this subsection; and "(iii) invest in accordance with section 13(a).
"(B) USES.—The Deposit Insurance Fund shall be available to the Corporation for use with respect to Deposit Insurance Fund members;
"(C) by striking "(4) GENERAL PROVISIONS RELATING TO FUNDS;" and inserting the following:

"(4) ESTABLISHMENT OF THE DEPOSIT INSURANCE FUND;"...

SEC. 1205. MERGER-RELATED AMENDMENTS TO THE FEDERAL DEPOSIT INSURANCE ACT.

(a) DEFINITIONS.—Section 3(y) of the Federal Deposit Insurance Act (12 U.S.C. 1831(y)) is amended to read as follows:

"(y) DEFINITIONS RELATING TO THE DEPOSIT INSURANCE FUND.—"(1) DEPOSIT INSURANCE FUND.—The terms "Deposit Insurance Fund" and "Fund" mean the fund established under section 11(a)(4) of the Federal Deposit Insurance Act, as amended by this subtitle; "(6) the terms "depository institution" and "insured depository institution" have the same meanings as in section 3 of the Federal Deposit Insurance Act; and "(7) the term "reserve ratio" means the ratio of the fund balance of the Deposit Insurance Fund to aggregate estimated insured deposits held in all insured depository institutions.
"(3) The Federal Deposit Insurance Act (12 U.S.C. 1817) is amended—
(A) by striking subsection (j); (B) by redesignating subsections (m) and (n) as subsections (l) and (m), respectively; and
(C) in subsection (b), by striking paragraph (2) and inserting the following:

"(2) ASSESSMENTS.—

(A) IN GENERAL.—Each insured depository institution shall pay assessments to the Corporation in such amounts and at such time or times as the Board of Directors may require.

(B) FACTORS TO BE CONSIDERED.—In setting assessments for insured depository institutions, the Board of Directors shall consider:

(i) the estimated operating expenses of the Deposit Insurance Fund;

(ii) the estimated case resolution expenditures and income of the Deposit Insurance Fund;

(iii) the projected effects of assessments on the earnings and capital of insured depository institutions;

(iv) the need to maintain a risk-based assessment system under paragraph (1); and

(v) any other factors that the Board of Directors may determine to be appropriate.

"(C) NOTICE OF ASSESSMENTS.—The Corporation shall notify each insured depository institution of assessments charged to that institution.

"(D) NEWLY INSURED INSTITUTIONS.—To facilitate the administration of this section, the Board of Directors may waive the requirements of paragraph (1) and subparagraph (B) of this subsection for any assessment period in which a depository institution became insured.

(3) REPEAL OF SEPARATE FUNDS PROVISIONS.—Section 11(a) of the Federal Deposit Insurance Act (12 U.S.C. 1821(a) is amended—

(A) by striking paragraphs (5), (6), and (7); and

(B) by redesignating paragraph (8) as paragraph (5).

SEC. 2005. TECHNICAL AND CONFORMING AMENDMENTS TO THE FEDERAL DEPOSIT INSURANCE ACT.

(a) IN GENERAL.—The Federal Deposit Insurance Act (12 U.S.C. 1811 et seq.) is amended—

(1) in section 3(a)(1) (12 U.S.C. 1813(a)(1)), by striking subparagraph (B) and inserting the following:

"(B) includes any former savings association.

(2) in section 5(b)(5) (12 U.S.C. 1815(b)(5)), by striking "the Bank Insurance Fund or the Savings Association Insurance Fund," and inserting "the Deposit Insurance Fund;"

(3) in section 3(c)(4), by striking "deposit insurance fund and inserting "Deposit Insurance Fund;"

(4) in section 5(d) (12 U.S.C. 1815(d)), by striking paragraphs (2) and (3); and

(5) in section 5(d)(1) (12 U.S.C. 1815(d)(1)—

(A) in subparagraph (A), by striking "reserve ratios in the Bank Insurance Fund and the Savings Association Insurance Fund as required by section 7" and inserting "the reserve ratio of the Deposit Insurance Fund;"

(B) by striking subparagraph (B) and inserting the following:

"(B) is necessary;"

(C) by redesigning paragraphs (7) and (8), as follows:

(7) in section 6(d) (12 U.S.C. 1816(d)), by striking "the Deposit Insurance Fund or the Savings Association Insurance Fund and inserting "Deposit Insurance Fund;" and

(8) in section 7(a)(3) (12 U.S.C. 1817(a)(3))—

(A) by striking and inserting "instituting its semiannual assessment and inserting "assessments for that institution under subsection (b);" and

(B) by striking subparagraph (C) and inserting "(I) by striking "a depository institution's semiannual assessment and inserting "assessments for a depository institution under subsection (b);" and

(II) by striking "deposit insurance fund each place that term appears and inserting "Deposit Insurance Fund;"

(C) in paragraph (1)(D)(i), by striking "instituting "semiannual and inserting "applicable assessment;"

(E) in subsection (c), by striking paragraph (12); and

(F) in subsection (h), by striking "Bank Insurance Fund" and inserting "Deposit Insurance Fund;"

(6) in subsection (k)(4)(b), by striking "Saving Association Insurance Fund member" and inserting "savings association;" and

(H) in subsection (k)(5)—

(i) in subparagraph (A), by striking "Savings Association Insurance Fund members" and inserting "savings associations;" and

(ii) by striking "a place that term appears and inserting "savings association;" and

(iii) by striking "member each place that term appears and inserting "savings association;"

(19) in section 14(a) (12 U.S.C. 1829(a)), in the 5th sentence—

(A) by striking "Bank Insurance Fund or the Savings Association Insurance Fund" and inserting "Deposit Insurance Fund;" and

(B) by striking each such fund and inserting "the Deposit Insurance Fund;"

(20) in section 14(b) (12 U.S.C. 1829(b)), by striking "Bank Insurance Fund or Savings Association Insurance Fund and inserting "Deposit Insurance Fund;" and

(21) in section 14(c) (12 U.S.C. 1829(c))—

(A) in paragraph (2)(A), by striking "(Y)" and inserting "(6);" and

(B) by striking paragraph (3); and

(22) in section 14(d) (12 U.S.C. 1829(d))—

(A) by striking "Bank Insurance Fund member" each place that term appears and inserting "insured depository institution;" and

(B) by striking "Bank Insurance Fund members" each place that term appears and inserting "insured depository institutions;" and

(C) by redesigning paragraphs (4)(A), (4)(B), and (4)(C); and

(D) by striking the subsection heading and inserting the following:

"(A) by striking "depository institution fund each place that term appears and inserting "Deposit Insurance Fund;" and

(B) by striking "Bank Insurance Fund;" and

(C) by redesigning paragraphs (7) and (8), as follows:

(7) in section 6(d) (12 U.S.C. 1816(d)), by striking "the Deposit Insurance Fund or the Savings Association Insurance Fund and inserting "Deposit Insurance Fund;" and

(8) in section 7(a)(3) (12 U.S.C. 1817(a)(3))—

(A) by striking paragraph (1)(D)(i), by striking "instituting "semiannual and inserting "applicable assessment;"

(B) in paragraph (1)(D)(ii), by striking "any such assessment and inserting "any such assessment is necessary;"

(C) by redesigning clauses (i), (ii), and (iii) as subparagraphs (A), (B), and (C), respectively, and moving the margins 2 ems to the left; and

(D) in paragraph (3) (as redesignated—

(i) by inserting "that" before "the Corporation;" and

(ii) by striking "; and" and inserting a period; and

(E) in paragraph (4), as so redesignated, by striking "semiannual assessment and inserting "assessment under subsection (b);"

(F) in section 7(c) (12 U.S.C. 1817(c)—

(A) in paragraph (1), by striking "instituting "semiannual and inserting "assessments for that institution under subsection (b);" and

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

(C) by redesigning paragraph (4) as paragraph (2); and

(L) in section 9(j)(7)(F) (12 U.S.C. 1817(j)(7)(F)) by striking "Bank Insurance Fund or the Savings Association Insurance Fund and inserting "Deposit Insurance Fund;" and

(12) in section 8 (12 U.S.C. 1818)—

(A) in subsection (p), by striking "semiannual;"

(B) in subsection (q), by striking "semiannual;" and

(C) in subsection (r)(1)(C), by striking "Deposit Insurance Fund and inserting "Deposit Insurance Fund;"

(14) in section 11 (12 U.S.C. 1821), by striking "deposit insurance fund each place that term appears and inserting "Deposit Insurance Fund;" and

(15) in subsection 11(f)(1) (12 U.S.C. 1821(f)(1)), by striking "except that—" and all that follows through the end of the paragraph and inserting a period;

(15) in subsection 11(h)(3) (12 U.S.C. 1821(h)(3)—

(A) by striking subparagraph (B); and

(B) by redesigning subparagraph (C) as subparagraph (B); and

(C) in subparagraph (B) (as redesignated), by striking "subparagraphs (A) and (B)" and inserting "subparagraph (A);"
(b) in subsection (e)(2)(A), by striking "risk to" and all that follows through the period and inserting "risk to the Deposit Insurance Fund"; and

(c) in subparagraph (B) of paragraph (2), by striking "the insurance fund of which such bank is a member" each place that term appears and inserting "the Deposit Insurance Fund";

(31) in section 28 (12 U.S.C. 1831e), by striking "affected deposit insurance fund" each place that term appears and inserting "Depository Insurance Fund";

(32) by striking section 31 (12 U.S.C. 1831b), in the subsection heading, by striking "Funds" and inserting "Funding Fund";

(33) in section 36(1)(3) (12 U.S.C. 1831m(3)), by striking "affected deposit insurance fund" and inserting "Depository Insurance Fund";

(34) in section 37(a)(1)(C) (12 U.S.C. 1831a(1)(C)), by striking "insurance funds" and inserting "Depository Insurance Fund";

(35) in section 38 (12 U.S.C. 1831o), by striking "the deposit insurance fund" each place that term appears and inserting "the Depository Insurance Fund";

(36) in section 38(a) (12 U.S.C. 1831a(a), in the subsection heading, by striking "Funds" and inserting "Funding Fund";

(37) in section 38 (12 U.S.C. 1831o(k)—(A) in paragraph (1), by striking "a deposit insurance fund" and inserting "the Depository Insurance Fund";

(b) in paragraph (2), by striking "the deposit insurance fund's outlays" each place that term appears and inserting "the outlays of the Depository Insurance Fund"; and

(c) in paragraphs (3)(A) and (3)(B), by striking "the deposit insurance fund's outlays" each place that term appears and inserting "the outlays of the Depository Insurance Fund";

(38) in section 38(e)(12 U.S.C. 1831oc)—(A) by striking "ASSOCIATIONS."— and all that follows through "Subsections (e)(2)" in subsection (2) and inserting "ASSOCIATIONS.—

(b) by redesignating subparagraphs (A), (B), and (C) as paragraphs (1), (2), and (3), respectively, and moving the margins 2 ems to the left; and

(c) in paragraph (1) (as so redesignated), by redesignating clauses (i) and (ii) as subparagraphs (A) and (B), respectively, and moving the margins 2 ems to the left; and

(b) CONFORMING TRANSFER OF FUNDS.—Any funds resulting from the application of section 7(d) of the Deposit Insurance Act prior to its repeal under subsection (a)(4) of this section shall be deposited into the general fund of the Deposit Insurance Fund established pursuant to section 513h of this title.

SEC. 606. OTHER TECHNICAL AND CONFORMING AMENDMENTS.

(a) SECTION 5136 OF THE REVISED STATUTES.—The paragraph designated the "Eleventh" of section 5136 of the Revised Statutes of the United States (12 U.S.C. 24) is amended in the 5th sentence, by striking "deposit insurance fund" and inserting "Depository Insurance Fund".

(b) INVESTMENTS PROMOTING PUBLIC WELL-BEING: LIMITATIONS ON AGGREGATE INVESTMENTS.—The 23d undesignated paragraph of section 9 of the Federal Reserve Act (12 U.S.C. 338a) is amended in the 4th sentence, by striking "deposit insurance fund" and inserting "Depository Insurance Fund".

(c) ADVANCES TO CRITICALLY UNDERCAPITALIZED DEPOSITORY INSTITUTIONS.—Section 101(b)(3)(A)(i) of the Federal Reserve Act (12 U.S.C. 347b(b)(3)(A)(i)) is amended by striking "any deposit insurance fund" and inserting "the Depository Insurance Fund of".

(d) AMENDMENTS TO THE FEDERAL HOME LOAN BANK ACT.—The Federal Home Loan Bank Act (12 U.S.C. 1421 et seq.) is amended—

(1) in section 11(k) (12 U.S.C. 1431(k)—(A) in the subsection heading, by striking "SAIF" and inserting "the Deposit Insurance Fund"; and

(B) by striking "Savings Association Insurance Fund" each place that term appears and inserting "Deposit Insurance Fund";

(2) in section 21 (12 U.S.C. 1414)—(A) in subsection (f)(2), by striking ", except as otherwise provided", and all that follows through the end of the paragraph and inserting a period; and

(B) in subsection (k), by striking paragraph (4).

(3) in section 21(a)(4)(B) (12 U.S.C. 1414a(b)(4)(B)), by striking "affected deposit insurance fund" and inserting "Deposit Insurance Fund"; and

(4) in section 21(b)(1) (12 U.S.C. 1414b(k)(1)) by inserting before the colon ":", the following definitions shall apply:

(a) AMENDMENTS TO THE HOME OWNERS’ LOAN ACT.—The Home Owners’ Loan Act (12 U.S.C. 1641 et seq.) is amended—

(1) in section 5 (12 U.S.C. 1645)—(A) in subsection (c)(6), by striking "As used in this subsection"— and inserting "For purposes of this subsection, the following definitions shall apply:"

(b) in subsection (o)(1), by striking "that is a Bank Insurance Fund member";

(c) in subsection (o)(2), by striking "a Bank Insurance Fund member until such time as it changes its status to a Savings Association Insurance Fund member and inserting "insured by the Deposit Insurance Fund";

(D) in subsection (t)(5)(D)(II), by striking "affected deposit insurance fund" and inserting "Deposit Insurance Fund";

(E) in subsection (t)(7)(C)(I), by striking "affected deposit insurance fund" and inserting "Deposit Insurance Fund"; and

(F) in subsection (t)(8)(D)(I), by striking "the Savings Association Insurance Fund" and inserting "the Deposit Insurance Fund"; and

(2) in section 10 (12 U.S.C. 1467a)—(A) in subsection (c)(6)(D), by striking "this title" and inserting "this Act";

(B) in subsection (e)(1)(B), by striking "Savings Association Insurance Fund or Bank Insurance Fund" and inserting "Deposit Insurance Fund";

(C) in subsection (e)(2), by striking "Savings Association Insurance Fund or the Bank Insurance Fund" and inserting "Deposit Insurance Fund";

(D) in subsection (e)(4)(B), by striking "subsection (1)" and inserting "subsection (1)";

(E) in subsection (g)(3)(A), by striking "(5) of this section" and inserting "(5) of this subsection";

(F) in subsection (i), by redesignating paragraph (5) as paragraph (4);

(G) in subsection (m)(3), by striking subparagraphs (E) and (G) as paragraphs (E), (F), (G), and (H) as paragraphs (E), (F), and (G), respectively;

(H) in subsection (m)(7)(A), by striking "seven years" and inserting "during the period"; and

(I) in subsection (o)(3)(D), by striking "section 7(e)" and inserting "sections (e) and (f) of this Act and inserting "subsection (e) or (f) of this Act";

(F) AMENDMENTS TO THE NATIONAL HOUSING ACT.—The National Housing Act (12 U.S.C. 1701 et seq.) is amended—

(1) in section 317(b)(1)(B) (12 U.S.C. 1723h(b)(1)(B)), by striking "Bank Insurance Fund for banks or through the Savings Association Insurance Fund for savings associations" and inserting "Deposit Insurance Fund"; and

(2) in section 318(b)(1)(B) (12 U.S.C. 1724h(b)(1)(B)), by striking "Bank Insurance Fund for banks and through the Savings Association Insurance Fund for savings associations."
associations’ and inserting “Deposit Insurance Fund”.

(g) AMENDMENTS TO THE FINANCIAL INSTITUTIONS REFORM, RECOVERY, AND ENFORCEMENT ACT OF 1989.—The Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (12 U.S.C. 1811 note) is amended—

(1) in section 801(b)(3)(B) (12 U.S.C. 1831e(b)(3)(B)), by striking “Bank Insurance Fund, the Savings Association Insurance Fund,” and inserting “Deposit Insurance Fund (or any predecessor deposit insurance fund)”;

(2) in section 1112(c)(1)(B) (12 U.S.C. 3341(c)(1)(B)), by striking “Bank Insurance Fund, the Savings Association Insurance Fund,” and inserting “Deposit Insurance Fund”;

(h) AMENDMENT TO THE BANK HOLDING COMPANY ACT OF 1956.—The Bank Holding Company Act of 1956 (12 U.S.C. 1841 et seq.) is amended—

(1) in section 2(2) (12 U.S.C. 1841j(2)), by striking “Savings Association Insurance Fund” and inserting “Deposit Insurance Fund”; and

(2) in section 3(1)(1)(D)(iii) (12 U.S.C. 1842(d)(1)(D)(iii)), by striking “appropriate deposit insurance fund” and inserting “Deposit Insurance Fund”.

SEC. 2007. EFFECTIVE DATE.

(a) IN GENERAL.—(1) Not later than the date on which the amendments made by this subtitle shall become effective not later than the first day of the first calendar quarter as described in subsection (a), the Corporation shall—

(A) announce such determination publicly; and

(B) establish the effective date of the merger.

(2) EARLIER IMPLEMENTATION.—On the date established under paragraph (1)(B), this subtitle and the amendments made by this subtitle shall become effective.

Subtitle B—Deposit Insurance Modernization and Improvement

SEC. 2011. SHORT TITLE.

This subtitle may be cited as the “Deposit Insurance Reform Act of 2005”.

SEC. 2012. CHANGES TO FEDERAL DEPOSIT INSURANCE COVERAGE.

(a) INSURED DEPOSITORY INSTITUTIONS.—

(1) IN GENERAL.—Section 11(a)(1) of the Federal Deposit Insurance Act (12 U.S.C. 1821(a)(1)) is amended—

(A) by striking paragraph (B) and inserting the following:

“(B) NET AMOUNT OF INSURED DEPOSITS.—The net amount of deposit insurance payable to any depositor at an insured depository institution shall not exceed the standard maximum deposit insurance amount, as determined in accordance with subparagraphs (C) through (M)”; and

(B) by striking paragraph (D) and inserting the following:

“(D) COVERAGE FOR CERTAIN EMPLOYER BENEFIT INSURANCE.—

“(i) PASS-THROUGH INSURANCE.—The Corporation shall provide pass-through deposit insurance for the deposits of any employee benefit plan.

“(ii) PROHIBITION ON ACCEPTANCE OF BENEFIT PLAN DEPOSITS.—An insured depository institution shall not accept employee benefit plan deposits if such an institution becomes a top-tier or adequately capitalized may not accept employee benefit plan deposits.

“(iii) DEFINITIONS.—For purposes of this paragraph, the following definitions shall apply:

“(I) CAPITAL STANDARDS.—The terms ‘well capitalized’ and ‘adequately capitalized’ have the same meaning as in section 38.

“(II) EMPLOYEE BENEFIT PLAN.—The term ‘employee benefit plan’ has the same meaning as in paragraph (5)(B)(ii), and includes any eligible deferred compensation plan described in section 457 of the Internal Revenue Code of 1986.

“(III) PASS-THROUGH DEPOSIT INSURANCE.—The term ‘pass-through deposit insurance’ means, with respect to an employee benefit plan, deposit insurance coverage based on the interest of each participant, in accordance with regulations issued by the Corporation.

“(E) STANDARD MAXIMUM DEPOSIT INSURANCE AMOUNT DEFINED.—For purposes of this paragraph, the term ‘standard maximum deposit insurance amount’ means, until April 1, 2010, $100,000.

“(F) DETERMINATION REGARDING INFLATION ADJUSTMENTS.—

“(i) ADJUSTMENTS TO STANDARD MAXIMUM DEPOSIT INSURANCE AMOUNT.—Not later than April 1, 2010, and the first day of each 5-year period thereafter, the Board of Directors shall determine whether to increase the standard maximum deposit insurance amount based on the factors set forth under subparagraph (G). The Board of Directors shall not determine whether to increase the standard maximum deposit insurance amount based on the factors set forth under subparagraph (G) unless the Board of Directors determines that merger of the deposit insurance funds should occur before the first day of the first calendar quarter as described in subsection (a), the Corporation shall—

(A) announce such determination publicly; and

(B) establish the effective date of the merger.

“(ii) ADJUSTMENTS FOR CERTAIN RETIREMENT ACCOUNTS.—Not later than April 1, 2010, and the first day of each 5-year period thereafter, the Board of Directors shall determine whether to increase the amount of insurance available for retirement accounts under paragraph (3), based on the factors set forth under subparagraph (G).

“(G) INFLATION ADJUSTMENT CONSIDERATIONS.—In making any determination under subparagraph (F), the Board of Directors shall consider—

“(i) the economic conditions affecting insured depository institutions;

“(ii) the overall risk or risks to the Deposit Insurance Fund;

“(iii) a demonstrated need by depositors for the inflation adjustment increase;

“(iv) the ability of insured depository institutions to identify and obtain alternative funding sources;

“(v) the ability of insured depository institutions to meet the credit needs of their communities;

“(vi) potential problems affecting insured depository institutions generally or a specific group or type of insured depository institution; and

“(vii) any other factors that the Board of Directors deems appropriate.

“(H) INFLATION ADJUSTMENT CALCULATIONS FOR 2010—

“(i) CALCULATION FOR STANDARD MAXIMUM DEPOSIT INSURANCE AMOUNT.—The amount provided for any increase in the standard maximum deposit insurance amount shall be, as of April 1, 2010, the product of—

“(I) $100,000; and

“(II) the ratio of the value of the Personal Consumption Expenditures Chain-Type Index (or any successor index thereto), published by the Department of Commerce, for December 31 of the year preceding the year in which the adjustment is calculated under this subparagraph, to the value of such index for December 31 of the year preceding the effective date of the Safe and Fair Deposit Insurance Act of 2005.

“(ii) INFLATION ADJUSTMENT CALCULATIONS FOR 2011—

“(A) CALCULATION FOR THE STANDARD MAXIMUM DEPOSIT INSURANCE AMOUNT.—The amount provided for any increase in the standard maximum deposit insurance amount shall be, as of the 1st day of each 5-year period beginning on April 1, 2015, the product of—

“(I) the standard maximum deposit insurance amount; and

“(II) the ratio of the value of the Personal Consumption Expenditures Chain-Type Index (or any successor index thereto), published by the Department of Commerce, for December 31 of the year preceding the year in which the adjustment is calculated under this subparagraph, to the value of such index for December 31 of the 6 years prior to the year in which the adjustment is calculated under this subparagraph.

“(B) CALCULATION FOR CERTAIN RETIREMENT ACCOUNTS.—The amount provided for any increase in the insurance for retirement accounts under paragraph (3) shall be, as of the 1st day of each 5-year period beginning on April 1, 2015, the product of—

“(I) the amount available for retirement accounts under paragraph (3), as adjusted pursuant to subparagraph (H) or this subparagraph, as appropriate; and

“(II) the value of the Personal Consumption Expenditures Chain-Type Index (or any successor index thereto), published by the Department of Commerce, for December 31 of the year preceding the year in which the adjustment is calculated under this subparagraph.

“(J) DETERMINATION OF NO INFLATION INCREASE.—If the Board cannot support an increase under subparagraph (F), it shall not consider the factors in subparagraph (G), no inflation adjustment shall be made until reconsideration at the beginning of the next 5-year period.

“(K) Rounding.—If the amount of increase determined for any period is not a multiple of $10,000, the amount so determined shall be rounded to the nearest multiple of $10,000.

“(L) PUBLICATION.—Not later than April 1, 2010, and not later than the first day of each 5-year period thereafter, the Board of Directors shall publish in the Federal Register the standard maximum deposit insurance amount and the amount of deposit insurance coverage that may be due to any depositor at any insured depository institution during the applicable 5-year period.

“(M) NO INFLATION ADJUSTMENTS FOR PUBLIC FUNDS.—Subparagraphs (E) through (L) shall not apply to any depository that is described in paragraph (2), and the net amount due to any such depositor at an insured depository institution shall not exceed $50,000.

“(N) DEPOSIT INSURANCE FOR RETIREMENT ACCOUNTS.—Section 11(a)(3)(A) of the Federal

SEC. 2013. DEPOSIT INSURANCE AMOUNTS FOR 2010—

(1) EFFICIENCY INCREASE DEPOSIT INSURANCE AMOUNT.

(2) DEPOSIT INSURANCE AMOUNT FOR DEPOSIT ACCOUNTS OR RETIREMENT ACCOUNTS.
Deposit Insurance Act (12 U.S.C. 1821(a)(3)(A)) is amended—

(A) by striking “$100,000” and inserting “$250,000” and;

(B) inserting before the period at the end the following: “which amount shall be subject to inflation adjustments as provided in paragraph (1).”

(3) TECHNICAL AND CONFORMING AMENDMENT RELATING TO INSURANCE OF TRUST FUNDS.—

Section 7(i) of the Federal Deposit Insurance Act (12 U.S.C. 1817(i)) is amended in each of paragraphs (1) and (3), by striking “$100,000” each place it appears and inserting “the standard maximum deposit insurance amount (as determined under subsection (a)(1))”.

(4) OTHER TECHNICAL AND CONFORMING AMENDMENTS.—The Federal Deposit Insurance Act (12 U.S.C. 1811 et seq.) is amended—

(A) in section 11(m)(6) (12 U.S.C. 1821(m)(6)), by striking “$100,000” and inserting “the standard maximum deposit insurance amount (as determined under subsection (a)(1))”;

(B) in section 18 (12 U.S.C. 1828), by striking subsection (a) and inserting the following:

“(a) INSURANCE LOGO.—

“(1) INSURED DEPOSITORY INSTITUTIONS.—

(A) each insured depository institution shall display at each place of business maintained by that institution a sign or signs relating to the insurance of the deposits of the institution, in accordance with regulations to be prescribed by the Corporation.

(B) STATEMENT TO BE INCLUDED.—Each sign required under subparagraph (A) shall include a statement that insured deposits are backed by the full faith and credit of the United States Government.

(2) REGULATIONS.—The Corporation shall prescribe regulations to carry out this subsection, including regulations governing the use of such signs.

(3) PENALTIES.—For each day that an insured depository institution continues to violate this subsection or any regulation issued under this subsection, it shall be subject to a penalty of not more than $100,000, which the Corporation may recover for its benefit, either in the member’s own name or in the names of others.

(3) TECHNICAL AND CONFORMING AMENDMENTS.—

(A) the term ‘standard maximum deposit insurance amount’ means, with respect to an employee benefit plan, insurance coverage based on the interest of each participant, in accordance with regulations issued by the Corporation.

(B) the term ‘employee benefit plan’—

(i) has the same meaning as in section 3(3) of the Employee Retirement Income Security Act of 1974;

(ii) includes any plan described in section 401(d) of the Internal Revenue Code of 1986; and

(iii) includes any eligible deferred compensation plan described in section 457 of the Internal Revenue Code of 1986.

(3) DETERMINATIONS REGARDING INFLATION ADJUSTMENTS.—

(A) ADJUSTMENTS TO STANDARD MAXIMUM SHARE INSURANCE AMOUNT.—Not later than April 1, 2010, and the first day of each 5-year period thereafter, the Board shall determine whether to increase the standard maximum share insurance amount based on the factors set forth under paragraph (7).

(B) ADJUSTMENT FOR CERTAIN RETIREMENT ACCOUNTS.—Not later than April 1, 2010, and the first day of each 5-year period thereafter, the Board shall determine whether to increase the amount of insurance available for retirement accounts under paragraph (3), based on the factors set forth under paragraph (7).

(3) INFLATION ADJUSTMENT CONSIDERATIONS.—In making any adjustment under paragraph (6), the Board shall consider—

(A) the economic conditions affecting insured credit unions;

(B) the overall risk or risks to the National Credit Union Share Insurance Fund;

(C) a demonstrated need by members for the inflation adjustment increase;

(D) the ability of insured credit unions to identify and obtain alternative funding sources;

(E) the ability of insured credit unions to meet the credit needs of their communities;

(F) insured credit unions issued insured credit unions generally or any specific group or type of insured credit unions; and

(G) any other factors that the Board deems appropriate.

(8) INFLATION ADJUSTMENT CALCULATIONS FOR 2010.—

(A) CALCULATION FOR STANDARD MAXIMUM SHARE INSURANCE AMOUNT.—The amount provided for any increase in the standard maximum share insurance amount shall be, as of April 1, 2010, the product of—

(i) $100,000; and

(ii) the ratio of the value of the Consumer Price Index for All Urban Consumers (or any successor index thereto), published by the Department of Labor, for December 31 of the year preceding the year in which the adjustment is calculated under this paragraph, to the value of such index for December 31 of the year preceding the effective date of the Safe and Fair Deposit Insurance Act of 2005.

(B) CALCULATION FOR CERTAIN RETIREMENT ACCOUNTS FOR 2010.—The amount provided for any increase in the insurance for retirement accounts under paragraph (3) shall be, as of April 1, 2010, the product of—

(i) $250,000; and

(ii) the ratio of the value of the Consumer Price Index for All Urban Consumers (or any successor index thereto), published by the Department of Labor, for December 31 of the year preceding the year in which the adjustment is calculated under this paragraph, to the value of such index for December 31 of the year preceding the effective date of the Safe and Fair Deposit Insurance Act of 2005.

(9) INFLATION ADJUSTMENT CALCULATIONS AFTER 2010.—

(A) CALCULATION FOR THE STANDARD MAXIMUM SHARE INSURANCE AMOUNT.—The amount provided for any increase in the standard maximum share insurance amount shall be, as of the first day of each 5-year period beginning on April 1, 2015, the product of—

(i) the standard maximum share insurance amount; and

(ii) the ratio of the value of the Consumer Price Index for All Urban Consumers (or any successor index thereto), published by the Department of Labor, for December 31 of the year preceding the year in which the adjustment is calculated under this paragraph, to the value of such index for December 31 of the 6 years prior to the year in which the adjustment is calculated under this paragraph.

(B) CALCULATION FOR CERTAIN RETIREMENT ACCOUNTS.—The amount provided for any increase in the insurance for retirement accounts under paragraph (3) shall be, as of the first day of each 5-year period beginning on April 1, 2015, the product of—

(i) the amount available for retirement accounts under paragraph (3), as adjusted pursuant to paragraph (8) or this paragraph, as appropriate; and

(ii) the ratio of the value of the Consumer Price Index for All Urban Consumers (or any successor index thereto), published by the Department of Labor, for December 31 of the 6 years prior to the year in which the adjustment is calculated under this paragraph.

(C) DETERMINATION OF NO INFLATION INCREASE.—If the Board cannot support an increase under paragraph (6) after consideration of the factors in paragraph (7), no inflation adjustment shall be considered at the beginning of the next 5-year period.

(D) ROUNDING.—If the amount of increase determined for any period is not a multiple of $10,000, the amount so determined shall be rounded to the nearest $10,000.
(12) Publication.—Not later than April 1, 2010, and not later than the first day of each 5-year period thereafter, the Board shall publish in the Federal Register the standard maximum ratio designations and the amounts due to any such depositor at an insured credit union that may exist during such less favorable economic conditions, as determined to be appropriate to prevent sharp swings in the deposit rates designated by the Board of Directors under section 7(b)(3)."

(3) Effective date.—Subject to paragraph (4), amounts due to a depositor under this subsection and the amendments made by this subsection shall become effective on the date of this Act. Such amounts shall be subject to inflation adjustments as provided in paragraphs (6) through (12)."

(13) No inflation adjustments for public funds.—Paragraphs (5) through (12) shall not apply to any deposits of depositors described in paragraph (2), and the amount due to any such depositor at an insured credit union shall not exceed $100,000."

(C) Effective date.—Except as otherwise specifically provided in this section or the amendments made by this section, this section and such amendments shall become effective on the day after the date of enactment of the Federal Credit Union Act (12 U.S.C. 1782(h)) is amended by striking "207(c)(1)" and inserting "209(k)".

(4) Designation of initial reserve ratio for Federal Credit Union Fund.—During the periods beginning on the effective date of the merger of the deposit insurance funds under section 2003, and ending on the effective date of final regulations designating the reserve ratio, as required by section 2017(a)(1), the designated reserve ratio of the Deposit Insurance Fund shall continue to be determined pursuant to section 7(b)(2)(A)(i), as in effect on the day before the effective date of the merger under section 2003.

(5) Amendments to Section 7(b)(3).—Section 7(b)(3) of the Federal Deposit Insurance Act (12 U.S.C. 1817(b)(3)) is amended to read as follows:

'(b)(3) Reserve ratio designated by the Board of Directors for any year—

(i) may not exceed 1.50 percent; and

(ii) may not be less than 1.15 percent.

(6) Effective date.—The Reserve Act of 1996, to the assessment base of all eligible institutions in accordance with the Board's determination under section (b)(3)(B)(i), to the extent of that excess amount.

(7) Amendments to Section 7.—Section 7 of the Federal Deposit Insurance Act (12 U.S.C. 1817(e)) is amended by adding at the end the following new paragraphs:

'(D) Application of credits.—The amount of a credit to any insured depository institution under this paragraph may be applied by the Corporation to the payment of the assessment under subsection (b) applicable to that institution which become due for assessment periods beginning on or after the effective date of regulations required by subparagraph (A)."

'b' Amendments to Section 7.—Section 7 of the Federal Deposit Insurance Act (12 U.S.C. 1817(e)) is amended by adding at the end the following new paragraphs:

'(D) Dividends.—The designated reserve ratio in excess of 1.50 percent of estimated insured deposits.—The Corporation shall provide cash dividends to insured depository institutions in accordance with this paragraph if the reserve ratio of the Deposit Insurance Fund exceeds the maximum amount established under subsection (b)(3)(B)(i), to the extent of that excess amount.

'(E) Factors for consideration for allocation of dividends.—In implementing the provisions of this paragraph, and in accordance with its regulations, the Corporation shall consider—

(i) the ratio of the assessment base of an insured depository institution (including any predecessor institution) on December 31, 1996, to the assessment base of all eligible insured depository institutions (including any predecessor institution) on that date, as compared to the combined aggregate assessment base of all such institutions, taking into account such factors as the Board may determine to be appropriate.

'(F) Considerations.—In making a determination under paragraph (A), the Corporation shall consider—

(i) the ratio of the assessment base of an insured depository institution (including any predecessor institution) on December 31, 1996, to the assessment base of all eligible insured depository institutions (including any predecessor institution) on that date, as compared to the combined aggregate assessment base of all such institutions, taking into account such factors as the Board may determine to be appropriate.

(ii) the total amount of assessments paid on or after January 1, 1997, by an insured depository institution (including any predecessor institution) for the Deposit Insurance Fund (and any predecessor deposit insurance fund);

(iii) the portion of assessments paid by an insured depository institution (including any predecessor institution) that reflects higher levels of risk assumed by such institution; and

(iv) any other factors as the Corporation determines appropriate.

'(B) Limitation.—The Board of Directors may suspend or limit dividends paid under subsection (D) if the Board determines in writing that—

(i) a significant risk of losses to the Deposit Insurance Fund exists over the next one-year period; and

(ii) it is likely that such losses will be sufficiently high as to justify a finding by the Board that the reserve ratio should temporarily be allowed to become insufficiently high to prevent sharp swings in the deposit rates designated by the Board.'
“(ii) potential problems affecting insured depository institutions or a specific group or type of depository institution;

(iii) the degree to which the contingent liability Corporation for anticipated failures of insured institutions adequately addresses concerns over funding levels in the Deposit Insurance Fund; and

(iv) whether that the Board determines are appropriate.

(6) Report to Congress.—(i) Subsection.—Any determination under subparagraph (D) shall be submitted to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives, not later than 270 days after making such determination.

(ii) Content.—The report submitted under clause (i) shall include—

(1) a detailed explanation for the determination; and

(2) a discussion of the factors required to be considered under subparagraph (E).

(7) Review of determination.—(i) Annual review.—A determination to suspend or limit dividends under subparagraph (D), or shall make a new determination in accordance with this paragraph. Unless the terms of the renewal or new determination, the Corporation shall be required to provide cash dividends under subparagraph (A) or (B), as appropriate.

(ii) Challenges to credit or dividend amounts.—The regulations required under this subsection include provisions allowing an insured depository institution a reasonable opportunity to challenge administratively the amount of its credit or dividend under this subsection. The determination of the Corporation of the amount of the credit or dividend following such challenge shall be final, and not subject to judicial review.

(c) Effective date.—The amendments made by this section shall become effective on the date such of the regulations required to be issued under section 2017(a)(3), relating to implementation of the one-time assessment credit.

SEC. 15. ASSESSMENTS-RELATED RECORDS RETENTION AND STATUTE OF LIMITATIONS.

(a) RECORDS RETENTION.—Paragraph (5) of section 7(b) of the Federal Deposit Insurance Act (12 U.S.C. 1817(b)) is amended to read as follows:

“(5) RECORDS TO BE MAINTAINED BY INSURED DEPOSITORY INSTITUTION.—Each insured depository institution shall maintain all records that the Corporation may require for verifying the correctness of the institution’s assessments until the later of—

(A) 3 years from the due date of each assessment payment; or

(B) the date of final determination of any dispute between the insured depository institution and the Corporation over the amount of any assessment.

(b) STATUTE OF LIMITATIONS FOR ASSESSMENT ACTIONS.—Subsection (g) of section 7 of the Federal Deposit Insurance Act (12 U.S.C. 1817(g)) is amended by striking as follows—

“(g) STATUTE OF LIMITATIONS FOR ASSESSMENT ACTIONS.—The Corporation, in any court of competent jurisdiction, shall be entitled to recover from any insured depository institution the amount of any unpaid assessment lawfully payable by such insured depository institution. Notwithstanding any other provision in Federal law, or the law of any State—

“(1) any action by an insured depository institution to recover from the Corporation the unpaid amount of any assessment shall be brought within 3 years after the date the assessment became due, subject to the exception in paragraph (5);

“(2) any action by the Corporation to recover from an insured depository institution the unpaid amount of any assessment shall be brought within 3 years after the date the assessment payment was due, subject to the exceptions in paragraphs (3) and (5);

“(3) if an insured depository institution has made a false or fraudulent statement with intent to evade any or all of its assessments, the Corporation shall have until 3 years after the date of the false or fraudulent statement in which to bring an action to recover the unpaid amount;

“(4) assessment deposit information contained in records no longer required to be maintained pursuant to subsection (b)(5) shall be considered conclusive and not subject to change; and

“(5) for any action for the unpaid or overpaid amount of any assessment that became due prior to the effective date of this subsection shall be subject to the statute of limitations for any action to recover the underpaid amount; and

“(ii) any action by the Corporation to recover the underpaid amount of any assessment for an insured depository institution shall be subject to the statute of limitations for any action to recover the underpaid amount of any assessment; and

“(iii) any action by the Corporation to recover the underpaid amount of any assessment for an insured depository institution shall be subject to the statute of limitations for any action to recover the underpaid amount of any assessment.

SECTION 16. INCREASE IN FEES FOR LATE ASSESSMENT PAYMENTS.

(1) Subsection.—Subsection (b)(18) of the Federal Deposit Insurance Act (12 U.S.C. 1828(b)(18)) is amended—

(1) by striking “Any insured depository institution” and inserting “(1) in GENERAL.—Any insured depository institution”;

(2) in paragraph (1), as redesignated, by striking “penalty of not more than $100” and inserting “penalty of not more than $1,000”; and

(3) by inserting new paragraphs (2) and (3) as follows—

“(2) EXCEPTION FOR SMALL ASSESSMENT AMOUNTS.—Notwithstanding paragraph (1), if the amount of the assessment for an insured depository institution is less than $10,000 at the time such institution fails or refuses to pay the assessment, such institution shall be subject to a penalty of not more than $100 for each day such institution fails or refuses to pay the assessment.

“(3) AUTHORITY TO MODIFY OR REMIT PENALTY.—The Corporation, in the sole discretion of the Corporation, may modify, or may remit in whole or in part all or any portion of any assessment payment, or in the case of an insured depository institution, any assessment payment was due, subject to the exceptions in paragraphs (3) and (5); and

“(ii) any action by the Corporation to recover the overpaid amount of any assessment shall be subject to the statute of limitations for any action to recover the underpaid amount of any assessment.

SECTION 17. REGULATIONS REQUIRED.

(1) In General.—(a) Not later than 270 days after the date of enactment of this Act, the Board shall issue final regulations, in accordance with section 553 of chapter 5 of title 5, United States Code—

(1) designating the reserve ratio for the Deposit Insurance Fund, in accordance with section 7(b)(3) of the Federal Deposit Insurance Act, as amended by section 2013 of this Act, which regulations shall become effective not later than 90 days after the date of their publication in final form;

(2) implementing changes in deposit insurance coverage in accordance with the amendments made by section 2011 provisions;

(3) implementing the one-time assessment credit to certain insured depository institutions in accordance with section 7(e)(2) of the Federal Deposit Insurance Act, as amended by section 2014 of this Act;

(4) establishing the qualifications and procedures under which the Corporation may provide dividends under section 7(e)(3) of the Federal Deposit Insurance Act, as amended by section 2014 of this subtitle; and

(5) providing for assessments under section 7(e) of the Federal Deposit Insurance Act, as amended by this subtitle, which regulations shall become effective on the effective date of the regulations required by paragraph (3).

(b) Notice.—(1) IN GENERAL.—

(A) CONTINUATION OF EXISTING ASSESSMENT REGULATIONS.—Nothing in this title or the amendments made by this subtitle shall be construed to affect the authority of the Corporation with regard to the setting or collection of deposit insurance assessments pursuant to regulations in effect prior to the effective date of any regulations required under subsection (a).

(B) TREATMENT OF DIF MEMBERS UNDER EXISTING REGULATIONS.—Assessment regulations in effect prior to the date of enactment of this title shall be read as applying to members of the Deposit Insurance Fund rather than members of the Bank Insurance Fund or Savings Association Insurance Fund, effective on or after the date on which merger of the deposit insurance funds becomes effective.

(2) SETTING ASSESSMENTS.—Clause (i) of section 7(b)(2)(A) of the Federal Deposit Insurance Act (12 U.S.C. 1817(b)(2)(A)) is amended by striking “of the Federal Deposit Insurance Fund, effective on or after the date on which merger of the deposit insurance funds becomes effective” and all that follows through the period at the end and inserting “necessary.”

SECTION 18. STUDIES OF POTENTIAL CHANGES TO THE FEDERAL DEPOSIT INSURANCE SYSTEM.

(1) Study and report by FDIC and NCUs.—(a) STUDY.—The Board of Directors of the Federal Deposit Insurance Corporation and the National Credit Union Administration Board shall each conduct a study of the feasibility of establishing the limit on deposit insurance for deposits of municipalities and other units of general local government, and the potential benefits and the potential adverse consequences that may result from any such increase; and

(b) The feasibility of establishing a voluntary deposit insurance system for deposits in credit unions; and

(c) The potential adverse consequences that may result from the establishment of any such system.

(2) Report.—(a) Not later than 1 year after the date of enactment of this title, the Board of Directors of the Federal Deposit Insurance Corporation and the National Credit Union Administration Board shall each submit a report to the Congress on the study required under paragraph (1), containing the findings and conclusions of the reporting agency, together with such recommendations for legislative or administrative changes as the agency may determine to be appropriate.

(b) Study and report regarding appropriate reserve ratio.—(1) Study.—The Corporation shall conduct a study on the feasibility of identifying alternatives to estimated insured deposits in calculating the reserve ratio of the Deposit Insurance Fund.

(2) Report.—Not later than 1 year after the date of enactment of this title, the Board shall submit a report to the Congress on the results of the study required under paragraph (1), and all that follows through the period at the end and inserting “necessary.”

SECTION 19. EFFECTIVE DATE.

Except as otherwise specifically provided in this subtitle, this subtitle and the amendments made by this subtitle shall become effective on the date of enactment of this Act.
Title C—FHA Asset Disposition

SEC. 2021. SHORT TITLE.

This subtitle may be cited as the “FHA Asset Disposition Act of 2005”.

SEC. 2022. DEFINITIONS.

For purposes of this subtitle—

(1) the term “affordability requirement” means any requirement or restriction imposed by the Secretary, at the time of sale, on an multifamily real property mortgage loan, including any use restriction, rent restriction, or rehabilitation requirement;

(2) the term “discount sale” means the sale of multifamily real property in a transaction, including a negotiated sale, in which the sale price is—

(A) lower than the property market value; and

(B) set outside of a competitive bidding process that has no affordability requirement;

(3) the term “discount loan sale” means the sale of a multifamily loan in a transaction, including a negotiated sale, in which the sale price is lower than the loan market value and is set outside of a competitive bidding process that has no affordability requirement;

(4) the term “loan market value” means the value of a multifamily loan, without taking into account any affordability requirements;

(5) the term “multifamily real property” means any rental or cooperative housing project of 5 or more units owned by the Secretary that prior to acquisition by the Secretary was security for a loan or loans insured under title II of the National Housing Act;

(6) the term “multifamily loan” means a loan held by the Secretary and secured by a multifamily real property project of 5 or more units that was formerly insured under title II of the National Housing Act;

(7) the term “property market value” means the value of any multifamily real property for its current use, without taking into account any affordability requirements; and

(8) the term “Secretary” means the Secretary of Housing and Urban Development.

SEC. 2023. AFFORDABILITY OF FUNDS REQUIREMENT FOR BELOW MARKET SALES.

(a) DISPOSITIONS BY SECRETARY.—Notwithstanding any other provision of law, other than any affordability requirement for the elderly and disabled residing in a residence temporarily in housing owned by a family member, the Secretary shall, in the case of any multifamily real property sold for an amount equal to or greater than the market loan value, then the transaction is not subject to the availability of appropriations.

(c) LIMITATION.—This section shall not apply to assistance authorized under section (a) until formally commenced during the 1-year period preceding the date of enactment of this Act.

SEC. 2024. UP-FRONT GRANTS.

(a) VA-HUD. Section 204(a) of the Department of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1997 (12 U.S.C. 1715z-11(a)) is amended by adding at the end the following:

“(g) Grant for sale under this section shall be available only to the extent that appropriations are made in advance for such purpose. The amount so derived shall be deposited into the General Insurance Fund.”.

(b) OTHER GRANT AUTHORITY.—Section 203(f) of the Housing and Community Development Appropriations Act of 1978 (12 U.S.C. 1715z-11f) is amended—

(1) by striking paragraph (4); and

(2) by redesignating paragraphs (5) through (9) as paragraphs (4) through (8), respectively.

(c) LIMITATION.—The amendments made by this section shall not apply to any grant in connection with any transaction that formally commenced during the 1-year period preceding the date of enactment of this Act.

SEC. 2025. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated for fiscal year 2006, $100,000,000 to carry out this subtitle.

Subtitle D—Adaptive Housing Assistance

SEC. 2031. SHORT TITLE.

This subtitle may be cited as the “Speciality Adapted Housing Grants Improve-ments Act of 2005”.

SEC. 2032. ADAPTIVE HOUSING ASSISTANCE FOR VETERANS RESIDING TEMPORARILY IN HOUSING OWNED BY A FAMILY MEMBER.

(a) ASSISTANCE AUTHORIZED.—Chapter 21 of title 38, United States Code, is amended by inserting after section 2102 the following new section:

‖§ 2102A. Assistance for veterans residing temporarily in housing owned by a family member

(1) ASSISTANCE AUTHORIZED.—If a disabled veteran described in subsection (a)(2) or (b)(2) of section 2101 of this title, subject to the restrictions described in subsection (b)(2)(A) of section 2101 of this title, is determined by the Secretary under such section to be reasonably necessary because of the veteran’s disability, the Secretary shall provide assistance under this subsection:

(i) with the Secretary’s assistance, obtain temporary temporary housing owned by the veteran described in subsection (a) of this section; and

(ii) pay the actual cost of living in such temporary housing, which cost shall be no greater than the fair market value of the adaptations described in section 2102(b) of this title, or in the case of a veteran acquiring a residence already adapted with special features, the actual cost of acquiring the adaptations determined by the Secretary under such section.

(b) LIMITATION ON AMOUNT OF ASSISTANCE.—In any one case, assistance authorized under subsection (a) may not exceed—

(1) $10,000, in the case of a veteran described in section 2101(a)(2) of this title;

(2) $2,000, in the case of a veteran described in section 2101(b)(2) of this title;

(3) the actual cost of living in temporary housing acquired under this title; and

(4) the actual cost of acquiring the adaptations described in subsection (a).

(c) LIMITATION ON RESOURCES SUBJECT TO ASSISTANCE.—A veteran eligible for assistance authorized under subsection (a) may only be provided such assistance with respect to 1 residence.

(d) REGULATIONS.—Assistance under this section shall be provided in accordance with such regulations as the Secretary may prescribe.

(e) TERMINATION OF AUTHORITY.—The authority to provide assistance under subsection (a) shall expire at the end of the 5-year period beginning on the date of enactment of the Specially Adapted Housing Grants Improvement Act of 2006.

(b) LIMITATION ON HOUSING ASSISTANCE.—Section 2102 of such title is amended—

(1) in subsection (a), by striking “The assistance authorized by section 2101(a) and all that follows through “any one case”—; and

(2) by amending subsection (b) to read as follows:

“(B) Subject to subsection (d), and except as provided in section 2104(b) of this title, the aggregate amount of assistance authorized under this title may not exceed the actual cost, or in the case of a veteran acquiring a residence already adapted with special features, the actual cost of acquiring the adaptations determined by the Secretary under such section.

(c) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter of such title is amended by inserting after the item relating to section 2102 the following:

“2102A. Assistance for veterans residing temporarily in housing owned by family member.”.

SEC. 2033. GAO REPORTS.

(a) INTERIM REPORT.—Not later than 3 years after the date of enactment of this Act, the Comptroller General of the United States shall submit to Congress an interim report on the implementation of section 2102A of title 38, United States Code (as added by section 2(a)), by the Department of Veterans Affairs.

(b) FINAL REPORT.—Not later than 5 years after the date of enactment of this Act, the Comptroller General of the United States shall submit to Congress a final report on the implementation of section 2102A by the Department of Veterans Affairs.

TITILE III—COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

SEC. 3001. SHORT TITLE.

This title may be cited as the “Digital Transition and Public Safety Act of 2005”.

SEC. 3002. ANALOG SPECTRUM RECOVERY; HARD DEADLINE.

Section 309(j)(14) of the Communications Act of 1934 (47 U.S.C. 309(j)(14)) is amended—

(1) by striking “December 31, 2006;” in subparagraph (A) and inserting “April 7, 2009;”;

(2) by striking subparagraph (B); and

(3) by striking “(ii)” in paragraph (1)(C).

(b) ADDITIONAL DEADLINES FOR RECOVERED ANALOG SPECTRUM.—Notwithstanding subparagraph (B), the Commission shall—
“(I) conduct the auction of the licenses for recovered analog spectrum commencing January 28, 2008;

“(II) not later than 60 days after the end of the auction, allocate the recovered analog spectrum for such auction established pursuant to part 1 of title 47, Code of Federal Regulations, grant or deny such long-form applications and issue such licenses for such recovered analog spectrum to each successful bidder whose long-form application is granted; and

“(III) collect and deposit the proceeds of such auction in the Digital Transition and Public Safety Fund established by section 3005 of the Digital Transition and Public Safety Act of 2005.

“(vii) cover analog spectrum and make available for public safety services; and

“(viii) in the Treasury of the United States a fund of the Treasury.

“(x) Indian tribes affected by hurricanes and other coastal disasters.

“(a) Indian tribes affected by hurricanes and other coastal disasters.

“(b) D EPOSIT OF AUCTION PROCEEDS. paragraphs (14), except reclaimed from the analog television service only

“covered analog spectrum

“and

“made available for public safety services;

“(c) PAYMENTS AUTHORIZED. in the Treasury a fund of the Treasury.

“(III) collect and deposit the proceeds of

“auctioned prior to the date of enactment of the Digital Transition and Public Safety Act of 2005.”.

“b) EXTENSION OF AUCTION AUTHORITY.— Paragraph (b) of section 309(j) of the Communications Act of 1934 (47 U.S.C. 309(j)(11)) is amended—


“SEC. 2006. LICENSE FEES.

“In addition to any fees assessed under the Communications Act of 1934 (47 U.S.C. 151 et seq.), the Commission shall assess extraordinary fees for licenses in the aggregate amount of $10,000,000, which shall be deposited in the Treasury during fiscal year 2006 as offsetting receipts.

“SEC. 2005. DIGITAL TRANSITION AND PUBLIC SAFETY FUND.

“(a) ESTABLISHMENT.—There is established in the Treasury of the United States a fund called the Digital Transition and Public Safety Fund.

“(b) DEPOSIT OF AUCTION PROCEEDS.—The Commission shall deposit the proceeds of the auction authorized by section 309(j)(15)(C)(v) of the Communications Act of 1934 (47 U.S.C. 309(j)(15)(C)(v)) in the Fund as required by item (III) of that section.

“(c) COMMITTEE AUTHORIZED.—The Secretary of Commerce or the Secretary’s designee shall make payments from the Fund in the following amounts, for the following programs and projects:

“(1) Not to exceed $3,000,000,000 for a program to assist consumers in the purchase of converter boxes that convert a digital television signal to a usable analog television signal, and any amounts unexpended or unobligated at the conclusion of the program shall be used for the program described in paragraph (3).

“(2) Not to exceed $200,000,000 for a program to convert low-power television stations and television translator stations from analog to digital services to provide assistance for technological adaptation, or any amounts unexpended or unobligated at the conclusion of the program shall be used for the program described in paragraph (3).

“(3) Not to exceed $1,250,000,000 for a program to facilitate emergency communications, of which $1,000,000,000 shall be used for an interoperability fund and $250,000,000 shall be used to implement a national alert system, of which $50,000,000 shall be used for tsunami warning and coastal vulnerability programs.

“(4) Not to exceed $250,000,000 for a program to implement the ENHANCE 911 Act of 2004 (47 U.S.C. 942 note).

“(5) Not to exceed $200,000,000 for a program to provide emergency broadband service to coastal tribes and Indian tribes affected by hurricanes and other coastal disasters.

“(d) TRANSFER OF AMOUNT TO TREASURY.— On October 2, 2009, Secretary shall transfer $5,000,000,000 from the Fund to the general fund of the Treasury.

“(e) OBLIGATION TIME PERIOD.—Any amounts that are to be paid from the Fund under subsection (c) shall be obligated no later than September 30 of the current fiscal year. The Secretary may not obligate any amounts from the Fund until the proceeds of the auction authorized by section 309(j)(15)(C)(v) are actually deposited by the Commission pursuant to subsection (b). Any amount in the Fund that is not obligated under subsection (c) by that date shall be transferred to the general fund of the Treasury.

“(f) USE OF EXCESS PROCEEDS.—Any proceeds of the auction authorized by section 309(j)(15)(C)(v) of the Communications Act of 1934, as added by section 3003 of this Act, that exceed the sum of the payments made from the Fund under subsection (c), the transfer from the Fund under subsection (d), and any amount made available under section 3006 (referred to in this subsection as “excess proceeds”), shall be distributed as follows:

“(1) The first $1,000,000,000 of excess proceeds shall be transferred to and deposited in the general fund of the Treasury as miscellaneous receipts.

“(2) After the transfer under paragraph (1), the next $500,000,000 of excess proceeds shall be transferred to the interoperability fund described in subsection (c).

“(3) After the transfers under paragraphs (1) and (2), the next $1,200,000,000 of excess proceeds shall be transferred to the assistance fund described in subsection (d).

“(4) After the transfers under paragraphs (1) through (3), any remaining excess proceeds shall be transferred to and deposited in the general fund of the Treasury as miscellaneous receipts.

“SEC. 2005A. COMMUNICATION SYSTEM GRANTS.

“(a) DEFINITIONS.—In this section—

“(1) the term “demonstration project” means the demonstration project established under subsection (b)(1);

“(2) the term “Department” means the Department of Homeland Security;

“(3) the term “emergency response provider” has the meaning given that term in section 2(6) the Homeland Security Act of 2002 (6 U.S.C. 101(6)); and

“(4) the term “Secretary” means the Secretary of Homeland Security.

“(b) IN GENERAL.

“(1) ESTABLISHMENT.—There is established in the Department an “International Border Community Interoperable Communications Demonstration Project.

“(2) MINIMUM NUMBER OF COMMUNITIES.—The Secretary shall select not fewer than 2 communities to participate in a demonstration project.

“(3) LOCATION OF COMMUNITIES.—Not fewer than 1 of the communities selected under paragraph (2) shall be located on the northern border of the United States.

“(c) PROGRAMS.—The demonstration projects shall—

“(1) address the interoperable communications needs of police officers, firefighters, emergency medical technicians, National Guard, and other emergency response providers;

“(2) foster interoperable communications—

“(A) among Federal, State, local, and tribal government agencies in the United States involved in preventing or responding to terrorist attacks or other catastrophic events; and

“(B) with similar agencies in Canada and Mexico;

“(3) identify common international cross-border frequencies for communications equipment, including radio or computer messaging equipment;

“(4) foster the standardization of interoperable communications equipment;

“(5) identify solutions that will facilitate communications interoperability across national borders expeditiously;

“(6) ensure that emergency response providers can communicate with each another and the public at disaster sites or in the event of a terrorist attack or other catastrophic event;

“(7) provide training and equipment to enable emergency response providers to deal with threats and contingencies in a variety of environments; and

“(8) identify and secure appropriate joint-use equipment to ensure communications access.

“(d) DISTRIBUTION OF FUNDS.—

“(1) IN GENERAL.—The Secretary shall distribute funds under this section to each community selected to participate in a demonstration project through the State, or States, in which each community is located.

“(2) OTHER PARTICIPANTS.—Not later than 60 days after receiving funds under paragraph (1), a State receiving funds under this section shall make the funds available to the local governments and emergency response providers that are participating in the demonstration project selected by the Secretary.

“(e) FUNDING.—Payments made available from the interoperability fund under section 2005A shall be available to carry out this section without appropriation.

“(f) REPORTING.—Not later than December 31, 2005, and each year thereafter in which funds are appropriated for a demonstration project, the Secretary shall provide to the Committee on Homeland Security and Governmental Affairs of the Senate and the Committee on Homeland Security of the House of Representatives a report on the demonstration projects under this section.

“SEC. 2006. ESSENTIAL AIR SERVICE PROGRAM.

“(a) IN GENERAL.—If the amount appropriated to carry out the essential air service program under subchapter II of chapter 417 of title 49, United States Code, equals or exceeds $110,000,000 for fiscal year 2006, 2007, 2008, or 2009, the Commission shall make $15,000,000 available from the Digital Transition and Public Safety Fund available to the Secretary of Transportation for use in carrying out the essential air service program for that fiscal year.

“(b) APPLICATION WITH OTHER FUNDS.—Any amounts made available under subsection (a) for any fiscal year shall be in addition to any amounts—

“(1) appropriated for that fiscal year; or

“(2) derived from fees collected pursuant to section 45001(a) of the United States Code, that are made available for obligation and expenditure to carry out the essential air service program for that fiscal year.

“TITLE IV—ENERGY AND NATURAL RESOURCES

“SEC. 4001. OIL AND GAS LEASING PROGRAM.

“(a) DEFINITIONS.—In this section—

“(1) COASTAL PLAN.—The term "Coastal Plan" means the area identified as the Coastal Plain on the map prepared by the United States Geological Survey, entitled "Arctic National Wildlife Refuge 1002 Coastal Plain Area", dated September 2003, and on file with the United States Geological Survey.

“(2) SECRETARY.—The term “Secretary” means the Secretary of the Interior, acting through the Bureau of Land Management.

“(b) PROGRAM.—

“(1) IN GENERAL.—Congress—
(A) authorizes the leasing, development, production, and transportation of oil and gas in and from the Coastal Plain; and
(B) directs the Secretary to take such actions as are necessary to—
(1) establish and implement an environmentally sound competitive oil and gas leasing program to carry out the activities authorized by paragraph (A); and
(2) conduct 2 lease sales before October 1, 2010.
(2) ADMINISTRATION.—The Secretary shall administer this section through regulations, lease terms, conditions, restrictions, prohibitions, stipulations, and other provisions that ensure the exploration, development, production, and transportation activities on the Coastal Plain are carried out in a manner that will ensure the receipt of fair market value by the public for the mineral resources to be leased.

(c) LEASE SALES BEFORE FISCAL YEAR 2011.—
(1) IN GENERAL.—In order to enable the Secretary to hold 2 lease sales before October 1, 2010, this subsection shall apply with respect to the oil and gas leasing program established by the Secretary pursuant to this section.
(2) PURPOSES.—For purposes of the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.), with respect to the purposes for which the Arctic National Wildlife Refuge was established, and no further findings or decisions are required to implement this determination of compatibility.

(3) PEELEAD ACTIVITIES.—The Final Legislative Environmental Impact Statement on the Coastal Plain (Date April 1987 and prepared pursuant to section 1002 of the Alaska National Interest Lands Conservation Act (16 U.S.C. 1342(c) and section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) that apply with respect to prelease activities, including actions authorized to be taken by the Secretary to develop and promulgate the establishment of the leasing program authorized by this section before the conduct of the first lease sale.

(4) PREFERRED ACTION.—
(A) NONLEASING ALTERNATIVES.—With respect to any environmental impact statement prepared by the Secretary under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) with respect to any lease sale conducted under the leasing program authorized by this section, the Secretary is not required to identify nonleasing alternative courses of action or to analyze the environmental effects of those courses of action.

(B) LEASING ALTERNATIVES.—The Secretary shall only identify a preferred action for leasing and a single leasing alternative, and analyze the environmental effects and potential mitigation measures for the preferred action and leasing alternative.

(C) DEADLINE.—The identification and related analyses required by subparagraph (B) shall be completed within 18 months after the date of enactment of this Act.

(D) PUBLIC COMMENTS.—The Secretary shall only consider public comments that are filed within 30 days after publication of an environmental analysis.

(E) COMPLIANCE.—Compliance with this paragraph satisfies all requirements of section 1102 of the Alaska National Interest Lands Conservation Act of 1980 (42 U.S.C. 4332(2)(C)) for the analysis and consideration of the environmental effects of proposed leasing under this section.

(5) EXPEDITED JUDICIAL REVIEW.—
(A) VENUE; DEADLINE.—Any complaint seeking judicial review of this section and any action of the Secretary under this section shall be filed in the United States Court of Appeals for the District of Columbia—
(i) within 60 days of the decision of the Secretary, not counting the date on which the action being challenged; or
(ii) in the case of a complaint based solely on grounds arising after that period, within 90 days after the complainant knew or reasonably should have known of the grounds for the complaint.

(B) SCOPE.—Judicial review of a decision of the Secretary under this section or this subsection (including the environmental analysis of the decision) shall be—
(i) limited to whether the Secretary has complied with this section; and
(ii) based on the administrative record of that decision.

(C) REMEDIES.—In making any other provision of law, the amount of adjusted bonus, rental, and royalty receipts derived from oil and gas leasing and operations authorized under this section—
(1) 50 percent shall be paid to the State of Alaska; and
(2) the balance shall be deposited into the Treasury as miscellaneous receipts.

(e) RIGHTS—TITLE.—For purposes of section 1102(4)(A) of the Alaska National Interest Lands Conservation Act (16 U.S.C. 13123(4)(A)), any rights-of-way or easements across the Coastal Plain for the exploration, development, production, or transportation of oil and gas shall be considered to be established incident to the management of the Coastal Plain as a National Wildlife Refuge.

(f) MAXIMUM SURFACE ACREAGE.—In administering this section, the Secretary shall ensure that the maximum quantity of surface acreage that will be covered by gravel berms or piers for support facilities (including airstrips and any area covered by gravel berm s or piers for support of pipelines) does not exceed 2,000 acres on the Coastal Plain.

(g) PROHIBITION ON EXPORTS.—An oil or gas lease issued under this title shall prohibit the exportation of oil or gas produced under the lease.
units under clause (i)(II) for all National Drug Codes assigned to such drug products.

"(D) LIMITATION ON SALES AT A NOMINAL PRICE.—

"(i) IN GENERAL.—For purposes of clauses (i)(II) and (ii)(III) of subparagraph (B), only sales by a manufacturer of covered outpatient drugs that are single source drugs, innovator multiple source drugs, or authorized generic drugs at nominal prices to the following shall be considered to be sales at a nominal price or merely nominal in amount:

"(I) [omitted text]

"(II) A State-owned or operated nursing facility.

"(IV) Any other facility or entity that the Secretary determines is a safety net provider to which sales of such drugs at a nominal price would be appropriate based on the following factors:

"(aa) The type of facility.

"(bb) The services provided by the facility.

"(cc) The patient population served by the facility.

"(dd) The number of other facilities eligible to purchase at nominal prices in the same area.

"(ii) NONAPPLICATION.—Clause (i) shall not apply with respect to sales by a manufacturer of covered outpatient drugs that are single source drugs, innovator multiple source drugs, or authorized generic drugs pursuant to a master agreement under section 6126 of title 38, United States Code.

"(E) BONA FIDE SERVICE FEES.—For purposes of subparagraph (B)(iii), the term ‘bona fide service fees’ means expenses that are for an itemized service actually performed by an entity on behalf of a manufacturer that would have generally been paid for by the manufacturer at the same rate had those services been performed by another entity.

(2) CONFORMING AMENDMENTS.—Section 1927(b)(3)(A)(i) (42 U.S.C. 1396r–1927(b)(3)(A)(i)) is amended by inserting ‘other than for purposes of collection of rebates for the dispensing of such drugs in accordance with the provisions of a contract under section 1902(m) that meets the requirements of paragraph (2)(A)(xiii) of that section’ before the period.

"(B) CONFORMING AMENDMENT.—Section 1927(b)(1) (42 U.S.C. 1396r–8(b)(1)) is amended by inserting ‘other than for purposes of collection of rebates for the dispensing of such drugs in accordance with the provisions of a contract under section 1902(m) that meets the requirements of paragraph (2)(A)(xiii) of that section’ after the period.

"(C) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 2006.

"(D) UPDATES: AVAILABILITY OF DATA.—

"(i) FREQUENCY OF DETERMINATION.—The Secretary shall update the payment limits applicable under this section on a quarterly basis, taking into account the most recent data collected for purposes of determining such limited payment limits.

"(ii) DATA REPORTED FOR PURPOSES OF DETERMINING WEIGHTED AVERAGE MANUFACTURER PRICE.—Insofar as there is a lag in the receipt of the information on rebates and chargebacks so that adequate data are not available on a timely basis to update the weighted average manufacturer price for a multiple source drug, such data shall apply a methodology based on the 12-month rolling average for the manufacturer to estimate costs attributable to rebates, chargebacks, and any other discounts, rebates, or reductions in price, for the most recent month for which such rates are reported in wholesale price guides or other publications of drug or biological pricing data.

"(iii) EMERGENCY REVOCATION OF ADDITIONAL PAYMENTS.—In the case of an innovator multiple source drug that a prescriber determines is necessary for treatment of a condition or disease and that was not included in the payment for an innovator multiple source drug that a prescriber determines is necessary for treatment of a condition or disease and that was released by the Drug Administration’s most recent publication of ‘Approved Drug Products with Therapeutic Equivalence Evaluations’.

"(E) COLLECTION OF DATA.—

"(i) IN GENERAL.—Beginning on January 1, 2006, the Secretary shall collect data with respect to the average manufacturer prices and volume of sales of covered outpatient drugs or, in the case of covered outpatient drugs that are first marketed after such date, beginning with the first quarter during which such drugs are first marketed.

"(ii) DATA REPORTED FOR PURPOSES OF DETERMINING WEIGHTED AVERAGE MANUFACTURER PRICE.—Insofar as there is a lag in the receipt of the information on rebates and chargebacks so that adequate data are not available on a timely basis to update the weighted average manufacturer price for a multiple source drug, such data shall apply a methodology based on a 12-month rolling average for the manufacturer to estimate costs attributable to rebates, chargebacks, and any other discounts, rebates, or reductions in price, for the most recent month for which such rates are reported in wholesale price guides or other publications of drug or biological pricing data.

"(iii) EMERGENCY REVOCATION OF ADDITIONAL PAYMENTS.—In the case of a covered outpatient drug during an initial sales period (not to exceed 2 calendar quarters) in which data on sales for the drug is not sufficiently available from the manufacturer to compute the average manufacturer price or the weighted average manufacturer price, the Secretary shall establish the upper payment limit for the ingredient cost of such drug to apply only during such period based on the following:

"(C) AVAILABILITY OF DATA TO STATES.—Notwithstanding subsection (b)(3)(D), beginning with the first quarter of fiscal year 2006.
for which data is available, and for each fiscal year quarter thereafter, the Secretary shall make available to States the most recently reported average manufacturer prices for single and weighted average manufacturer prices for multiple source drugs.

(E) AUTHORITY TO ENTER CONTRACTS.—The Secretary shall enter into contracts with appropriate entities to determine average manufacturer prices, volume, and other data necessary to calculate the upper payment limit for a critical access retail pharmacy established under this subsection and to calculate that limit.

(3) DISTRIBUTION OF DATA.—(A) DISTRIBUTION OF DATA.—The Secretary shall devise and implement a means for electronic distribution of the most recently calculated average manufacturer prices, volume, and other data necessary to calculate the upper payment limit for a critical access retail pharmacy.

(ii) the dispensing fee for a critical access retail pharmacy is the lesser of

(i) the ingredient cost of a single source drug, is the lesser of

(ii) the wholesale acquisition cost of the drug; and

(iii) the ingredient cost of a single source drug, is the lesser of

(iii) tracking services, including developing, maintaining, and disseminating patient weight for dosing requirements.

(ii) (B) AUTHORITY TO ESTABLISH PAYMENT RATES.—A State may use the price data received in accordance with subparagraph (A) in establishing payment rates for the ingredient costs and dispensing fees for covered outpatient drugs dispensed to individuals eligible for medical assistance under this title.

(4) REASONABLE DISPENSING FEES REQUIRED.—

(i) IN GENERAL.—(A) IN GENERAL.—A State which provides medical assistance for covered outpatient drugs shall pay a dispensing fee for each covered outpatient drug for which Federal financial participation is available in accordance with this section in accordance with the following:

(i) the dispensing fee for a noninnovator multiple source drug shall be greater than the dispensing fee for an innovator multiple source drug that is rated as therapeutically equivalent and bioequivalent to such drug.

(ii) (B) APPLICATION OF OTHER PROVISIONS.—The preceding provisions of this subsection shall apply in a manner as such provisions apply to reimbursement of charges for the dispensing of drugs requiring special pharmacy care management services.

(ii) the dispensing of drugs requiring special pharmacy care management services.

(i) IN GENERAL.—Not later than 15 months after the enactment of the Deficit Reduction Omnibus Reconciliation Act of 2005, the Secretary shall establish a list of covered outpatient drugs which require specialty pharmacy care management services that includes only those drugs for which the Secretary determines that access by individuals eligible for medical assistance under this title would be seriously impaired without the provision of specialty pharmacy care management services.

(ii) For purposes of this paragraph, the term ‘specialty pharmacy care management services’ means services provided with the dispensing or administration of a covered outpatient drug which the Secretary determines requires:

(i) significant caregiver and provider contact and education regarding the relevant disease state, prevention, treatment, drug interactions, and potential for complications of use, pharmacy counseling, and explanation of existing provider guidelines;

(ii) patient compliance services, including consultation of provider visits with drug delivery, compliance with a drug dosing regimen, mailing or telephone call reminders, compiling compliance data, and assisting providers in developing compliance programs;

(iii) tracking services, including developing, maintaining, and disseminating patient weight for dosing requirements.

(ii) the dispensing fee for a critical access retail pharmacy is the lesser of

(3) DISTRIBUTION OF DATA.—(A) DISTRIBUTION OF DATA.—The Secretary shall devise and implement a means for electronic distribution of the most recently calculated average manufacturer prices, volume, and other data necessary to calculate the upper payment limit for a critical access retail pharmacy established under this subsection and to calculate that limit.

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(3) DISTRIBUTION OF DATA.—(A) DISTRIBUTION OF DATA.—The Secretary shall devise and implement a means for electronic distribution of the most recently calculated average manufacturer prices, volume, and other data necessary to calculate the upper payment limit for a critical access retail pharmacy established under this subsection and to calculate that limit.
(i) not later than 30 days after the last day of each rebate period under the agreement; (ii) on the average manufacturer price (as defined in subsection (c)(1)) for each covered outpatient drug for the rebate period under the agreement (including for each such drug that is an authorized generic drug or is any other drug sold under a new drug application approved under section 505(c) of the Federal Food, Drug, and Cosmetic Act); and (iii) for each single source drug, innovator multiple source drug, or authorized generic drug, and any other drug sold under a new drug application approved under section 505(c) of the Federal Food, Drug, and Cosmetic Act, on the manufacturer’s best price (as defined in subsection (c)(1)(C)) for such drug for the rebate period under the agreement; and

(2) in clause (ii), by inserting “(including for such drugs that are authorized generic drugs or are any other drugs sold under a new drug application approved under section 505(c) of the Federal Food, Drug, and Cosmetic Act)” after “drugs”.

(b) CONFORMING AMENDMENTS.—Section 1927 of such Act (42 U.S.C. 1396e–8) is amended by—

(1) in subsection (c)(1)(C), by—

(A) in clause (i) after the matter preceding subclause (I), by striking “or innovator multiple source drug of a manufacturer” and inserting “; innovator multiple source drug, or authorizing a new drug application for, or any other drug of a manufacturer that is sold under a new drug application approved under section 505(c) of the Federal Food, Drug, and Cosmetic Act”;

(B) in clause (ii)—

(i) in subclause (I), by striking “and” at the end;

(ii) in subclause (III), by striking the period at the end and inserting “; and”;

(iii) by adding at the end the following: “(IV) in the case of a manufacturer that approves, allows, or otherwise permits an authorized generic drug or any other drug of the manufacturer to be sold under a new drug application approved under section 505(c) of the Federal Food, Drug, and Cosmetic Act, shall be inclusive of the lowest price for such authorized generic or other drug available from the manufacturer during the rebate period to any wholesaler, retailer, provider, health maintenance organization, nonprofit entity, or governmental entity within the State as part of its regular business;”;

(A) in paragraph (1), as amended by section 6001(b)(1)(B), by adding at the end the following:

“(F) INCLUSION OF AUTHORIZED GENERIC DRUG.—In the case of a manufacturer that approves, allows, or otherwise permits an authorized generic drug or any other drug of the manufacturer to be sold under a new drug application approved under section 505(c) of the Federal Food, Drug, and Cosmetic Act, such term shall be inclusive of the average price paid for such authorized generic or other drug”;

(B) by adding at the end the following:

“(10) AUTHORIZED GENERIC DRUG.—The term ‘authorized generic drug’ means a listed drug (as that term is defined in section 505(c) of the Federal Drug, Food, and Cosmetic Act) that—

(A) has been approved under section 505(c) of such Act and labeled code, trade name, or trademark than the listed drug.”;

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

SEC. 6004. COLLECTION OF REBATES FOR CERTAIN PHYSICIAN ADMINISTERED DRUGS.

(a) IN GENERAL.—Section 1927(a) (42 U.S.C. 1396e–8(a)) is amended by adding at the end the following:

“(7) REQUIREMENT FOR SUBMISSION OF UTILIZATION DATA FOR CERTAIN PHYSICIAN-ADMINISTERED DRUGS.—In order for payment to be available under section 1903(a) for a covered outpatient drug that is physician administered (as determined by the Secretary), and that is administered on or after January 1, 2006, the State shall provide for the submission of such utilization data and coding (including to the extent necessary to assure the accuracy of any such data) for such drug as the Secretary may specify as necessary in order to secure rebates for payments made under this title.”.

(b) LIMITATION ON PAYMENT.—Section 1903(j)(10) (42 U.S.C. 1396b(i)(10)), as amended by section 6001(b)(2)(B), is amended—

(1) by striking “; or” at the end and inserting “; and”;

(2) by adding at the end the following:

“(D) with respect to covered outpatient drugs described in section 1927(a)(7), unless information with respect to utilization data and coding on such drugs is submitted in accordance with that section; or”.

CHAPTER 2—LONG-TERM CARE UNDER MEDICAID

SEC. 6011. REFORM OF MEDICAID ASSET TRANSFER RULES.

(a) REQUIREMENT TO IMPOSE PARTIAL MONTHS OF INELIGIBILITY.—Section 1915(c)(1)(E) (42 U.S.C. 1396p(c)(1)(E)) is amended by adding at the end the following:

“(I) an annuity described in subsection (c) or (q) of section 408 of the Internal Revenue Code of 1986; or

(ii) purchased with proceeds from—

(aa) an account or trust described in subsection (a), (c), (p) of section 408 of such Code; or

(bb) a simplified employee pension (within the meaning of section 408(k) of such Code); or

(cc) a Roth IRA described in section 408A of such Code; or

(ii) the annuity—

(1) is irrevocable and nonassignable;

(2) is actuarially sound (as determined in accordance with actuarial publications of the Office of the Chief Actuary of the Social Security Administration); and

(3) provides for payments in equal amounts during the term of the annuity, with no deferral and no balloon payments made; and

(b) AUTHORITY FOR STATES TO ACCUMULATE MULTIPLE TRANSFERS INTO 1 PENALTY PERIOD.—Section 1917(c)(1) (42 U.S.C. 1396p(c)(1)) is amended by adding at the end the following:

“(C) if the annuity was purchased from a financial institution, and

(1) is non-transferable and non-assignable;

(ii) is actuarially sound (as determined in accordance with actuarial publications of the Office of the Chief Actuary of the Social Security Administration); and

(iii) provides for payments in equal amounts during the term of the annuity, with no deferral and no balloon payments made; and

(c) INCLUSION OF TRANSFERS TO PURCHASE LIFE INSURANCE OR ANNUITIES.—Section 1917(b)(4) (42 U.S.C. 1396p(b)(4)), as amended by paragraph (1), is amended—

(A) in subparagraph (A), by striking “and” at the end;

(B) in subparagraph (B), by striking the period at the end and inserting “; and”;

(C) by adding at the end the following:

“(C) shall include an annuity unless the annuity was purchased from a financial institution or other business that sells annuities as part of its regular business.”.

(d) INCLUSION OF TRANSFERS TO PURCHASE LIFE ESTATES.—Section 1917(c)(1) (42 U.S.C. 1396p(c)(1)) is amended—

(A) in subsection (b), by striking “or” and inserting “or”;

(B) by adding at the end the following:

“(2) with respect to the transfer of an annuity shall be treated as an estate for purposes of the transfer of an annuity for the purposes for which the annuity was purchased within the meaning of subparagraph (B) as determined in accordance with section 6011 of such title.”.

(e) INCLUSION OF TRANSFERS TO PURCHASE LIFE ESTATES.—Section 1917(c)(1) (42 U.S.C. 1396p(c)(1)) is amended—

(A) in subsection (b), by striking “or” and inserting “or”;

(B) by adding at the end the following:

“(2) with respect to the transfer of an annuity shall be treated as an estate for purposes of the transfer of an annuity for the purposes for which the annuity was purchased within the meaning of subparagraph (B) as determined in accordance with section 6011 of such title.”.
“(J) For purposes of this paragraph with respect to a transfer of assets, the term ‘assets’ includes the purchase of a life estate in another individual’s home unless the purchase is made in the home over a period of at least 1 year after the date of the purchase.

(D) PROTECTION AGAINST UNDUE HARDSHIP.—Section 1917(c) (42 U.S.C. 1396p(c)) is amended by adding at the end the following:

“(6) For purposes of paragraphs (2)(D) and (4)(D), procedures established by the State in accordance with standards specified by the Secretary shall provide for—

(A) a process of notification of the provisions of paragraph (1) or subsection (d), to an individual who is an applicant for medical assistance under this title who would be subjected to such provisions that an undue hardship exception exists;

(B) a timely process before the imposition of a penalty for determining whether an undue hardship waiver will be granted for the individual;

(C) a process under which an adverse determination can be appealed; and

(D) application of criteria that specifies that an undue hardship exists when application of the provisions of paragraph (1) or subsection (d) would deprive the individual of food, clothing, shelter, or other necessities of life.

(G) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraphs (2) and (3), the amendments made by this section shall apply to payments under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) for calendar quarters beginning on or after the date of enactment of this Act, without regard to whether or not final regulations to carry out such amendments have been promulgated by such date.

(2) EXCEPTIONS.—The amendments made by this section shall not apply—

(A) to medical assistance provided for services furnished before the date of enactment;

(B) with respect to assets disposed of on or before the date of enactment of this Act; or

(C) with respect to trusts established on or before the date of enactment of this Act.

(3) EXTENSION OF EFFECTIVE DATE FOR STATE PLAN AMENDMENT.—In the case of a State plan under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) which the Secretary of Health and Human Services determines to regulate State legislation in order for the plan to meet the additional requirements imposed by the amendments made by a provision of this section, the State plan shall not be regarded as failing to comply with the requirements of such title solely on the basis of its failure to meet these additional requirements before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of enactment of this Act.

SEC. 602A. STATE LONG-TERM CARE PARTNERSHIPS.

(a) Expansion of State Long-Term Care Partnership Programs.—

(1) IN GENERAL.—Section 1917(b)(1)(C)(ii) (42 U.S.C. 1396p(b)(1)(C)(ii)) is amended to read as follows:

“(aa) A State plan amendment approved as of May 14, 1993, which provided for the disregard of any assets or resources to the extent that payments are made under a long-term care insurance policy to the extent that an individual has received (or is entitled to receive) benefits under a long-term care insurance policy; and

(bb) has a plan amendment which satisfies the requirements of subparagraphs (B) through (G) of paragraph (5) in the case of any long-term care insurance policy sold under such plan amendment on or after the date that is 2 years after the date of enactment of such paragraph.

For purposes of this clause and paragraphs (5) and (6), the term ‘long-term care insurance policy’ means a policy issued under a group insurance contract."

(b) Satisfactory of Minimum Federal Standards, Tax Qualifications, Inflation Protection, and Other Requirements for Long-Term Care Insurance Partnerships.—Section 1917(b) (42 U.S.C. 1396p(b)) is amended by inserting at the end the following:

“(B) The term ‘Qualified Long-Term Care Insurance Partnership’ means a program offered in a State with an approved State plan amendment that provides for the following:

(A) A subject to the limit specified in subparagraph (D), the disregard of any assets or resources to the amount of payments made to, or on behalf of, an individual who is a beneficiary under any long-term care insurance policy sold under such plan amendment.

(B) A requirement that the State will treat benefits paid under any long-term care insurance policy sold under a plan amendment of another State that maintains a Qualified Long-Term Care Insurance Partnership or is described in subsection (b)(1)(C)(ii) of the State treats those benefits paid under such a policy sold under the State’s plan amendment.

(C) A requirement that any long-term care insurance policy sold under such plan amendment—

(i) be a qualified long-term care insurance contract within the meaning of section 7702B of the Internal Revenue Code of 1986; and

(ii) meet the requirements described in paragraph (6).

(D) A requirement that any such policy sold under such plan amendment provide for—

(i) compound annual inflation protection of at least 5 percent; and

(ii) asset protection that does not exceed $250,000.

The dollar amount specified in the preceding sentence shall be increased, beginning with year 2007, by an amount to achieve an increase in the medical care expenditure category of the Consumer Price Index for All Urban Consumers (United States city average), published by the Bureau of Labor Statistics, rounded to the nearest $100.

(E) A requirement that an insurer may rescind a long-term care insurance policy sold under the plan amendment for failure to provide coverage for an illness or physical condition that has been in effect for at least 2 years or deny otherwise valid long-term care insurance claim under such a policy only upon a showing of facts material to the acceptance of coverage, certain to the claim made, and could not have been known by the insurer at the time the policy was issued.

(F) A requirement that any individual who sells such a policy receive training, and demonstrate evidence of an understanding of, the policy and how the policy relates to other public and private coverage of long-term care.

(G) A requirement that the issuer of any such policy report—

(i) to the Secretary, such information or data as the Secretary may require; and

(ii) to the State, the information or data reported to the Secretary (if any), the information or data required under the minimum reporting requirements developed under section 612(b)(3) of the Deficit Reduction Omnibus Reconciliation Act of 2005, and such additional information or data as the State may require.

For purposes of applying this paragraph, if a long-term care insurance policy is exchanged for another such policy, the date coverage became effective under the first policy shall determine when coverage first becomes effective under the new policy.

(6)(A) For purposes of subparagraph (C)(ii) of paragraph (5), the requirements of this paragraph are met if a long-term care insurance policy sold under a plan amendment described in that paragraph meets—

(i) MODEL REGULATION.—The following requirements of the model regulation:

(I) Section 6A (relating to guaranteed renewal or cancellability), other than paragraph (5) thereof, and the requirements of section 6B of the model Act relating to such section following:

(II) Section 6B (relating to prohibitions on limitations and exclusions) other than paragraph (7) thereof.

(III) Section 6C (relating to extension of benefits).

(IV) Section 6D (relating to continuation or conversion of coverage).

(V) Section 6E (relating to discontinuance and replacement of policies).

(VI) Section 7 (relating to unintentional terminations).

(VII) Section 8 (relating to disclosure), other than sections 8F, 8G, 8H, and 8I thereof.

(VIII) Section 9 (relating to required disclosure of rating practices to consumer).

(IX) Section 11 (relating to prohibitions against post-claims underwriting).

(X) Section 12 (relating to minimum standards).

(XI) Section 14 (relating to application forms and replacement coverage).

(XII) Section 15 (relating to reporting requirements).

(XIII) Section 22 (relating to filing requirements for marketing).

(XIV) Section 23 (relating to standards for marketing), including inaccurate completion of medical histories, other than paragraphs (1), (6), and (9) of section 23C.

(XV) Section 25 (relating to prohibition against preexisting conditions and probationary periods in replacement policies or certificates).

(XVI) The provisions of section 26 relating to contingent nonforfeiture benefits, if the policyholder declines the offer of a nonforfeiture provision described in paragraph (4).

(XVII) Section 29 (relating to standard format outline of coverage).

(XVIII) Section 30 (relating to requirements for policy forms and replacement coverage).

(ii) MODEL ACT.—The following requirements of the model Act:

(I) Section 6C (relating to preexisting conditions and discontinuance and replacement of policies).

(II) Section 6D (relating to discontinuation and replacement of policies).

(III) The provisions of section 8 relating to contingent nonforfeiture benefits.

(IV) Section 6F (relating to right to return).

(V) Section 6G (relating to outline of coverage).

(VI) Section 6H (relating to requirements for certificates under group plans).
SEC. 6021. ENHANCING THIRD PARTY RECOVERY.

(a) CLARIFICATION OF RIGHT OF RECOVERY AGAINST ANY THIRD PARTY LEGALLY RESPONSIBLE FOR PAYMENT OF A CLAIM FOR A HEALTH CARE ITEM OR SERVICE.

(1) IN GENERAL. —Section 1115 of title XVIII of the Social Security Act (42 U.S.C. 1396a(a)(25))—

(2) EFFECTIVE DATE.—Except as provided in section 6026(e), the amendments made by this subsection take effect on January 1, 2006.

(b) CONTINGENCY FEE ARRANGEMENT STANDARDS.—Not later than 1 year after the date of enactment of this Act, the Secretary shall submit a report to the Congress outlining new compensation arrangements that are being used for the purposes of contingency fee arrangements, including self-insured plans, group health plans (as defined in section 607(1) of the Employee Retirement Income Security Act of 1974), service benefit plans, health maintenance organizations, pharmacy benefit managers, or other parties that are, by statute, contract, or agreement, legally responsible for payment of a claim for a health care item or service, as a condition of doing business in the State, to—

(1) provide eligibility and claims payment data with respect to an individual who is eligible for, or is provided, medical assistance under the State plan, upon the request of the State;

(2) accept the subrogation of the State to any right of an individual or other entity to payment from the party for an item or service for which payment has been made under the State plan;

(3) respond to any inquiry by the Secretary regarding a claim for payment for any health care item or service submitted not later than 3 years after the date of the provision of such health care item or service; and

(4) agree not to deny a claim submitted by the Secretary solely on the basis of the date of submission of the initial claim.

(c) ANNUAL REPORTS TO CONGRESS.—The Secretary of Health and Human Services shall annually report to the Congress on the status of each State long-term care insurance program established in accordance with section 1115 of title XVIII of the Social Security Act (42 U.S.C. 1396a(a)(25)) (as amended by subsection (a)(1)). Such reports shall include analyses of the extent to which such programs expand or limit access of individuals to long-term care and the impact of such programs on Federal and State expenditures under the Medicare and Medicaid programs.

CHAPTER 3—ELIMINATING FRAUD, WASTE, AND ABUSE IN MEDICAID

SEC. 6022. LIMITATION ON USE OF CONTINGENCY FEE ARRANGEMENTS.

(a) IN GENERAL.—Section 1115 of title XVIII of the Social Security Act (42 U.S.C. 1396a(a)(25)) is amended by section 104(b) of the QI, TMA, and Abstinence Programs Expansion and Hurricane Katrina Unemployment Relief Act of 2005 (Public Law 109-91), is amended—

(1) in paragraph (19), by adding “or” at the end;

(2) by striking “at the end;” and

(3) by inserting after paragraph (21), the following:

(22) with respect to any amount expended in connection with any contract or agreement (other than a risk contract under section 1903(m)) between the State agency under section 1902(a)(5) or any State or local agency designated by such agency or any other State or local agency (as defined in section 1903(m)) for the purpose of purchasing any service, including health care services, from providers of health care items or services, including self-insured plans, group health plans, including those plans that involve the purchase of any service, including health care services, from providers of health care items or services, the Secretary of Health and Human Services shall issue standards for the purposes of ensuring that any amounts expended are used to eliminate fraud, waste, and abuse in the operation of the Medicaid program.

(b) CONTINGENCY FEE ARRANGEMENT STANDARDS.—Not later than 6 months after the date of enactment of this Act, the Inspector General of the Department of Health and Human Services shall issue standards for the purposes of ensuring that any amounts expended are used to eliminate fraud, waste, and abuse in the operation of the Medicaid program. The Inspector General shall annually review and, as necessary, make such standards to promptly address new compensation arrangements that may present a risk to program integrity under such title.

(c) EFFECTIVE DATE.—Except as provided in section 6026(e), the amendments made by this subsection take effect on January 1, 2007.
SEC. 6023. ENCOURAGING THE ENACTMENT OF STATE FALSE CLAIMS ACTS.

(a) In General.—Title XIX (42 U.S.C. 1396 et seq.) is amended by inserting after section 1903A the following:

"STATE FALSE CLAIMS ACT REQUIREMENTS FOR INCREASED STATE SHARE OF RECOVERIES

"Sec. 1909. (a) In General.—Notwithstanding section 1906(b), if a State has in effect a law relating to false or fraudulent claims that meets the requirements of subsection (b), the Federal medical assistance percentage with respect to any amounts recovered as a result of an action brought under such law, shall be decreased by 10 percentage points.

(b) REQUIREMENTS.—For purposes of subsection (a), the requirements of this subsection are that the Inspector General of the Department of Health and Human Services, in consultation with the Attorney General, determines that the State has in effect a law that meets the following requirements:

(1) The law establishes liability to the State for false or fraudulent claims described in section 3729 of title 31, United States Code, with respect to any expenditure described in section 1903(a).

(2) The law contains provisions that are at least as protective as those providing for qui tam actions for false or fraudulent claims as described in sections 3730 through 3735, United States Code.

(3) The law contains a requirement for filing an action under seal for 60 days with review by the State Attorney General.

(4) The law contains a civil penalty that is not less than the amount of the civil penalty authorized under section 3729 of title 31, United States Code.

(5) The law contains provisions that are designed to prevent a windfall recovery for a qui tam relator in the event that the relator files a Federal and State action for the same false claim.

(c) Deemed Compliance.—A State that, as of January 1, 2007, has a law in effect that meets the requirements of subsection (b) shall be deemed to be in compliance with such requirements for so long as the law continues to meet such requirements.

(d) No Preclusion of Broader Laws.—Nothing in this subsection shall be construed as prohibiting a State that has in effect a law that establishes liability to the State for false or fraudulent claims described in section 3729 of title 31, United States Code, with respect to programs in addition to the State program under this title, or with respect to expenditures in addition to expenditures described in subparagraph (A), from being considered to be in compliance with the requirements of subsection (a) so long as the law meets such requirements.

SEC. 6024. EMPLOYEE EDUCATION ABOUT FALSE CLAIMS.

(a) In General.—Section 1902(a) (42 U.S.C. 1396a(a)) is amended—

(1) in paragraph (6), by striking "and" at the end and inserting ";", and;

(2) in paragraph (7) by striking the period at the end and inserting "; and"; and

(3) by inserting after paragraph (6) the following:

"(68) provide that any entity that receives or makes annual payments under the State plan of at least $1,000,000, as a condition of receiving such payments, shall—"

(A) establish written policies, procedures, and protocols for training of all employees of the entity (including management), and of any contractor or agent of such entity; such policies, procedures, and protocols shall include a detailed discussion of the False Claims Act established under sections 3729 through 3733 of title 31, United States Code, administrative remedies for false claims and statements established under chapter 38 of title 31, United States Code, any State laws pertaining to civil remedies for false claims and statements, and whistleblower protections under such laws, with respect to the role of such laws in preventing and detecting fraud and abuse in Federal health care programs (as defined in section 1128B(f));

(B) include as part of such written policies, procedures, and protocols detailed procedures, precautions, and training regarding the entity’s policies and procedures for detecting and preventing fraud, waste, and abuse;

(C) include a specific discussion of the entity’s policies and procedures for detecting fraud, waste, and abuse.

(b) EFFECTIVE DATE.—Except as provided in section 6026(e), the amendments made by subsection (a) take effect on January 1, 2007.

SEC. 6025. PROHIBITION ON RESTOCKING AND DOUBLE BILLING OF PRESCRIPTION DRUGS.

(a) In General.—Section 1906(h)(10) (42 U.S.C. 1396n(h)(10)), as amended by section 6094(b), is amended—

(1) in subparagraph (C), by striking "and" and inserting "; or"

(2) in subparagraph (D), by striking "the" and inserting "such";

and

(3) by adding at the end the following:

"(E) with respect to any amount expended for reimbursement of a pharmacy under this title for the ingredient cost of a covered outpatient drug for which the pharmacy has already received payment under this title (other than with respect to a reasonable re-stocking fee for such drug); or"

(b) EFFECTIVE DATE.—The amendments made by subsection (a) take effect—

(1) on the first day of the first fiscal year quarter that begins after the date of enactment of this Act;

SEC. 6026. MEDICAID INTEGRITY PROGRAM.

(a) Establishment of Medicaid Integrity Program.—

(1) IN GENERAL.—There is hereby established the Medicaid Integrity Program, which shall be administered by the Department of Health and Human Services, the Attorney General, and other law enforcement agencies, as appropriate.

(b) Contracting Requirements.—The Federal Government may enter into contracts under the Program to carry out any of the activities described in subsection (a) if the conditions set forth in regulations established by the Secretary have been met.

(c) Program Authority.—The Medicaid Integrity Program may provide for the funding, evaluation, and dissemination of best practices in fraud detection and the establishment of performance standards.

(d) Relationship to Other Program.—The Medicaid Integrity Program may be administered in conjunction with other Federal laws.

SEC. 6027. 5-YEAR PLAN.—With respect to the 5 fiscal year period beginning with fiscal year...
2006, and each such 5-fiscal year period that begins thereafter, the Secretary shall establish a comprehensive plan for ensuring the integrity of the program established under this title by combatting fraud, waste, and abuse.

(2) CONSULTATION.—Each 5-fiscal year plan established under paragraph (1) shall be developed by the Secretary in consultation with the Attorney General, the Director of the Federal Bureau of Investigation, the Comptroller General of the United States, the Inspector General of the Department of Health and Human Services, and State officials with responsibility for controlling provider fraud and abuse under State plans under this title.

(3) AUTHORITY.—(A) The Medicaid Integrity Program Oversight Board established under section 1937 shall be comparable to the duties and authority of other oversight boards established under title XIX of the Social Security Act which the Secretary determines requires State legislative action in order for the plan to meet the additional requirements imposed by the amendments made by this chapter.

(4) IMPORTANCE.—The duties and authority of the Medicaid Chief Financial Officer with respect to the management and expenditure of Federal funds under this title shall be comparable to the duties and authority of other Chief Financial Officers with respect to the management and expenditure of Federal funds under Federal health care programs as defined in section 1128(b).

(5) PROGRAM INTEGRITY OVERSIGHT BOARD.—The Secretary shall establish a Medicaid Program Integrity Oversight Board. The duties and authority of the Medicaid Program Integrity Oversight Board shall be comparable to the duties and authority of other oversight boards established for purposes of Federal health care programs (as so defined) and shall include responsibility for identifying vulnerable populations in the State programs established under this title and developing strategies for minimizing integrity risks to such programs.

(b) STATE REQUIREMENT TO COOPERATE WITH INTENSITY PROGRAM EFFORTS.—Section 1902(a) (42 U.S.C. 1396a(a), as amended by section 1123 of this Act) is amended by striking paragraph (2) and inserting the following:

(2) For purposes of this subsection:

(A)(i) The term ‘case management services’ means services which will address the needs of individuals eligible under the plan in gaining access to needed medical, social, educational, and other services.

(ii) Such services includes the following:

(I) Assessment of an eligible individual to determine service needs, including activities that focus on needs identification, to determine the need for any medical, educational, social, or other services. Such assessment activities include the following:

(aa) Taking client history.

(bb) Identifying the needs of the individual, and completing related documentation.

(cc) Gathering information from other sources such as family members, medical providers, social workers, and educators, if necessary, to form a complete assessment of the eligible individual.

(ii) Development of a specific care plan based on the information collected through an assessment, that specifies the goals and services of medical, social, educational, and other services needed by the eligible individual, including activities such as ensuring the active participation of the eligible individual and working with the individual (or the individual’s authorized health care decision maker) and others to develop such goals and identify a course of action to respond to the assessed needs of the eligible individual.

(iii) Referral and related activities to help an individual obtain needed services, including activities such as making referrals to providers for needed services and scheduling appointments for the individual.

(iv) Monitoring and follow-up activities, including activities and contacts that are necessary to ensure the care plan is effectively implemented and adequately addressing the needs of the eligible individual, and which may be with the individual, family members, providers, or other entities and conducted as frequently as necessary to help determine such matters as whether services are being furnished in accordance with an individual’s care plan; whether the services in the care plan are adequate; and whether there are changes in the needs or status of the eligible individual, and if so, making necessary adjustments in the care plan and service arrangements with providers.

(iv) Such term does not include the direct delivery of an underlying medical, educational, or social service to which such an eligible individual has been referred, including, with respect to the direct delivery of foster care services, services such as (but not limited to) the following:

(1) Research gathering and completion of documentation required by the foster care program.

(2) Assessing adoption placements.

(3) Recruiting or interviewing potential foster care parents.

(4) Serving legal papers.

(5) Home investigations.

(6) Providing transportation.

(7) Administering foster care subsidies.

(VIII) Making placement arrangements.

The term ‘targeted case management services’ are case management services that are furnished without regard to the requirements of sections 1902(a)(1) and 1902(a)(2) and to specific classes of individuals or to individuals who reside in specified areas.

(iii) With respect to contacts with individuals who are not eligible for medical assistance under the State plan or, in the case of targeted case management services, individuals who are eligible for such assistance but are not part of the target population specified in the State plan.

(iv) (A) are considered an allowable case management activity, when the purpose of the

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contact is directly related to the management of the eligible individual’s care; and

“(B) are not considered an allowable case management activity if such contacts relate directly to the identification and management of the noneligible or nontargeted individual’s needs and care.

“(4)(A) In accordance with section 1902(a)(25). Federal financial participation only is available under this title for case management services or targeted case management services if there are no other third parties liable to pay for such services, including as reimbursement under a medical, social, educational, or other program.

“(B) A State shall allocate the costs of any part of such services which are reimbursable under another federally funded program in accordance with OMB Circular A-87 (or any related or successor guidance or regulations regarding allocation of costs among federally funded programs) under an approved cost allocation program.”

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on January 1, 2006.

SEC. 6032. TEMPORARY FEDERAL MATCHING PAYMENTS FOR FEDERAL ASSISTANCE.

(a) 100 PERCENT FEDERAL MATCHING PAYMENTS FOR MEDICAL ASSISTANCE PROVIDED TO SPECIFIED INDIVIDUALS.—

(1) IN GENERAL.—Notwithstanding section 1905(b) of the Social Security Act (42 U.S.C. 1396d(b)), for items and services furnished during the period that begins on August 28, 2005, and ends on May 15, 2006, the Federal medical assistance percentage for providing medical assistance for such items and services under a State Medicaid plan to a specified individual as defined in subsection (b), and for costs directly attributable to all administrative activities that relate to the provision of such medical assistance, shall be 100 percent.

(2) APPLICATION TO CHILD HEALTH ASSISTANCE.—Notwithstanding section 2105(b) of the Social Security Act (42 U.S.C. 1396f(b)), for items and services furnished during the period described in paragraph (1), the Federal matching rate for providing child health assistance for such items and services under a State child health plan to a specified individual (as so defined), and for costs directly attributable to all administrative activities that relate to the provision of such child health assistance, shall be 100 percent.

(b) A SPECIFIED INDIVIDUAL.—

(1) IN GENERAL.—For purposes of subsection (a), the term “specified individual” means an individual who, on any day during the week preceding August 28, 2005, had a primary residence in a Louisiana parish described in paragraph (2), a Mississippi county described in paragraph (3), or an Alabama county described in paragraph (4).

(2) LOUISIANA PARISHES DESCRIBED.—For purposes of paragraph (1), the Louisiana parishes described in this paragraph are the following:

(A) Acadia.
(B) Ascension.
(C) Assumption.
(D) Lafourche.
(E) Cameron.
(F) East Baton Rouge.
(G) East Feliciana.
(H) Iberville.
(I) Jefferson.
(J) Jefferson Davis.
(K) Lafayette.
(L) Lafourche.
(M) Livingston.
(N) Orleans.
(P) Pointe Coupee.
(Q) Plaquemines.
(R) St. Bernard.
(S) St. Charles.
(T) St. Helena.
(U) St. James.
(V) St. John.
(W) St. Mary.
(X) St. Martin.
(Y) St. Tammany.
(Z) Tangipahoa.
(AA) Terrebonne.
(BB) Vermilion.
(CC) Washington.
(DD) West Baton Rouge.
(EE) West Feliciana.

(3) MISSISSIPPI COUNTIES DESCRIBED.—For purposes of paragraph (1), the Mississippi counties described in this paragraph are the following:

(A) Adams.
(B) Amite.
(C) Attala.
(D) Clarke.
(E) Choctaw.
(F) Clarke.
(G) Copiah.
(H) Covington.
(I) Forrest.
(J) Franklin.
(K) George.
(L) Greene.
(M) Hancock.
(N) Harrison.
(O) Hinds.
(P) Jackson.
(Q) Jasper.
(R) Jefferson.
(S) Jefferson Davis.
(T) Jones.
(U) Kemper.
(V) Lamar.
(W) Lauderdale.
(X) Lawrence.
(Y) Leake.
(Z) Lincoln.

(4) ALABAMA COUNTIES DESCRIBED.—For purposes of paragraph (1) the Alabama counties described in this paragraph are the following:

(A) Baldwin.
(B) Choctaw.
(C) Clarke.
(D) Greene.
(E) Hale.
(F) Marengo.
(G) Mobile.
(H) Pickens.
(I) Sumter.
(J) Tuscaloosa.
(K) Washington.

(c) FMAP ADJUSTMENT.—Notwithstanding the first sentence of section 1905(b) of the Social Security Act (42 U.S.C. 1396b), if, for purposes of titles XIX and XXI of the Social Security Act (42 U.S.C. 1396 et seq.), the Federal medical assistance percentage determined for Alaska for fiscal year 2006 or fiscal year 2007 is less than the Federal medical assistance percentage determined for Alaska for fiscal year 2005 shall be substituted for the Federal medical assistance percentage otherwise determined for Alaska for fiscal year 2006 or fiscal year 2007, as the case may be.

SEC. 6033. MANAGED CARE ORGANIZATION PROVIDER TAX REPORT.

(a) IN GENERAL.—Section 1905(b)(7)(A)(viii) (42 U.S.C. 1396b(w)(7)(A)(viii)) is amended to read as follows:

“(viii) Services of managed care organizations (including health maintenance organizations, preferred provider organizations, and such other similar organizations as the Secretary may specify by regulation).”

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendment made by subsection (a) shall take effect on January 1, 2006.

(2) NONAPPLICATION.—The amendment made by subsection (a) shall not apply to services furnished on or after January 1, 2006.

SEC. 6034. INCLUSION OF PODIATRISTS AS PHYSICIANS.

(a) IN GENERAL.—Section 1905(a)(5)(A) (42 U.S.C. 1396d(a)(5)(A)) is amended by striking “and inserting “and inserting “paragraphs (1) and (3) of section 1903(r)”.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to services furnished on or after January 1, 2006.

SEC. 6035. DHS ALLOTMENT FOR THE DISTRICT OF COLUMBIA.

(a) IN GENERAL.—The table in section 1923(b)(2) (42 U.S.C. 1396s(b)(2)) is amended by inserting after each under the columns for FY 00, FY 01, and FY 02, in the entry for the District of Columbia, by striking “32” and inserting “49”.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect as if enacted on October 1, 2005 and shall apply to expenditures made on or after that date.

SEC. 6036. DEMONSTRATION PROJECT REGARDING MEDICAID REIMBURSEMENT FOR STABILIZATION OF EMERGENCY MEDICAL CONDUCTOR AND PUBLICLY OWNED OR OPERATED INSTITUTIONS FOR MENTAL DISEASES.

(a) AUTHORITY TO CONDUCT DEMONSTRATION PROJECT.—The Secretary shall establish a demonstration project under which an eligible State (as defined in subsection (b)) shall provide reimbursement under the State Medicaid plan to an institution for mental diseases that is not publicly owned or operated and that is subject to the requirements of section 1867 of the Social Security Act (42 U.S.C. 1396d(l)) for the provision of medical assistance available under such plan to an individual who—

(1) has attained age 21, but has not attained age 65; and

(2) is eligible for medical assistance under such plan; and

(3) requires such medical assistance to stabilize an emergency medical condition.

(b) ELIGIBLE STATE DEFINED.—

(1) APPLICATION.—Upon approval of an application submitted by a State described in paragraph (2), the Secretary shall establish a demonstration project under this section.

(2) STATE DESCRIBED.—A State described in this paragraph is each of the following:

(A) Arizona.
(B) Arkansas.
(C) Louisiana.
(D) Maine.
(E) North Dakota.

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(F) Four other States selected by the Secretary to provide geographic diversity on the basis of the application to conduct a demonstration project under this section submitted by such States.

(3) Length of Demonstration Project.—The duration established under this section shall be conducted for a period of 3 consecutive years.

(4) Limitations on Federal Funding.—

(A) In General.—Out of any funds in the Treasury not otherwise appropriated, there is appropriated to carry out this section, $30,000,000 for fiscal year 2006.

(B) Budget Authority.—Subparagraph (A) constitutes budget authority in advance of appropriations Act and represents the obligation of the Federal Government to provide for the payment of the amounts appropriated under that subparagraph.

(5) 3-Year Availability.—Funds appropriated under paragraph (1) shall remain available for obligation through December 31, 2008.

(3) Limitation on Payments.—In no case—

(A) the aggregate amount of payments made by the Secretary to eligible States under this section shall exceed $30,000,000 for the fiscal year 2006.

(B) payments be provided by the Secretary under this section after December 31, 2008.

(4) Funds Allocated to States.—The Secretary shall allocate funds to eligible States based on their applications and the availability of funds.

(5) Payments to States.—The Secretary shall make payments to each eligible State, from its allocation under paragraph (4), an amount each quarter equal to the Federal medical assistance percentage of expenditures in the quarter for medical assistance described in subsection (a).

(6) Extension.—The Secretary shall make payments to States under this section for fiscal year 2006, decreased by—

(A) 0.1 percentage points in the case of Delaware and Michigan;

(B) 0.3 percentage points in the case of Kentucky; and

(C) 0.5 percentage points in the case of any other State.

(7) Limitation on Reduction.—In no case shall the FMAP for a State for fiscal year 2006 be less than the greater of the following:

(1) 2005 FMAP DECREASED BY THE APPLICABLE PERCENTAGE POINTS.—The FMAP determined for the State for fiscal year 2005, decreased by—

(A) 0.1 percentage points in the case of Delaware and Michigan;

(B) 0.3 percentage points in the case of Kentucky; and

(C) 0.5 percentage points in the case of any other State.

(2) Computation without Retrospective Application of Rebenchmarking Per Capita Income Limitations.—The FMAP shall not be determined for the State for fiscal year 2006 if the per capita incomes for 2001 and 2002 that were used to determine the FMAP for the State for fiscal year 2005 were increased by—

(a) a single percentage point in the case of Delaware and Michigan;

(b) a single percentage point in the case of Kentucky; and

(c) a single percentage point in the case of any other State.

(3) Scope of Application.—The FMAP applicable to a State for fiscal year 2006 after the application of subsection (a) shall apply only for purposes of title XIX and XXI of the Social Security Act (including for purposes of making disproportionate share hospital payments described in section 1922 of title XIX and section 2162 of title XXI) and payments under such titles that are based on the enhanced FMAP described in section 2105(b) of such Act (42 U.S.C. 1396b(e)(3)) and shall not apply with respect to payments under title IV of such Act (42 U.S.C. 601 et seq.).

(4) Definitions.—In this section—

(A) FMAP.—The term ‘‘FMAP’’ means the Federal medical assistance percentage, as defined in section 1905(b) of the Social Security Act (42 U.S.C. 1396d(b)).

(B) State.—The term ‘‘State’’ has the meaning given such term for purposes of title XIX of the Social Security Act (42 U.S.C. 1396 et seq.).

(C) Final Report.—The term ‘‘final report on the progress of the demonstration project conducted under this section’’ means the report prepared under paragraph (6).

(5) In General.—The Secretary shall waive the limitation of subdivision (B) following paragraph (28) of section 1905(a) of the Social Security Act (42 U.S.C. 1396d(a)) relating to limitations on payments for care or services for individuals under 65 years of age who are patients in an institution for mental diseases for purposes of carrying out the demonstration project described in subsection (a).

(6) Limited Other Waiver Authority.—The Secretary may waive other requirements of titles XI and XIX of the Social Security Act (including limitations on payments for services for individuals under 65 years of age who are patients in an institution for mental diseases) for purposes of carrying out the demonstration project described in subsection (a).

(7) Limited Other Waiver Authority.—The Secretary may waive other requirements of titles XI and XIX of the Social Security Act (including limitations on payments for services for individuals under 65 years of age who are patients in an institution for mental diseases) for purposes of carrying out the demonstration project described in subsection (a).

(8) In General.—Section 1927(j)(1) (42 U.S.C. 1396d–8(j)(1)) is amended by striking ‘‘dispensed’’ and all that follows through the period at the end and inserting ‘‘or in the event that the requirements of this section if such drugs are—’’

‘‘(A) dispensed by health maintenance organizations that contract under section 1903(m); and

(B) subject to discounts under section 3319(a) of title XVIII of the Social Security Act (42 U.S.C. 1395h–8).’’

(9) Effective Date.—The amendment made by subsection (a) shall take effect on the date of enactment of this Act and apply to rebate agreements entered into or renewed under section 1927 of the Social Security Act (42 U.S.C. 1396r–8) on or after such date.

SEC. 6039. EXTENSION OF THE MEDICAID PART A AND B PAYMENT HOLIDAY.

Section 1121(b)(1) of this Act is amended by striking ‘‘September 22, 2006’’ and inserting ‘‘September 21, 2006’’.

SEC. 6039A. SENSE OF THE SENATE.

(a) Findings.—The Senate makes the following findings:

(1) On October 26, 2005, the Committee on Ways and Means of the United States House of Representatives approved a budget reconciliation package that would significantly reduce the Federal Government’s funding used to pay for the child support program established under part D of title IV of the Social Security Act (42 U.S.C. 631 et seq.) and would restrict the ability of States to use Federal child support incentive payments for child support program expenditures that are eligible for Federal matching payments.

(2) The child support program transfers the responsibility of non-custodial parents to support their children. The program is jointly funded by Federal, State and local governments.

(3) The Office of Management and Budget gave the child support program a 90 percent rating under the Program Assessment Rating Tool (PART), making it the highest-performing social services program.

(4) The President’s 2006 budget cite the child support program as “one of the highest-rated block/ formula grants of all reviewed programs government-wide. This high rating is due to its strong mission, effective management, and demonstration of measurable progress toward meeting annual and long term performance measures.”

(5) In 2004, the child support program spent $12,800,000 to collect $4.38 in child support payments. Public investment in the child support program provides more than a four-fold return, collecting $4.38 in child support payments for every Federal and State dollar that the program spends.

(6) In 2004, 17,300,000 children, or 60 percent of all children living apart from a parent, received child support services through the program. Families assisted by the child support program generally have low or moderate incomes.

(7) Children who receive child support from their parents do better in school than those that do not receive support payments. Older children with child support payments are more likely to finish high school and attend college.

(8) The child support program directly decreases the costs of other public assistance programs by increasing family self-sufficiency. The more effective the child support program is, the more likely the child support program is to reduce the costs of other programs government-wide. This high rating is due to its strong mission, effective management, and demonstration of measurable progress toward meeting annual and long term performance measures.

(9) Child support helps lift more than 1,000,000 Americans out of poverty each year.

(10) Families that are former recipients of assistance under the temporary assistance for needy families program (TANF) have the greatest increase in child support payments. Collections for these families increased 94 percent between 1999 and 2004.
even though the number of former TANF families did not increase during this period.

(11) Families that receive child support are more likely to find and hold jobs, and less likely to live in comparable families without child support.

(12) The child support program saved costs in the TANF, Medicaid, Food Stamps, Supplemental Security Income, and subsidized housing programs.

(13) The Congressional Budget Office estimates that the funding cuts proposed by the Committee on Ways and Means of the House of Representatives would reduce child support collections by nearly $7,900,000,000 in the next 5 years and $24,100,000,000 in the next 10 years.

(14) That National Governor’s Association has stated that such cuts are unduly burdensome and will force States to reevaluate several services that make the child support program so effective.

(15) The Federal Government has a moral responsibility to ensure that parents do not live with their children unless they are provided consistent with such definition and do not exceed 200 percent of the poverty line (as defined in section 210(c)(5) of the Social Security Act (42 U.S.C. 1396a(cc)), as added by section 1902(a)(10)(A)(i) of such Act). The Secretary may have and obtain medical assistance under such plan.

(16) LIMITATION FOR PROVISION OF MEDICAL ASSISTANCE.—A State shall not be approved to provide medical assistance to an HIV-infected individual in accordance with the demonstration project established under this section for a period of more than 5 consecutive years.

(17) LIMITATION ON FEDERAL FUNDING.—

(A) Appropriation.—Out of any funds in the Treasury not otherwise appropriated, there is appropriated to carry out this section, $450,000,000 for the period of fiscal years 2006 through 2010.

(B) Budget authority.—Subparagraph (A) constitutes budget authority in advance of appropriations Acts and represents the obligation of the Federal Government for the payment of the amounts appropriated under that subparagraph.

(18) LIMITATION ON PAYMENTS.—In no case may—

(A) the aggregate amount of payments made by the Secretary to eligible States under this section exceed $450,000,000; or

(B) payments be provided by the Secretary under this section after September 30, 2010.

(19) FUNDS ALLOCATED TO STATES.—The Secretary shall allocate funds to States with approved applications under this section based on their applications and the availability of funds.

(20) PAYMENTS TO STATES.—The Secretary shall pay to each State, from its allocation under paragraph (3), an amount equal to the enhanced Federal medical assistance percentage described in subparagraph (E) of section 1902(b)(2) of the Social Security Act (42 U.S.C. 1396a(b)) in the case of each quarter of fiscal year 2009; and

(ii) if such coverage is obtained as child being or relevant to the high-risk period.

(21) EVALUATION AND REPORT.—

(A) Secretary shall conduct an evaluation of the demonstration project established under this section. Such evaluation shall include an analysis of the cost-effectiveness of the project and the impact of the project on the Medicare, Medicaid, and Supplemental Security Income programs established under titles XVII, XIX, and XVI of the Social Security Act (42 U.S.C. 1395 et seq., 1396 et seq., 1396 et seq.).

(B) REPORT TO CONGRESS.—Not later than December 31, 2010, the Secretary shall submit a report to Congress on the results of the evaluation of the demonstration project established under this section.

(22) EFFECTIVE DATE.—This section shall take effect on January 1, 1990.

SEC. 6039D. ADDITIONAL INCENTIVE FOR SINGLE SOURCE AND INNOVATOR MULTIPLE SOURCE DRUGS.

Section 1927(c)(1)(B)(i)(IV) (42 U.S.C. 1396r-

3(c)(1)(B)(i)(IV)), as amended by section 6020a(c)(3), is amended by striking “17” and inserting “17.8”.

CHAPTER 5—IMPROVING THE MEDICAID AND STATE CHILDREN’S HEALTH INSURANCE PROGRAMS

Subchapter A—Family Opportunity Act

SEC. 6041. SHORT TITLE OF SUBCHAPTER.

This subchapter may be cited as the “Family Opportunity Act of 2005” or the “Dylan Lee James Act”.

SEC. 6042. OPPORTUNITY FOR FAMILIES OF DISABLED CHILDREN TO PURCHASE MEDICAID COVERAGE FOR SUCH CHILDREN.

(a) STATE OPTION TO ALLOW FAMILIES OF DISABLED CHILDREN TO PURCHASE MEDICAID COVERAGE FOR SUCH CHILDREN.—

(1) IN GENERAL.—Section 1902 (42 U.S.C. 1396a) is amended—

(A) in subsection (a)(10)(A)(ii)(XVI); and

(B) in subsection (a)(10)(A)(ii)(XVIII).

(2) AMENDMENT.—Section 1927(c)(1)(B)(i)(IV), as added by section 1902(a)(10)(A)(i), is amended—

(A) by striking “or” at the end of clause (XI); and

(B) by adding “or” at the end of clause (XIV).
State under that section in an amount that reasonably reflects the premium contribution made by the parent for private coverage on behalf of a child with a disability; and

(3) A State shall not require prepayment of a premium pursuant to paragraph (1) and shall not terminate eligibility of a child for medical assistance under section 1902(a)(10)(A)(i) for the remainder of such fiscal year for a failure to pay any such premium.

(4) Any payments made by the parent (other than for private coverage for children enrolled in such demonstration projects, a psychiatric residential treatment facility, or for payment of any portion of the annual premium for such family coverage that the parent is required to pay. Any payments made by the State for such coverage as a third party liability under subsection (a)(2).

(B) In the case of a parent to whom paragraph (a) applies, a State, subject to paragraph (2), may make payments to cover the cost of any portion of any premium that the State determines that requiring such payment would create an undue hardship, but such payment may only apply to the extent that—

(A) in the case of a disabled child described in section 1902(a)(10)(A)(i) and who is enrolled in such project on the termi-

nating date of such project, the Secretary may require.

(2) A premium requirement imposed under paragraph (1) may only apply to the extent that—

(A) (i) does not exceed 200 percent of the poverty line, the aggregate amount of such premium and any premium that the parent is required to pay for family coverage under section 1902(a)(2)(A) and other cost-sharing charges do not exceed 5 percent of the family’s income; and

(ii) exceeds $300 but does not exceed 300 percent of the poverty line, the aggregate amount of such premium and any premium that the parent is required to pay for family coverage under section 1902(a)(2)(A) and other cost-sharing charges do not exceed 7.5 percent of the family’s income; and

(B) the requirement is imposed consistent with section 1902(a)(2)(A).

(3) A State shall not require prepayment of a premium imposed pursuant to paragraph (1) and shall not terminate eligibility of a child for medical assistance under section 1902(a)(10)(A)(i) for the remainder of such fiscal year for a failure to pay any such premium until such failure continues for a period of at least 3 months on which the premium became past due. The State may waive payment of any such premium in any case where the State determines that requiring such payment would create an undue hardship.

(c) CONFORMING AMENDMENTS.—(1) Section 1903(a)(14) of title XIX of such Act is amended in the matter preceding subparagraph (A) by inserting “1902(a)(10)(A)(i)(IIX)” after “1902(a)(10)(A)(i) (XVIII)”.

(2) Section 1902(a)(2)(B) (42 U.S.C. 1396d(u)(2)(B)) is amended by adding at the end the following sentence: “Such term includes any child eligible for medical assistance only on reason of section 1902(a)(10)(A)(i)(IIX).”.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to medical assistance and services furnished on or after January 1, 2008.

SEC. 6043. DEMONSTRATION PROJECTS REGARDING HOME AND COMMUNITY-BASED ALTERNATIVES TO PSYCHIATRIC RESIDENTIAL TREATMENT FACILITIES FOR CHILDREN.

(a) In General.—The Secretary is authorized to conduct, during each of fiscal years 2007 through 2011, demonstration projects (each in the section referred to as a “demonstration project”) in accordance with this section under which up to 10 States (as defined for purposes of title XIX of the Social Security Act, and retaining such project on the termi-

nating date of such project, the Secretary may require.

(2) Payments to States; Limitations to Scope and Funding.—

(1) In General.—Subject to paragraph (2), a demonstration project approved by the Secretary under this section shall be treated as a home and community-based waiver program under section 1915(c) of the Social Security Act (42 U.S.C. 1396d(n)).

(2) Limitation.—No case may be submitted for payments under this section for a fiscal year if payment under this section for a fiscal year exceeds the amount available under subsection (a)(2)(A) for such fiscal year.

(e) SECRETARY’S EVALUATION AND REPORT.—The Secretary shall conduct an in-

term and final evaluation of State demon-

stration projects under this section and shall report to the President and Congress the conclusions of such evaluations within 12 months of completing such evaluations.

(f) FUNDING.—(1) In General.—For the purpose of carrying out this section, there are appropriated, from amounts in the Treasury not otherwise appropriated, for fiscal years 2007 through 2011, a total of $218,000,000, of which—

(A) the amount specified in paragraph (2) shall be available for each of fiscal years 2007 through 2011; and

(B) a total of $1,000,000 shall be available to the Secretary for the evaluations and report required under subsection (e).

(2) FISCAL YEAR LIMIT.—(A) In General.—For purposes of paragraph (1), the amount specified in this paragraph for a fiscal year is the amount specified in paragraph (2) minus the difference, if any, between the total amount available under this paragraph for prior fiscal years and the total amount previously expended under paragraph (1)(A) for such prior fiscal years.

(B) FISCIAL YEAR AMOUNTS.—The amount specified in this subparagraph for—

(i) fiscal year 2007 is $21,000,000;

(ii) fiscal year 2008 is $37,000,000;

(iii) fiscal year 2009 is $49,000,000; (iv) fiscal year 2010 is $55,000,000; and

(v) fiscal year 2011 is $57,000,000.

SEC. 6044. DEVELOPMENT AND SUPPORT OF FAMILY-TO-FAMILY HEALTH INFORMATION CENTERS.

Section 501 (42 U.S.C. 701) is amended by adding at the end the following new subsection—

(1)(A) For the purpose of enabling the Secretary (through grants, contracts, or otherwise) to provide for special projects of re-

gional and national significance for the dev-

elopment and support of family-to-family health information centers described in paragraph (2), there is appropriated to the Secretary, out of any money in the Treasury not otherwise appropri-

ated—

(i) $5,000,000 for fiscal year 2007;

(ii) $4,000,000 for fiscal years 2008 and 2009; and

(iii) $5,000,000 for fiscal year 2010; and

(ii) there is authorized to be appropriated to the Secretary, $5,000,000 for each of fiscal years 2010 and 2011.

(B) Funds appropriated or authorized to be appropriated under subparagraph (A) shall—

(i) be in addition to amounts appropriated under subsection (a) and retained under section 502(a)(i) for the purpose of carrying out activities described in subsection (a)(2); and

(ii) remain available until expended.

(2) The family-to-family health informa-

tion centers described in this paragraph are centers that—

(A) assist families of children with dis-

abilities or special health care needs to make informed choices for their children’s health care in order to promote good treatment decisions, cost-effectiveness, and improved health outcomes for such children; (B) provide information regarding the health care needs of, and resources available for, such children;

(C) identify successful health delivery models for such children; (D) develop with representative of health care providers, managed care organizations, health care purchasers, and appropriate State agencies, a model for collaboration be-

tween families of such children and health professionals;
‘(E) provide training and guidance regarding caring for such children;

‘(F) conduct outreach activities to the families of such children, health professionals serving such children, and other appropriate entities and individuals; and

‘(G) are staffed

(i) by such families who have expertise in Federally-funded public and private health care systems; and

(ii) by health professionals.

‘(G) The Secretary shall develop family-to-families with information centers described in paragraph (2) in accordance with the following:

(A) With respect to fiscal year 2007, such centers shall be developed in not less than 25 States.

(B) With respect to fiscal year 2008, such centers shall be developed in not less than 40 States.

‘(H) With respect to fiscal year 2009 and each fiscal year thereafter, such centers shall be developed in all States.

‘(4) The provisions of this title that are applicable to the funds made available to the Secretary under section 502(b)(1) in the applicable to the funds made available to the Secretary under paragraph (1)(A).

‘(5) For purposes of this subsection, the term ‘State’ means each of the 50 States and the District of Columbia.

SEC. 6045. RESTORATION OF MEDICAID ELIGIBILITY.

(a) In general.—Section 1902(a)(10)(A)(iv)(II) (42 U.S.C. 1396a(a)(10)(A)(iv)(II)) is amended—

(1) by inserting ‘(aa)’ after ‘(II)’;

(2) by striking ‘)’ and inserting ‘and’;

(3) by striking ‘section or who are’ and inserting ‘section, (bb) who are’;

(4) by inserting before the comma at the end following: ‘, or (cc) who are under 21 years of age and with respect to whom supplemental security income benefits would be paid under title XVI if subparagraphs (A) and (B) of section 1611(c)(7) were applied without regard to the phrase ‘the first day of the month following’ ‘;

(b) Effective date.—The amendments made by subsection (a) shall apply to medical assistance for items and services furnished on or after the date that is 1 year after the date of enactment of this Act.

Subchapter B—State Children’s Health Insurance Program


(a) In general.—Section 2104 (42 U.S.C. 1397dd) is amended—

(1) by amending subsection (e) to read as follows:

‘(e) Availability of amounts allotted.—‘

‘(1) In general.—Except as provided in paragraph (2), the Secretary shall allot to a State pursuant to this section—

‘(A) for each of fiscal years 1998 through 2003, and for fiscal year 2006 and each fiscal year thereafter, such amount as determined by the Secretary to be available for expenditure by the State during the initial availability period (as defined in paragraph (3)(A));

‘(B) for each of fiscal years 2004 and 2005, shall remain available for expenditure by the State during the initial availability period and for the second succeeding fiscal year; and

‘(C) for each fiscal year thereafter, such amount as determined by the Secretary to be available for expenditure by the State during the initial availability period (as defined in paragraph (3)(A)).

‘(2) Availability of reallocations, redistributions of amounts, and extended availability.—‘

‘(A) In general.—Amounts reallocated to a State under subsection (f) shall be available for expenditure by the State through the end of the fiscal year in which they are reallocated.

‘(B) Availability of redistributed funds and extended availability.—Amounts redistributed to a State under subsection (i)(3) or (j)(3) and unused allotments of a State extended under subsection (i)(4) or (j)(4) are available for expenditure by the State during the redistribution/extension period (as defined in paragraph (3)(B)).

‘(C) Initial availability period. For purposes of this section:

‘(i) Initial availability period. The term ‘initial availability period’ means, with respect to allotments for a fiscal year, the 2 fiscal year period beginning with that fiscal year.

‘(ii) Redistribution/extension period. The term ‘redistribution/extension period’ means, with respect to allotments for a fiscal year, the second following that fiscal year.’;

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

‘(b) Rule for redistribution of fiscal year 2003 allotments.—

‘(1) Computation of unexpended allotments for fiscal year 2003 allotments.—

‘(A) Initial availability period. The amount of the State’s allotment for fiscal year 2003 that was not expended by the end of fiscal year 2005;

‘(B) REDUCTION OF UNEXPENDED ALLOTMENT.

‘(i) In general.—The estimated expenditures for the State for the fiscal year 2006 exceed the sum of the amounts described in clause (i).

‘(ii) Computation of unexpended allotment. The estimated expenditures for the State for the fiscal year 2006 exceed the sum of the amounts described in clause (ii).

‘(C) Initial projected shortfall for fiscal year 2006.—The amount, if any, by which the estimated expenditures for the State for the fiscal year 2006 exceed the sum of the amounts described in clauses (i) and (ii).

(b) Fiscal year 2005 carryover.—The amount determined under paragraph (a) for the State.

(ii) Fiscal year 2006 allotment.—The amount of the State’s allotment for fiscal year 2006.

(iii) State’s proportion of aggregate shortfall.—For each State for which there is an excess determined under subparagraph (C), the ratio of—

‘(i) the amount of such excess to;

‘(ii) the total of such excesses determined for all States with such an excess.

(3) REDISTRIBUTION OF UNEXPENDED ALLOTMENTS FOR FISCAL YEAR 2003 SHORTFALL.

‘(A) In general.—The Secretary shall redistribute the amounts determined under paragraph (1) to each State that receives an allotment for fiscal year 2004 under subsection (b). For each State that receives an allotment for fiscal year 2004 under subsection (b), the Secretary shall determine the following:

‘(i) the amount of the State’s allotment for fiscal year 2004 that was not expended by the end of fiscal year 2005;

‘(ii) the total of the unexpended allotments determined under subsection (a).

‘(B) Reduction of unexpended allotment by not fiscal year 2006 shortfall.

‘(i) In general.—In the case of a State described in clause (i), the Secretary shall reduce the amount determined for the State under subparagraph (A)(i) (relating to the State’s unexpended allotment for fiscal year 2004) by the amount of the allotment of the State for which availability is extended under paragraph (4)(A).

‘(ii) State described.—A State described in this clause is a State that meets the following requirements:

‘(I) FULLY SPENT FISCAL YEAR 2001 ALLOTMENT.—The State’s allotment under this section for fiscal year 2003 was fully expended by the end of fiscal year 2005.

‘(II) DID NOT FULLY EXPEND FISCAL YEAR 2001 ALLOTMENT BY END OF FISCAL YEAR 2005.—The State’s allotment under this section for fiscal year 2004 was not fully expended by the end of fiscal year 2005.

‘(III) PROJECTED FISCAL YEAR 2006 SHORTFALL.—The State has an excess determined under subparagraph (B)(ii) of the Secretary shall determine the following:

‘(A) initial availability period.

‘(B) REDISTRIBUTION POOL.—A redistribution pool equal to the total of the amounts determined under subparagraph (A)(i), as reduced (if applicable) under subparagraph (B)(i).

‘(ii) State proportion toward redistribution pool.—For each State in which the amount determined under subparagraph (A)(i) is reduced, the Secretary shall determine a redistribution/reduction amount equal to the product of the following:

‘(IV) TERRITORIAL REDISTRIBUTION POOL.—1.05 percent of the amount determined under paragraph (1)(B).

‘(D) AMOUNT OF UNEXPENDED FISCAL YEAR 2004 ALLOTMENT APPLIED TO REDISTRIBUTIONS.—For each State described in subparagraph (B)(ii), the Secretary shall determine a redistribution/reduction amount equal to the product of the following:

‘(I) such amount (as so reduced) for the State; and

‘(II) the total amount determined under clause (I).
“(1) TOTAL AMOUNT REDISTRIBUTED.—The total amount redistributed under paragraph (3).

“(ii) STATE’S PROPORTION OF UNEXPENDED ALLOTMENTS.—The Secretary shall determine an amount equal to the amount determined under subparagraph (C)(ii).”

“(2) DETERMINATION OF NET PROJECTED SHORTFALLS FOR FISCAL YEAR 2006.—For each State which has a net projected shortfall determined under subparagraph (h)(2)(C) (relating to initial projected fiscal year 2006 shortfall), the Secretary shall determine an amount equal to the product of the following:

- The estimated expenditures for fiscal year 2007 for each State that receives an allotment for fiscal year 2005 under subparagraph (A)(i) (as reduced, if applicable) under subparagraph (B)(i).”

“(i) TERRITORIAL REDISTRIBUTION POOL.—The Secretary shall determine the following:

- (I) REDISTRIBUTION POOL amount equal to the total of the amounts determined under subparagraph (A)(i), as reduced (if applicable) under subparagraph (B)(i).
- (II) STATE PROPORTION TOWARDS REDISTRIBUTION POOL.—For each State in which the amount determined under subparagraph (A)(i) (as reduced, if applicable) under subparagraph (B)(i) exceeds 0, the ratio of—
  - (I) such amount (as so reduced) for the State; to—
  - (II) the total determined under clause (i).

“(3) EXTENDED AVAILABILITY OF REMAINING UNEXPENDED ALLOTMENTS.—

- For each State that receives an allotment for fiscal year 2005 under subparagraph (A)(i), the Secretary shall determine the following:

- (A) FISCAL YEAR 2006 CARRYOVER.—The amount of the State’s allotment for fiscal year 2006 that was not expended by the end of fiscal year 2006; and
- (B) REDUCTION OF UNEXPENDED ALLOTMENT BY NET FISCAL YEAR 2007 SHORTFALL.—
  - (i) IN GENERAL.—In the case of a State described in paragraph (1)(A)(i), the Secretary shall reduce, but not below 0, the amount determined for the State under subparagraph (A)(i) (as reduced, if applicable) under subparagraph (C)(ii). (The amount of the allotment for fiscal year 2005) by the amount of the allotment of the State for which availability is extended under paragraph (4)(A).
  - (ii) STATE DESCRIBED.—A State described in this clause is a State that meets the following requirements:
    - (I) DID NOT FULLY EXPEND FISCAL YEAR 2005 ALLOTMENT BY END OF FISCAL YEAR 2006.—The State’s allotment under this section for fiscal year 2005 was not fully expended by the end of fiscal year 2006.
    - (II) PROJECTED SHORTFALL FOR FISCAL YEAR 2007.—The State has an excess determined under paragraph (2)(C) for fiscal year 2007 relating to initial projected fiscal year 2007 shortfall.
  - (C) TOTALS AND RATIOS.—The Secretary shall determine the following:
    - (I) REDISTRIBUTION POOL—A redistribution pool equal to the total of the amounts determined under subparagraph (A)(i), as reduced (if applicable) under subparagraph (B)(i).
    - (II) STATE PROPORTION TOWARDS REDISTRIBUTION POOL.—For each State in which the amount determined under subparagraph (A)(i) (as reduced, if applicable) under subparagraph (B)(i) exceeds 0, the ratio of—
      - (I) such amount (as so reduced) for the State; to—
      - (II) the total determined under clause (i).
    - (D) AMOUNT OF UNEXPENDED FISCAL YEAR 2006 ALLOTMENT APPLIED TO REDISTRIBUTIONS.—For each State described in subparagraph (C)(i), the Secretary shall determine a redistribution/reduction amount equal to the product of the following:
      - (I) TOTAL AMOUNT REDISTRIBUTED.—The total amount redistributed under paragraph (3).
      - (II) STATE’S PROPORTION OF UNEXPENDED ALLOTMENTS.—For each State that is described in paragraph (1)(A)(i), the Secretary shall determine the following:
        - (I) TERRITORIAL REDISTRIBUTION POOL.—
          - (A) FISCAL YEAR 2006 CARRYOVER.—The amount of the State’s allotment for fiscal year 2006 that was not expended in fiscal year 2006.
          - (B) PROJECTED EXPENDITURES FOR FISCAL YEAR 2007.—The expenditures for the State as would be reported as quarterly expenditures under section 2105(a) for quarters in fiscal year 2007.
        - (II) INITIAL PROJECTED SHORTFALL FOR FISCAL YEAR 2007.—The amount, if any, by which the projected expenditures determined under subparagraph (B) for the State for quarters in fiscal year 2007 exceeds the sum of the following:
          - (I) FISCAL YEAR 2006 CARRYOVER.—The amount determined under subparagraph (A) for the State.
          - (II) FISCAL YEAR 2007 ALLOTMENT.—The amount of the State’s allotment for fiscal year 2007.
        - (III) DETERMINATION OF NET PROJECTED SHORTFALLS FOR FISCAL YEAR 2007.—For each State that has an excess determined under paragraph (C), the Secretary shall determine an amount equal to the amount determined under such subparagraph, reduced by the amount of funds (if any) of the State for which availability is extended under paragraph (4)(A).
      - (E) STATE’S PROPORTION OF NET AVERAGE SHORTFALL.—For each State for which there is a net excess determined under subparagraph (D), the ratio of—
        - (i) the amount of such net excess; to—
        - (ii) the total of such net excesses.
    - (E) REDISTRIBUTION FROM REDISTRIBUTION POOL.—From the redistribution pool determined under paragraph (1)(C)(i)—
      - (A) STATES OTHER THAN TERRITORIES.—There shall be redistributed to each State for which there is a net excess determined under paragraph (2)(D) an amount equal the lesser of the following:
        - (I) NET FISCAL YEAR 2007 SHORTFALL.—The amount determined under paragraph (1)(C)(i), reduced by the total amount redistributed under subparagraph (B).
      - (B) TERRITORIES.—There shall be redistributed to each commonwealth or territory described in subsection (c)(3) an amount equal to the product of the following:
        - (I) TERRITORIAL REDISTRIBUTION POOL.—1.65 percent of the total amount of unexpended allotments determined under paragraph (1)(A)(i).
        - (II) TERRITORIAL PROPORTION.—The ratio of—
          - (I) the allotment under subsection (c) for such commonwealth or territory for fiscal year 2005, to—
          - (II) the total of all such allotments for such commonwealths and territories.
    - (F) EXTENDED AVAILABILITY OF REMAINING UNEXPENDED ALLOTMENTS.—
      - (A) TO MEET NET SHORTFALL FOR FISCAL YEAR 2006.—In the case of a State described in paragraph (1)(B)(i), the Secretary shall extend the availability of funds from the State’s allotment for fiscal year 2004 to the extent that—
        - (i) the amount determined under subsection (b)(2)(C) (relating to initial shortfall for fiscal year 2006), exceeds
        - (ii) the amount redistributed to the State under subsection (b)(2)(A), as reduced (if applicable) under subparagraph (B)(i).
      - (B) OTHER EXTENSIONS.—The Secretary shall extend the availability of funds from allotments for fiscal year 2004 for each State which has a net projected shortfall for fiscal year 2004 determined under paragraph (1)(A) (as reduced, if applicable, under paragraph (1)(B)) by an amount equal to the amount (if any) by which—
        - (i) the amount of such unexpended allotment (as so reduced) for the State, exceeds
        - (ii) the redistribution/reduction amount determined under paragraph (1)(A)(i) of Form CMS-41 or Form CMS-21, as the case may be, as approved by the Secretary; and
      - (C) DETERMINATION OF AMOUNTS.—For purposes of calculating the amounts described in—
        - (A) paragraph (1)(A)(i), the Secretary shall use the amounts reported by the States not later than September 30, 2005, on Form CMS-41 or Form CMS-21, as the case may be, as approved by the Secretary; and
        - (B) paragraph (1)(B)(i), the Secretary shall use the amounts reported by the States not later than September 30, 2005, on Form CMS-37 or Form CMS-21B, as the case may be, as approved by the Secretary; or
      - (D) COMPREHENSIVE REPORT.—The Secretary shall report to the Congress a report covering such data for such fiscal year as the Secretary determines.
of the Social Security Act (42 U.S.C. 1397aa) has been approved as of such date of enactment.

(a) CONFORMING AMENDMENTS.—Section 2105(c)(2)(A) (42 U.S.C. 1397ee(c)(2)(A)) is amended by adding after the end of such section the following:—

(2) imply congressional approval of any proposal that addresses cultural and linguistic barriers to enrollment efforts that are designed to increase the enrollment and participation of eligible children under this title and title XIX; and

(b) RULE OF CONSTRUCTION.—Nothing in this section or the amendments made by this section shall be construed to—

(1) authorize the waiver of any provision of this title under the State children's health plan, the State children's health plan and child health insurance program, the SCHIP program, or the temporary Assistance for Needy Families program under title IV of such Act, the Migrant Health Act (42 U.S.C. 1786), the Head Start Act (42 U.S.C. 1700), and the School Lunch Act, and an elementary or secondary school.

(c) DEFINITIONS.—In this section:

(1) ELIGIBLE ENTITY.—The term ‘eligibility’ means any of the following:

(A) A State or local government.

(B) A Federal health safety net organization.

(C) A national, local, or community-based public or nonprofit private organization.

(D) A faith-based organization or consortia, to the extent that a grant awarded to such an entity is consistent with the requirements of section 360B of the Public Health Service Act (42 U.S.C. 300x-65) relating to a grant award to non-governmental entities.

(E) An elementary or secondary school.

(F) A Federally-qualified health center (as defined in section 1905(l)(2)(B)); and

(G) A hospital defined as a disproportionate share hospital for purposes of section 1923.

(H) A covered entity described in section 330(b)(3)(A) of the Public Health Service Act (42 U.S.C. 256B(a)(4)); and

(I) any other entity or a consortium that serves children under the Head Start Program, including the special supplemental nutrition program for women, infants, and children (WIC) established under section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1701 et seq.), the head start and early head start programs under the Head Start Act (42 U.S.C. 9801 et seq.), the school lunch program established under the Richard B. Russell National School Lunch Act, and an elementary or secondary school.

(1) IN GENERAL.—In making grants under subsection (a)(1), the Secretary shall give priority to—

(A) eligible entities that propose to target geographic areas with high rates of enrollment, including such children who reside in rural areas; or

(B) eligible entities that plan to engage in outreach efforts with respect to individuals described in paragraph (A) and that—

(i) are not otherwise authorized to be awarded such grants or are not otherwise authorized to receive SCHIP funds; and

(ii) are not otherwise authorized to be awarded such a waiver or project that has been approved as of such date of enactment; or

(c) Rule of Construction.—Nothing in this section or the amendments made by this section shall be construed to—

(1) authorize the waiver of any provision of title XIX or XXI of the Social Security Act (42 U.S.C. 1396 et seq., 1315 et seq.) that is not otherwise authorized to be waived under such title;

(2) imply congressional approval of any waiver, experimental, pilot, or demonstration project affecting funds made available under the State children's health insurance program under title XXI of the Social Security Act (42 U.S.C. 1396a et seq., 1396a-1 et seq., and any amendment to such a waiver or project that has been approved as of such date of enactment; or

(3) apply to any waiver, experimental, pilot, or demonstration project that would allow funds made available under title XXI of the Social Security Act (42 U.S.C. 1396a et seq., 1396a-1 et seq., and any amendment to such a waiver or project that has been approved as of such date of enactment; or

(4) make funds appropriated or paid under the authority of this section subject to the limitation on expenditures described in section 2105(c)(2)(A).
Subchapter C—Money Follows the Person Rebalancing Demonstration

SEC. 6061. MONEY FOLLOWS THE PERSON REBALANCING DEMONSTRATION.

(a) Program Purpose and Authority.—The Secretary is authorized to award, on a competitive basis, grants to States in accordance with this section for demonstration projects (each in this section referred to as an ‘‘MFP demonstration project’’) designed to achieve the following objectives with respect to institutional and home and community-based long-term care services under State Medicaid programs:

(1) REBALANCING.—Increase the use of home and community-based, rather than institutional, long-term care services.

(2) MONEY FOLLOWS THE PERSON.—Eliminate barriers or mechanisms, whether in the State law, the State Medicaid plan, the State budget, or otherwise, that prevent or restrict the flexible use of Medicaid funds to enable Medicaid-eligible individuals to receive support for appropriate and necessary long-term services in the settings of their choice.

(3) CONTINUITY OF SERVICE.—Increase the ability of the State Medicaid program to assure continued provision of home and community-based and institutional care services to Medicaid-eligible individuals who choose to transition from an institutional to a community setting.

(4) QUALITY ASSURANCE AND QUALITY IMPROVEMENT.—Ensure that procedures are in place (at least comparable to those required under the qualified HCB program) to provide quality assurance for eligible individuals receiving Medicaid home and community-based long-term care services and to provide for continuous quality improvement in such services.

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

(1) HOME AND COMMUNITY-BASED LONG-TERM CARE SERVICES.—The term ‘‘home and community-based long-term care services’’ means, with respect to a State Medicaid program, home and community-based services (including home health and personal care services) that are provided under the State’s qualified HCB program or that could be provided under such a program but are otherwise provided under the Medicaid program.

(2) ELIGIBLE INDIVIDUAL.—The term ‘‘eligible individual’’ means, with respect to an MFP demonstration project of a State, an individual:

(A) who, immediately before beginning participation in the MFP demonstration project, qualifies as an institutionalized individual; (B) who resides, in a community-based or home setting, for at least 6 months or for such longer minimum period, not to exceed 2 years, as may be specified by the State) in an institution;

(i) resides (and has resided, for a period of not less than 6 months or for such longer minimum period, not to exceed 2 years, as may be specified by the State) in an institution;

(ii) with respect to whom a determination has been made that, but for the provision of home and community-based long-term care services, the individual would continue to require the level of care provided in an institution; and

(B) who resides in a qualified residence beginning on the initial date of participation in the demonstration project.

(3) INPATIENT FACILITY.—The term ‘‘inpatient facility’’ means a hospital, nursing facility, skilled nursing facility, or other care facility for the mentally retarded. Such term includes an institution for mental diseases, but only, with respect to a State, to the extent medical assistance is available under the State Medicaid plan for services provided by such institution.

(4) MEDICAID.—The term ‘‘Medicaid’’ means, with respect to a State, the State program under title XIX of the Social Security Act (including any waiver or demonstration under such title or under section 1115 of such Act relating to such title).

(5) QUALIFIED HCB PROGRAM.—The term ‘‘qualified HCB program’’ means a program providing non-institutional and community-based long-term care services operating under Medicaid, whether or not operating under waiver authority.

(6) QUALIFIED RESIDENCE.—The term ‘‘qualified residence’’ means, with respect to an eligible individual:

(A) a home or leased by the individual or the individual’s family member;

(B) an apartment with an individual lease, with lockable access and egress, and which includes living and cooking areas over which the individual or the individual’s family has domain and control; and

(C) a residence, in a community-based residential setting, in which no more than 4 related individuals reside.

(7) QUALIFIED EXPENDITURES.—The term ‘‘qualified expenditures’’ means expenditures by the State under its MFP demonstration project for home and community-based long-term care services for an eligible individual participating in the demonstration project, but only with respect to services furnished during the 12-month period beginning on the date the individual is discharged from an inpatient facility referred to in paragraph (2)(A)(i).

(8) DIRECTED SERVICES.—The term ‘‘self-directed’’ means, with respect to home and community-based long-term care services for an eligible individual, such services for the individual which are planned and purchased by the individual or the individual’s authorized representative and which the individual or the individual’s authorized representative controls or manages.

(B) defines a process for making adjustments in such dollar values to reflect changes in individual assessments and service plans; and

(c) State Application.—A State seeking approval of an MFP demonstration project shall submit to the Secretary, at such time and in such format as the Secretary requires, an application meeting the following requirements that includes information, provisions, and assurances, as the Secretary may require:

(A) ASSURANCE OF INCREASED USE OF HOME AND COMMUNITY-BASED, RATHER THAN INSTITUTIONAL, SERVICES.—The application contains an assurance that the State has engaged, and will continue to engage, in a public process for the design, development, and evaluation of the MFP demonstration project that allows for input from eligible individuals, the families of such individuals, authorized representatives of such individuals, providers, and other interested parties.

(2) OPERATION IN CONNECTION WITH QUALIFIED HCB PROGRAM TO ASSURE CONTINUITY OF MEDICAID COVERAGE.—The State application shall specify the period of the MFP demonstration project for eligible individuals in conjunction with the operation of a qualified HCB program that is in operation (or approved) in the State for such individuals in a manner that assures continuity of Medicaid coverage for such individuals so long as such individuals continue to be eligible for medical assistance.

(3) DEMONSTRATION PROJECT PERIOD.—The application shall specify the period of the MFP demonstration project, which shall include at least 2 consecutive fiscal years in the 5-fiscal year period beginning with fiscal year 2009.

(4) SERVICE AREA.—The application shall specify the service area or areas of the MFP demonstration project, which may be a statewide area or one or more geographic areas of the State.

(d) Targeted Groups and Numbers of Individuals Served.—The application shall specify—

(A) the target groups of eligible individuals to be assisted to transition from an institutional facility to a qualified residence during each fiscal year of the MFP demonstration project;

(B) the projected numbers of eligible individuals in each targeted group of eligible individuals to be so assisted during each such year; and

(e) Estimated Total Annual Qualified Expenditures for Fiscal Year of the MFP Demonstration Project.—The application shall contain assurances that—

(A) each eligible individual or the individual’s authorized representative will be provided with the opportunity to make an informed choice regarding whether to participate in the MFP demonstration project;
(B) each eligible individual or the individual's authorized representative will choose the qualified residence in which the individual will reside and the setting in which the individual will receive home and community-based long-term care services;

(C) the State will continue to make available, so long as the State operates its qualified HCB program (including meeting all requirements, home and community-based long-term care services to each individual who completes participation in the MFP demonstration project, the dollar amount of such total expenditures for home and community-based long-term care services or were for home and community-based long-term care services;

(B)(i) specify the methods to be used by the State for each fiscal year during the MFP demonstration project, the dollar amount of such total expenditures for home and community-based long-term care services and of such self-directed services for the fiscal year, immediately preceding the first fiscal year of the State’s MFP demonstration project, for long-term care services and the percentage of such expenditures that represent home and community-based long-term care services;

(ii) the extent necessary to enable a State to implement self-directed services in a cost-effective manner.

(8) MONEY FOLLOWS THE PERSON.—The application shall contain the description of, and that the provision of, such self-directed services, as defined in subsection (b)(8) under the MFP demonstration project, the application shall provide the following:

(A) MEETING REQUIREMENTS.—A description of how the project will meet the applicable requirements of such subsection for the provision of self-directed services.

(B) VOLUNTARY ELECTION.—A description of how eligible individuals will be provided the opportunity to make an informed election to receive self-directed services under the project and after the end of the project.

(C) STATE SUPPORT IN SERVICE PLAN DEVELOPMENT.—Satisfactory assurances that the State will continue to make available, so long as the State operates its qualified HCB program, including a plan to assure the health and welfare of individuals participating in the MFP demonstration project;

(D) OVERSIGHT OF RECEIPT OF SERVICES.—Satisfactory assurances that the State will provide oversight of eligible individual’s receipt of such self-directed services, including steps to assure the quality of services provided and that the provision of such services are consistent with the service plan under such subsection.

Nothing in this section shall be construed as requiring a State to make an election under the MFP demonstration project to offer for home and community-based long-term care services as self-directed services, or as requiring an individual to elect to receive self-directed services under the project.

(11) QUALITY ASSURANCE AND QUALITY IMPROVEMENT.—The application shall include—

(A) a plan satisfactory to the Secretary for quality assurance and quality improvement for home and community-based long-term care services under the State Medicaid program to assure the health and welfare of individuals participating in the MFP demonstration project; and

(B) an assurance that the State will cooperate with the Secretary in activities under subsection (i) to develop and implement continuous quality assurance and quality improvement systems for home and community-based long-term care services.

(12) OPTIONAL PROGRAM FOR SELF-DIRECTED SERVICES.—If the State elects to provide for long-term care services as self-directed services (as defined in subsection (b)(8)) under a demonstration project, the application shall provide the following:

(A) MEETING REQUIREMENTS.—A description of how the project will meet the applicable requirements of such subsection for the provision of self-directed services.

(B) VOLUNTARY ELECTION.—A description of how eligible individuals will be provided the opportunity to make an informed election to receive self-directed services under the project and after the end of the project.

(C) STATE SUPPORT IN SERVICE PLAN DEVELOPMENT.—Satisfactory assurances that the State will continue to make available, so long as the State operates its qualified HCB program, including a plan to assure the health and welfare of individuals participating in the MFP demonstration project;

(D) OVERSIGHT OF RECEIPT OF SERVICES.—Satisfactory assurances that the State will provide oversight of eligible individual’s receipt of such self-directed services, including steps to assure the quality of services provided and that the provision of such services are consistent with the service plan under such subsection.

Nothing in this section shall be construed as requiring a State to make an election under the MFP demonstration project to offer for home and community-based long-term care services as self-directed services, or as requiring an individual to elect to receive self-directed services under the project.

(13) REPORTS AND EVALUATION.—The application shall provide that—

(A) the State will furnish to the Secretary such reports concerning the MFP demonstration project, the dollar amount of such total expenditures for home and community-based long-term care services and of such self-directed services for the fiscal year, immediately preceding the first fiscal year of the MFP demonstration project; and

(B) the State will participate in and cooperate with the evaluation of the MFP demonstration project.
CHAPTER 6—OPTION FOR HURRICANE KATRINA DISASTER STATES TO DELAY APPLICATION

SEC. 6071. OPTION FOR HURRICANE KATRINA DISASTER STATES TO DELAY APPLICATION.

Notwithstanding any provision of this subsection, any amendment made by this subsection, the Secretary of Health and Human Services, for fiscal year 2006, that a major disaster declared in accordance with section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5170) with respect to a parish, in the case of Louisiana, or a county, in the case of Mississippi or Alabama, as a result of Hurricane Katrina is in effect.

Subtitle B—Medicaid

SEC. 6101. IMPROVEMENTS TO THE MEDICARE-DEPENDENT HOSPITAL (MDH) PROGRAM.

(a) 5-Year Extension—

(1) EXTENSION OF PAYMENT METHODOLOGY.—Section 1886(d)(5)(G) (42 U.S.C. 1395ww(d)(5)(G)) is amended—

(A) in clause (i), by striking “October 1, 2006” and inserting “October 1, 2011”; and

(B) in clause (ii)(I)—

(i) by striking “October 1, 2006” and inserting “October 1, 2011”; and

(ii) by inserting “fiscal year 2007” after “the fiscal year”.

(2) CONFORMING AMENDMENTS.—

(A) EXTENSION OF TARGET AMOUNT.—Section 1886(b)(3)(D) (42 U.S.C. 1395ww(b)(3)(D)) is amended—

(i) in the matter preceding clause (i), by striking “beginning” and inserting “occurring”; and

(ii) by inserting “October 1, 2006” and inserting “October 1, 2011”; and

(iii) in clause (i), by striking “through fiscal year 2005” and inserting “through fiscal year 2011”.

(B) PERMITTING HOSPITALS TO DECLARE RECLASSIFICATION.—Section 13501(e)(2) of the Omnibus Budget Reconciliation Act of 1993 (42 U.S.C. 1395ww note) is amended by striking “through fiscal year 2005” and inserting “through fiscal year 2011”.

(C) OPTION TO USE OF 2002 AS BASE YEAR.—Section 1886(b)(3) (42 U.S.C. 1395ww(b)(3)) is amended—

(i) in subparagraph (D), by inserting “subject to subparagraph (K),” after “(d)(5)(G),”;

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

“(K)(i) With respect to discharges occurring on or after October 1, 2006, in the case of a Medicare-dependent, small rural hospital, for purposes of applying subparagraph (D),—

(1) there shall be substituted for the base cost reporting period described in subparagraph (D) a 12-month cost reporting period beginning during fiscal year 2002; and

(2) any reference in such subparagraph to the first cost reporting period described in such subparagraph to the first cost reporting period beginning on or after October 1, 2006.

(iii) This subparagraph shall only apply to a hospital or unit of a hospital that failed to meet the 50 percent threshold described in subsection (a)(1)(A) with respect to the first cost reporting period of the hospital or unit that began on or after July 1, 2006, and before the date of enactment of this Act.

(c) ENHANCED PAYMENT FOR AMOUNT BY WHICH THE TARGET EXCEEDS THE PPS RATE.—Section 1886(d)(5)(G)(i)(II) (42 U.S.C. 1395ww(d)(5)(G)(i)(II)) is amended by inserting “and inserting “(G)(i)(II)” after “discharges occurring on or after October 1, 2006)” after “50 percent”.

Section 6102. Reduction in Payments to Skilled Nursing Facilities for Bad Debt.

(a) In General.—Section 1861(v)(1)(B) (42 U.S.C. 1395l(v)(1)(B)) is amended by striking “65 percent” and inserting “75 percent”.

(b) Technical Amendment.—Section 1861(v)(1)(B) (42 U.S.C. 1395l(v)(1)(B)) is amended by striking “65 percent” and inserting “75 percent”.

Section 6103. Two-Year Extension of the 50 Percent Compliance Threshold Used to Determine Whether a Hospital or Unit of a Hospital Is an Inpatient Rehabilitation Facility under the Medicare Program.

(a) Application.—

(1) In General.—Effective as if enacted on June 30, 2005, notwithstanding section 412.23(b)(2) of title 42, Code of Federal Regulations, during the period beginning on July 1, 2005, and ending on June 30, 2007, the Secretary shall establish procedures for—

(A) making any necessary retroactive adjustment to restore the status of a facility as an inpatient rehabilitation facility based on such adjustment for discharges occurring on or after July 1, 2006, and before the date of enactment of this Act.

(B) making any necessary payments to inpatient rehabilitation facilities based on such adjustment for discharges occurring on or after July 1, 2006, and before the date of enactment of this Act.

(2) SPECIAL RULE.—In the case of a hospital or unit of a hospital that failed to meet the 50 percent compliance threshold described in subsection (a)(2) with respect to the first cost reporting period of the hospital or unit that began on or after July 1, 2006, the following rules shall apply:

(1) Such hospital or unit shall be deemed to meet such 50 percent threshold for purposes of subsection (a).

(2) The Secretary shall examine all claims of the hospital or unit under title XVIII of the Social Security Act submitted during the 6-month period beginning after the period for which such threshold would have been exceeded.

(3) If the Secretary determines after such review that the hospital or unit is still not
in compliance with such 50 percent compliance threshold—

(A) the deemed status of the hospital or unit under paragraph (1) shall be revoked retroactively to the beginning of such 6-month period; and

(B) the Secretary shall provide for the collection of any necessary overpayments by reason of the revocation under subparagraph (A).

(c) STUDY AND REPORT BY THE HHS INSPECTOR GENERAL.—

(1) STUDY.—

(A) IN GENERAL.—The Inspector General of the Department of Health and Human Services shall conduct a study of hospitals and units under subparagraph (A) that—

(i) are designated as inpatient rehabilitation facilities under title XVIII of the Social Security Act; and

(ii) would not be so designated if this section had not been enacted because the hospital or unit has a compliance rate that is greater than the 50 percent compliance threshold described in subsection (a)(1)(A) but is less than the 60 percent compliance threshold that would have become effective on July 1, 2005, but for this section.

(B) EFFECTIVE DATE.—The Inspector General shall submit to Congress a report on the study conducted under paragraph (A), together with such recommendations as the Inspector General determines appropriate.

(d) REHABILITATION ADVISORY COUNCIL.—

(1) ESTABLISHMENT.—The Secretary shall establish an advisory council to be known as the ‘‘Rehabilitation Advisory Council’’.

(2) MEMBERSHIP.—The membership of the Rehabilitation Advisory Council shall include—

(A) physicians;

(B) Medicare beneficiaries;

(C) representatives of inpatient rehabilitation facilities;

(D) representatives of other entities and practitioners who provide rehabilitative care in settings other than in such facilities, such as skilled nursing facilities.

(3) DUTIES.—

(A) ADVICE AND RECOMMENDATIONS.—The Rehabilitation Advisory Council shall provide the Secretary with recommendations to Congress and the Secretary concerning the coverage of rehabilitation services under the Medicare program, including the appropriate medical criteria for determining the appropriateness of inpatient rehabilitation facility admissions.

(B) PERIODIC REPORT.—The Rehabilitation Advisory Council shall provide Congress and the Secretary with periodic reports that summarize—

(i) the Council’s activities; and

(ii) any recommendations for legislation or administrative action the Council considers to be appropriate.

(4) TERMINATION.—The Rehabilitation Advisory Council shall terminate on September 30, 2010.

SEC. 6104. PROHIBITION ON PHYSICIAN SELF-REFERRALS TO PHYSICIAN OWNED, OPERATED, OR CONTROLLED SERVICE HOSPITALS.

(a) PROHIBITION.—Section 1877(h)(2)(B) (42 U.S.C. 1395nn(h)(2)(B)) is amended—

(1) in subparagraph (A), by striking the last sentence; and

(2) by redesignating subparagraph (B) as subparagraph (H).

(b) CONFORMING AMENDMENT.—Section 1833(a)(7)(A) (42 U.S.C. 1395l(a)(7)(A)) is amended to read as follows:

‘‘(F) the Council shall update the single conversion factor for the item under paragraph (C) for 2006 by 10 percent, and for each succeeding year by 1 percent.’’

(c) STUDY AND REPORT BY THE HHS INSPECTOR GENERAL.—

(1) STUDY.—

(A) IN GENERAL.—The Inspector General of the Department of Health and Human Services shall conduct a study of hospitals and units under subparagraph (A) that—

(i) are designated as inpatient rehabilitation facilities under title XVIII of the Social Security Act; and

(ii) would not be so designated if this section had not been enacted because the hospital or unit has a compliance rate that is greater than the 50 percent compliance threshold described in subsection (a)(1)(A) but is less than the 60 percent compliance threshold that would have become effective on July 1, 2005, but for this section.

(B) EFFECTIVE DATE.—The Inspector General shall submit to Congress a report on the study conducted under paragraph (A), together with such recommendations as the Inspector General determines appropriate.

(d) REHABILITATION ADVISORY COUNCIL.—

(1) ESTABLISHMENT.—The Secretary shall establish an advisory council to be known as the ‘‘Rehabilitation Advisory Council’’.

(2) MEMBERSHIP.—The membership of the Rehabilitation Advisory Council shall include—

(A) physicians;

(B) Medicare beneficiaries;

(C) representatives of inpatient rehabilitation facilities; and

(D) representatives of other entities and practitioners who provide rehabilitative care in settings other than in such facilities, such as skilled nursing facilities.

(3) DUTIES.—

(A) ADVICE AND RECOMMENDATIONS.—The Rehabilitation Advisory Council shall provide the Secretary with recommendations to Congress and the Secretary concerning the coverage of rehabilitation services under the Medicare program, including the appropriate medical criteria for determining the appropriateness of inpatient rehabilitation facility admissions.

(B) PERIODIC REPORT.—The Rehabilitation Advisory Council shall provide Congress and the Secretary with periodic reports that summarize—

(i) the Council’s activities; and

(ii) any recommendations for legislation or administrative action the Council considers to be appropriate.

(4) TERMINATION.—The Rehabilitation Advisory Council shall terminate on September 30, 2010.

SEC. 6105. MINIMUM UPDATE FOR PHYSICIANS’ SERVICES FOR 2006.

(a) MINIMUM UPDATE FOR 2006.—Section 1848(d)(42 U.S.C. 1395w–4(d)) is amended by adding at the end the following new paragraph:

‘‘(7) UPDATE FOR 2006.—The update to the single conversion factor established in paragraph (1)(C) for 2006 shall be not less than 1 percent.’’

(b) CONFORMING AMENDMENT.—Section 1848(d)(4)(D) (42 U.S.C. 1395w–4(d)(4)(D)) is amended, in the matter preceding clause (i), by striking ‘‘paragraph (5)’’ and inserting ‘‘paragraphs (5) and (6)’’.

(c) NOT TREATED AS CHANGE IN LAW AND REGULATORY IN SUSTAINABLE GROWTH RATE DETERMINATION.—The amendments made by this section shall not be treated as a change in law for purposes of applying section 1848(d)(2)(D) of the Social Security Act (42 U.S.C. 1395w–4(d)(2)(D)).

SEC. 6106. ONE-YEAR EXTENSION OF HOLD HARMLESS PROVISIONS FOR SMALL RURAL HOSPITALS AND SOLE COMMUNITY HOSPITALS UNDER THE PROSPECTIVE PAYMENT SYSTEM FOR IN-PATIENT DEPARTMENT SERVICES.

Section 1833(c)(7)(D)(ii) (42 U.S.C. 1395l(c)(7)(D)(ii)) is amended by striking ‘‘January 1, 2006’’ and inserting ‘‘January 1, 2007’’.

SEC. 6107. UPDATE TO THE COMPOSITE RATE COMPONENT OF THE BASIC CASE-MIX ADJUSTED PROSPECTIVE PAYMENT SYSTEM FOR DIALYSIS SERVICES.

Section 1881(b)(12) (42 U.S.C. 1395rr(b)(12)) is amended—

(1) in subparagraph (F), in the flush matter at the end, by striking ‘‘Nothing’’ and inserting ‘‘Except as provided in subparagraph (G), nothing’’;

(2) by redesignating subparagraph (G) as subparagraph (H); and

(3) by inserting after subparagraph (F) the following new subparagraph:

‘‘(G) The Secretary shall increase the amount of the composite rate component of the basic case-mix adjusted system under subparagraph (B) for dialysis services furnished on or after January 1, 2006, by 1.6 percent above the amount of such composite rate component for such services furnished on December 31, 2005.’’

SEC. 6108. ONE-YEAR EXTENSION OF MORATORIUM ON THERAPEUTIC CAPS.

Section 1502(g)(4) (42 U.S.C. 1395l(g)(4)) is amended by striking ‘‘2005’’ and inserting ‘‘2006’’.

SEC. 6109. TRANSFER OF TITLE OF CERTAIN DME BY HOSPITAL TO PATIENT AFTER 12-MONTH RENTAL.

(a) IN GENERAL.—Section 1834(a)(7)(A) (42 U.S.C. 1395m(a)(7)(A)) is amended to read as follows:

‘‘(A) PAYMENT.—In the case of an item of durable medical equipment not described in paragraphs (2) through (6), the following rules shall apply:

‘‘(i) RENTAL.—

‘‘(I) IN GENERAL.—For payment that shall be made on a rental basis for the rental of the item during the period of medical need (but payments under this clause may not extend over a period of continuous use (as determined by the Secretary) of longer than 13 months).

‘‘(II) PAYMENT AMOUNT.—Subject to subparagraph (B), the amount recognized for the item is—

‘‘(aa) for each of the first 3 months of such period 10 percent of the purchase price recognized under paragraph (8) with respect to the item; and

‘‘(bb) for each of the remaining months of such period 7.5 percent of such purchase price.’’

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to items furnished for which the first rental month occurs on or after January 1, 2005.

SEC. 6110. ESTABLISHMENT OF MEDICARE VALUE-BASED PURCHASING PROGRAMS.

(a) IN GENERAL.—Title XVIII (42 U.S.C. 1395 et seq.) is amended—

(1) by redesignating part E as part F; and

(2) by inserting after part D the following new part:

‘‘PART E—VALUE-BASED PURCHASING

QUALITY MEASUREMENT SYSTEMS FOR VALUE-BASED PURCHASING PROGRAMS

SEC. 1890E. (a) ESTABLISHMENT.—

‘‘(1) IN GENERAL.—The Secretary shall develop quality measurement systems in accordance with subsections (b), (c), (d), and (e), for purposes of providing value-based payments to—

(A) hospitals pursuant to section 1860E-2;

(B) physicians and practitioners pursuant to section 1860E-3;

(C) plans pursuant to section 1860D-4;
(D) stage renal disease providers and facilities pursuant to section 1860E-5; and

(E) home health agencies pursuant to section 1860E-6.

(2) QUALITY.—The systems developed under paragraph (1) shall measure the quality of the care furnished by the provider involved;

(3) HIGH QUALITY HEALTH CARE DEFINED.—In this paragraph, the term ‘high quality health care’ means health care that is safe, effective, patient-centered, timely, equitable, efficient, quality measured, and appropriate;

(4) REQUIREMENTS FOR SYSTEMS.—Under each quality measurement system described in subparagraph (A)(i), the Secretary shall do the following:

(1) MEASURES.—

(A) In general.—Subject to subparagraph (B), the Secretary shall select measures of quality to be used by the Secretary under each system.

(B) REQUIREMENTS.—In selecting the measures to be used under each system pursuant to subparagraph (A), the Secretary shall, to the extent feasible and practicable, ensure that:

(i) such measures are evidence-based, reliable and valid, actionable, and reasonable to collect and report;

(ii) measures of process, structure, outcomes, and beneficiary experience of care are included;

(iii) except for the system that is used to provide value-based payments to physicians and practitioners under section 1860E-3, measures of efficiency (where efficiency is improved quality care through the effective use of resources) are included;

(iv) measures of overuse and underuse of health care items and services are included;

(v) at least 1 measure of health information technology infrastructure that enables the provision of high quality health care and facilitates the exchange of health information, such as the use of 1 or more elements of a qualified health information system (as defined in subparagraph (E)), is included during the first year each system is implemented; and

(ii) additional measures of health information technology infrastructure are included in subsequent years;

(vi) the system that is used to provide value-based payments to hospitals under section 1860E-2, by not later than January 1, 2006, at least 5 measures that take into account the unique characteristics of small hospitals located in rural areas and frontier areas are included; and

(vii) measures that assess the quality of care and outcomes in individuals of the age of 75 and to individuals with multiple complex chronic conditions are included.

(2) REQUIREMENT FOR COLLECTION OF DATA ON A MEASURE FOR 1 YEAR PRIOR TO USE UNDER THE SYSTEMS.—Data on any measure selected by the Secretary under subparagraph (A) must be collected by the Secretary for at least 1 year before such measure may be used to determine whether a provider receives a value-based payment under a program described in subsection (a)(1).

(3) AUTHORITY TO VARY MEASURES.—The Secretary may vary the measures selected under subparagraph (A) by the entity or individual involved based on factors such as the type of provider, size of, and the scope and volume of services provided by, the entity or individual. If the Secretary varies the measures for providers under the preceding sentence, the Secretary shall ensure that such measures are aligned to promote coordinated quality of care across provider settings.

(B) QUALIFIED HEALTH INFORMATION SYSTEM DEFINED.—The term ‘qualified health information system’ means a computerized system (including hardware, software, and training) that—

(i) protects the privacy and security of health information and properly encrypts such health information;

(ii) maintains and provides access to patients’ health records in an electronic format;

(iii) incorporates decision support software to reduce medical errors and enhance health care quality;

(iv) is consistent with data standards and certification processes recommended by the Secretary;

(v) allows for the reporting of quality measures; and

(vi) includes other features determined appropriate by the Secretary.

(2) WEIGHTS OF MEASURES.—The Secretary shall assign weights to the measures under the system; and

(3) MAINTENANCE.—

(A) IN GENERAL.—The Secretary shall, as determined appropriate by the Secretary, review each system, including through—

(i) the refinement of measures under the systems and the retirement of existing outdated measures under the system;

(ii) the refinement of the weights assigned to measures under the system; and

(iii) the refinement of the risk adjustment procedures established pursuant to paragraph (3) under the system.

(B) REVISION SHALL ALLOW FOR COMPARISON OF DATA.—Each revision under subparagraph (A) of a quality measurement system shall allow for the comparison of data from one year to the next for purposes of providing value-based payments under the programs described in subsection (a)(1).

(5) USE OF MOST RECENT QUALITY DATA.—

(A) IN GENERAL.—Except as provided in subparagraph (B), the Secretary shall use the most recent quality data with respect to the provider involved that is available to the Secretary.

(B) INSUFFICIENT DATA DUE TO LOW VOLUME.—If the Secretary determines that there is insufficient data with respect to a measure or measures because of a low number of services provided, the Secretary may aggregate data across more than 1 fiscal or calendar year, as the case may be.

(6) REQUIREMENTS FOR DEVELOPING AND REVISING THE SYSTEMS.—In developing and reviewing each quality measurement system under this section, the Secretary shall—

(1) consult with, and take into account the recommendations of, the entity that has an arrangement with the Secretary under paragraph (4), such providers, and with advice on, and recommendations with respect to, the development and review of the quality measurement systems under this section, including the assigning of weights to the measures under subsection (b)(2).

(2) REQUIREMENTS DESCRIBED.—The requirements described in this paragraph are as follows:

(A) The entity is a private nonprofit entity governed by an executive director and a board.

(B) The members of the entity include representatives of—

(i) health plans and providers receiving reimbursement under this title for the provision of items and services, including health plans and providers with experience in the care of the frail elderly and individuals with multiple complex chronic conditions;

(ii) groups representing such health plans and providers;

(iii) purchasers or employers or groups representing purchasers or employers; and

(iv) organizations that focus on quality improvement as well as the measurement and reporting of quality measures.

(C) The entity does not charge a fee for membership or for participation in the work of the entity related to the arrangement with the Secretary under paragraph (1). If the entity engages in any activity for membership participation in the work of the entity related to the arrangement with the Secretary under paragraph (1), the entity shall ensure that such activities are not pursued in any manner that would conflict with the responsibilities of the entity related to the arrangement with the Secretary under paragraph (1). If the entity engages in any activity for membership participation in other functions of the entity, there shall be no linkage between such fee and participation in the work of the entity related to such arrangement with the Secretary.

(D) The entity shall ensure that such activities are not pursued in any manner that would conflict with the responsibilities of the entity related to the arrangement with the Secretary under paragraph (1).

(E) The entity—

(i) permits members described in subparagraph (A) to vote on matters related to the arrangement with the Secretary under paragraph (1); and

(ii) certifies processes recommended by the Secretary; and

(3) take into account existing quality measurement systems that have been developed through a rigorous process of validation and with the involvement of entities and persons described in subparagraphs (A)(viii) and (B); and

(4) take into account—

(A) each of the reports by the Medicare Payment Advisory Commission that are required under paragraph (a)(2) of section 1102A of the Balanced Budget Act of 1997 (42 U.S.C. 1310t-2); and

(B) the results of appropriate studies, reports, and demonstration programs; and

(5) the report by the Institute of Medicine of the National Academy of Sciences under section 238(b) of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (Public Law 108-173).
SEC. 1860E.

PROGRAM.

(a) IN GENERAL.—The Secretary shall establish a program under which value-based payments are provided each fiscal year to hospitals that meet the requirement under section 1886(b)(3)(B)(viii)(II) for the fiscal year that is used to make payments to hospitals under this section so that value-based payments described in section so that value-based payments described in subsection (d) for value-based payments for any fiscal year are made by not later than the close of the following fiscal year.

(b) DESCRIPTION OF HOW HOSPITALS WOULD BE ELIGIBLE.—

The Secretary shall make a value-based payment to a hospital with respect to a fiscal year if the Secretary determines that the quality of care provided in that year to individuals who are entitled to benefits under part A and are inpatients of the hospital—

(1) has substantially improved (as determined by the Secretary) over the prior year; or

(2) exceeds a threshold established by the Secretary.

(c) DESCRIPTION OF HOW HOSPITALS WOULD HAVE FARED UNDER PROGRAM.—Not later than January 1, 2007, the Secretary shall provide each hospital with a description of the Secretary’s estimate of how payments to the hospital under this title would have been affected with respect to items and services furnished during the fiscal year by the Secretary, if the program under this section (and the amendments made by paragraphs (1) and (2) of section 614(b) of the Deficit Reduction Act of 2005) had been in effect for that period.

(d) FUNDING.—

(1) AMOUNT.—The amount available for value-based payments under this section with respect to a fiscal year shall be equal to the total amount of value-based payments made under the Federal Hospital Insurance Trust Fund under section 1817 in the year as a result of the amendments made by section 1116 of the Omnibus Budget Reconciliation Act of 2005, as estimated by the Secretary.

(2) PAYMENTS FROM TRUST FUND.—Payments under this section shall be made from the Federal Hospital Insurance Trust Fund.

SEC. 1860E-2. (a) IN GENERAL.—The Secretary shall establish a program under which value-based payments are provided each fiscal year to hospitals that meet the requirement under section 1886(b)(3)(B)(viii)(II) for the fiscal year that is used to make payments to hospitals under this section so that value-based payments described in section so that value-based payments described in subsection (d) for value-based payments for any fiscal year are made by not later than the close of the following fiscal year.

(b) DESCRIPTION OF HOW HOSPITALS WOULD BE ELIGIBLE.—

The Secretary shall make a value-based payment to a hospital with respect to a fiscal year if the Secretary determines that the quality of care provided in that year to individuals who are entitled to benefits under part A and are inpatients of the hospital—

(1) has substantially improved (as determined by the Secretary) over the prior year; or

(2) exceeds a threshold established by the Secretary.

(c) DESCRIPTION OF HOW HOSPITALS WOULD HAVE FARED UNDER PROGRAM.—Not later than January 1, 2007, the Secretary shall provide each hospital with a description of the Secretary’s estimate of how payments to the hospital under this title would have been affected with respect to items and services furnished during the fiscal year by the Secretary, if the program under this section (and the amendments made by paragraphs (1) and (2) of section 614(b) of the Deficit Reduction Act of 2005) had been in effect for that period.

(d) FUNDING.—

(1) AMOUNT.—The amount available for value-based payments under this section with respect to a fiscal year shall be equal to the total amount of value-based payments made under the Federal Hospital Insurance Trust Fund under section 1817 in the year as a result of the amendments made by section 1116 of the Omnibus Budget Reconciliation Act of 2005, as estimated by the Secretary.

(2) PAYMENTS FROM TRUST FUND.—Payments under this section shall be made from the Federal Hospital Insurance Trust Fund.

SEC. 1860E-3. (a) IN GENERAL.—The Secretary shall establish a program under which value-based payments are provided each fiscal year to physicians and practitioners that demonstrate the provision of high quality health care to individuals enrolled under part B and the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (P.L. 108-173), including beneficiaries that meet the requirement under section 1801(g)(2) of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (P.L. 108-173), for services to Medicare beneficiaries, as determined by the Secretary.

(b) DESCRIPTION OF HOW PHYSICIANS AND PRACTITIONERS WOULD BE ELIGIBLE.—

The Secretary shall make a value-based payment to a physician or a practitioner with
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(1) A GENERAL.—Subject to subparagraph (B), the payment of value-based payments under paragraph (1) shall be based on such a method as the Secretary determines appropriate.

(2) TIMING.—The Secretary shall ensure that value-based payments under paragraph (1) with respect to a year are made not later than December 31 of the subsequent year.

(3) COMPARATIVE UTILIZATION SYSTEM.—

(A) DEVELOPMENT.—The Secretary, in consultation with relevant stakeholders, shall develop a comparative utilization system for purposes of providing value-based payments under subsection (b).

(B) MEASURES OF EFFICIENCY AND APPROPRIATENESS OF CARE.—The comparative utilization system developed under paragraph (1) shall measure the efficiency and appropriateness of the care provided by a physician or practitioner.

(4) REQUIREMENTS FOR SYSTEM.—Under the comparative utilization system described in paragraph (1), the Secretary shall do the following:

(A) MEASURES.—The Secretary shall select measures of efficiency appropriateness to be used under the system. The Secretary may vary the measures selected under the preceding sentence by type or specialty of the physician or practitioner.

(B) USE OF CLAIMS DATA FOR UTILIZATION PATTERNS.—

(i) REVIEW OF CLAIMS DATA.—The Secretary shall review claims data with respect to services furnished or ordered by physicians and practitioners.

(ii) USE OF MOST RECENT CLAIMS DATA.—The Secretary shall use the most recent claims data with respect to the physician or practitioner that is available to the Secretary.

(5) RISK ADJUSTMENT.—The Secretary shall establish procedures, as appropriate, to control for differences in beneficiary health status and beneficiary characteristics.

(6) ANNUAL REPORTS.—Beginning in 2007, the Secretary shall provide physicians and practitioners with annual reports on the utilization of items and services under this title and with respect to claims data under paragraph (3)(B). With respect to reports provided in 2007 and 2008, such reports are confidential and the Secretary shall not make such reports available to the public.

(7) DESCRIPTION OF HOW PHYSICIANS AND PRACTITIONERS WOULD HAVE FARED UNDER PROGRAM.—Not later than March 1, 2009, the Secretary shall provide each physician and practitioner with a description of the Secretary’s estimate of how payments to the physician or practitioner under this title would have differed if such payments were made under the comparative utilization system.

(8) FUNDING.—

(A) IN GENERAL.—Subject to subparagraph (B), the payment of value-based payments under paragraph (1) shall be based on such a method as the Secretary determines appropriate.

(B) TIMING.—The Secretary shall ensure that value-based payments under paragraph (1) with respect to a year are made not later than December 31 of the subsequent year.

(9) COMPARATIVE UTILIZATION SYSTEM.—

(A) DEVELOPMENT.—The Secretary, in consultation with relevant stakeholders, shall develop a comparative utilization system for purposes of providing value-based payments under subsection (b).

(B) MEASURES OF EFFICIENCY AND APPROPRIATENESS OF CARE.—The comparative utilization system developed under paragraph (1) shall measure the efficiency and appropriateness of the care provided by a physician or practitioner.

(10) REQUIREMENTS FOR SYSTEM.—Under the comparative utilization system described in paragraph (1), the Secretary shall do the following:

(A) MEASURES.—The Secretary shall select measures of efficiency appropriateness to be used under the system. The Secretary may vary the measures selected under the preceding sentence by type or specialty of the physician or practitioner.

(B) USE OF CLAIMS DATA FOR UTILIZATION PATTERNS.—

(i) REVIEW OF CLAIMS DATA.—The Secretary shall review claims data with respect to services furnished or ordered by physicians and practitioners.

(ii) USE OF MOST RECENT CLAIMS DATA.—The Secretary shall use the most recent claims data with respect to the physician or practitioner that is available to the Secretary.

(11) RISK ADJUSTMENT.—The Secretary shall establish procedures, as appropriate, to control for differences in beneficiary health status and beneficiary characteristics.

(12) ANNUAL REPORTS.—Beginning in 2007, the Secretary shall provide physicians and practitioners with annual reports on the utilization of items and services under this title and with respect to claims data under paragraph (3)(B). With respect to reports provided in 2007 and 2008, such reports are confidential and the Secretary shall not make such reports available to the public.

(13) DESCRIPTION OF HOW PHYSICIANS AND PRACTITIONERS WOULD HAVE FARED UNDER PROGRAM.—Not later than March 1, 2009, the Secretary shall provide each physician and practitioner with a description of the Secretary’s estimate of how payments to the physician or practitioner under this title would have differed if such payments were made under the comparative utilization system.

(14) FUNDING.—

(A) IN GENERAL.—Subject to subparagraph (B), the payment of value-based payments under paragraph (1) shall be based on such a method as the Secretary determines appropriate.

(B) TIMING.—The Secretary shall ensure that value-based payments under paragraph (1) with respect to a year are made not later than December 31 of the subsequent year.
meet the requirement under subparagraph (B) of such paragraph.

"(B) REQUIREMENT REGARDING THE AMOUNT OF FUNDING AVAILABLE FOR VALUE-BASED PAYMENTS FOR PROVIDERS AND FACILITIES EXCEEDING A THRESHOLD.—The Secretary shall ensure that—

(ii) with respect to 2010 and each subsequent year, the percentage of the total amount available under subsection (d) for value-based payments for any year that is used to make payments to organizations, with respect to plans offered by such organizations, that meet such requirement is greater than such percentage in the previous year.

(4) USE OF PAYMENTS.—Value-based payments received under this section may only be used for the following purposes:

(A) To invest in quality improvement programs operated by the organization with respect to the plan.

(B) To enhance beneficiary benefits under the plan.

(5) REQUIRED SUBMISSION OF DATA.—In order for an organization to be eligible for a value-based payment for a year, it must have provided the Secretary with an estimate of the reduction in expenditures under the Federal Insurance Trust Fund established under section 1817 and the Federal Supplementary Medical Insurance Trust Fund established under section 1841 in the year as a result of the amendments made by section 122(d) of the Deficit Reduction Omnibus Reconciliation Act of 2005, as estimated by the Secretary.

(6) PROGRAM TO BEGIN IN 2007.—The Secretary shall establish the program under this section so that the payment for any year under this section is made with respect to 2007 and each subsequent year.

(7) EXCLUSIONS FROM PROGRAM.—(A) PROVIDERS OF SERVICES OR FACILITIES CURRENTLY PARTICIPATING IN BUNDED CASE-MIX DEMONSTRATION NOT INCLUDED IN PROGRAM.—Any provider of services or renal dialysis facility that is currently participating in the bundled case-mix adjusted payment system for ESRD services under section 623(e) of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (Public Law 108-173) shall not be included in the program under this section.

(B) PROVIDERS AND FACILITIES CURRENTLY PROVIDING ITEMS AND SERVICES TO INDIVIDUALS WITH END STAGE RENAL DISEASE.—Any provider of services or renal dialysis facility receiving payments under paragraph (12) shall submit to the Secretary such data that the Secretary determines is appropriate for the measurement of health outcomes and other indices of quality, including data necessary for the operation of the program under this section. Such data shall be submitted in a form, manner, and time specified by the Secretary for purposes of this clause.

(III) AVAILABILITY TO THE PUBLIC.—The Secretary shall establish procedures for making available to the public all data submitted under clause (ii) available in a clear and understandable form. Such procedures shall ensure that the provider or facility has an opportunity to review the data that is to be made public with respect to the provider or facility prior to such data being made public.

(IV) ATTestation REGARDING DATA.—In order for a provider or facility to be eligible for a value-based payment for a year, the provider or facility must have provided for each year the program under paragraph (12) is in effect a certification of the data submitted under such paragraph.

(V) TOTAL AMOUNT OF VALUE-BASED PAYMENTS EQUAL TO TOTAL AMOUNT OF REDUCTION IN PAYMENTS.—The Secretary shall establish payment amounts under paragraph (3)(A) so that, as estimated by the Secretary, the total amount available for value-based payments in a year under paragraph (1) is equal to the total amount available under subsection (d) for value-based payments for the year.

(8) PAYMENT METHODS AND TIMING OF PAYMENTS.—(A) IN GENERAL.—Subject to subparagraph (B), the Secretary shall make a value-based payment to a provider of services or a renal dialysis facility with respect to a year if the Secretary determines that the quality of the care provided in that year by the provider or facility to individuals with end stage renal disease who are eligible for a value-based payment under paragraph (12) has substantially improved as determined by the Secretary.

(B) EXCEEDS A THRESHOLD established by the Secretary.

(2) USE OF SYSTEM.—In determining which providers of services and renal dialysis facilities quality for a value-based payment under paragraph (1), the Secretary shall use the quality measurement system developed for this purpose pursuant to section 1860E-5(a).

(3) DETERMINATION OF AMOUNT OF AWARD AND ALLOCATION OF AWARDS.—(A) IN GENERAL.—The Secretary shall determine—

(i) the amount of a value-based payment under paragraph (1) provided to a provider of services or a renal dialysis facility; and

(ii) subject to subparagraphs (B) and (C), the allocation of the total amount available under subsection (c) for value-based payments for any year between payments with respect to providers and facilities that meet the requirement under subparagraph (A) of paragraph (1) and providers and facilities that meet the requirement under subparagraph (B) of such paragraphs.

(B) REQUIREMENT REGARDING AMOUNT OF FUNDING AVAILABLE FOR VALUE-BASED PAYMENTS FOR PROVIDERS AND FACILITIES EXCEEDING A THRESHOLD.—The Secretary shall ensure that—

(i) a majority of the total amount available under subsection (d) for value-based payments for any year is provided to providers of services and renal dialysis facilities that are receiving such payments because they meet the requirement under paragraph (1)(B); and

(ii) with respect to 2009 and each subsequent year, the percentage of the total amount available under subsection (c) for value-based payments for any year that is used to make payments to providers and facilities that meet such requirement is greater than such percentage in the previous year.

(9) PROGRAM TO BEGIN IN 2007.—The Secretary shall establish the program under this section so that the payment for any year under this section is made with respect to 2007 and each subsequent year.

(10) EXCLUSIONS FROM PROGRAM.—(A) PROVIDERS OF SERVICES OR FACILITIES CURRENTLY PARTICIPATING IN BUNDED CASE-MIX DEMONSTRATION NOT INCLUDED IN PROGRAM.—Any provider of services or renal dialysis facility that is currently participating in the bundled case-mix adjusted payment system for ESRD services under section 623(e) of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (Public Law 108-173) shall not be included in the program under this section.

(B) PROVIDERS AND FACILITIES CURRENTLY PROVIDING ITEMS AND SERVICES TO INDIVIDUALS WITH END STAGE RENAL DISEASE.—Any provider of services or renal dialysis facility receiving payments under paragraph (12) shall submit to the Secretary such data that the Secretary determines is appropriate for the measurement of health outcomes and other indices of quality, including data necessary for the operation of the program under this section. Such data shall be submitted in a form, manner, and time specified by the Secretary for purposes of this clause.

(III) AVAILABILITY TO THE PUBLIC.—The Secretary shall establish procedures for making available to the public all data submitted under clause (ii) available to the public in a clear and understandable form. Such procedures shall ensure that the provider or facility has an opportunity to review the data that is to be made public with respect to the provider or facility prior to such data being made public.

(IV) ATTestation REGARDING DATA.—In order for a provider or facility to be eligible for a value-based payment for a year, the provider or facility must have provided for each year the program under paragraph (12) is in effect a certification of the data submitted under such paragraph.

(V) TOTAL AMOUNT OF VALUE-BASED PAYMENTS EQUAL TO TOTAL AMOUNT OF REDUCTION IN PAYMENTS.—The Secretary shall establish payment amounts under paragraph (3)(A) so that, as estimated by the Secretary, the total amount available for value-based payments made in a year under paragraph (1) is equal to the total amount available under subsection (c) for such payments for the year.

(6) PAYMENT METHODS AND TIMING OF PAYMENTS.—(A) IN GENERAL.—Subject to subparagraph (B), the payment of value-based payments under paragraph (1) shall be based on such a
method as the Secretary determines appropriate.

“(B) TIMING.—The Secretary shall ensure that value-based payments under paragraph (1) with respect to a year are made by not later than December 31 of the subsequent year.

“(C) FUNDING.—

“(1) AMOUNT.—The amount available for value-based payments under this section with respect to a year shall be equal to the amount of the reduction in expenditures under section 1886(d)(5)(A) (42 U.S.C. 1395ww(d)(5)(A)) if, after subtracting for such fiscal year and inserting the applicable upper percent by a factor equal to a fraction—

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

“(viii)(I) For purposes of clause (i)(XX) for fiscal year 2007 and each subsequent fiscal year, the applicable upper percent shall be reduced by 2 percentage points. Such reduction shall apply only with respect to the fiscal year involved, and the Secretary shall not take into account such reduction in computing the applicable percentage increase under clause (i)(XX) for a subsequent fiscal year.

“(II) For fiscal year 2007 and each subsequent fiscal year, each subsection (d) hospital shall submit to the Secretary such data that the Secretary determines is appropriate for the measurement of health care quality, including data necessary for the operation of the PPS hospital value-based purchasing program under section 1886F-2. Such data shall be submitted in a form and manner, and at a time, specified by the Secretary for purposes of this clause.

“(II) The Secretary shall establish procedures for making data submitted under subclause (II) available to the public in a clear and understandable form. Such procedures shall ensure that each subsection (d) hospital has the opportunity to review the data that is to be made public with respect to the hospital prior to such data being made public.”

“(D) COMPLIANCE.—

“(i) in subparagraph (D) of section 1886(d)(5)(A) (42 U.S.C. 1395ww(d)(5)(A)) is amended—

(1) in subsection (XIX), by striking “2007” and inserting “2006”;

(2) in subsection (XX), by striking “2008” and inserting “2007”;

and

“(II) by inserting “subject to clause (viii), after “fiscal year.”

“(2) REDUCTION IN PAYMENTS IN ORDER TO FUND PROGRAM.—

“(A) REDUCTION IN PAYMENTS.—Section 1886d(k)(5)(A) (42 U.S.C. 1395wwd(k)(5)(A)) is amended—

(1) in clause (iv), by striking “5 percent or more than 6 percent” and inserting “the applicable lower percent or more than the applicable upper percent”;

and

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

“(vii) For purposes of clause (iv)—

(1) in clause (V), by striking “6 percent” and inserting “the applicable lower percent”;

(2) in clause (VI), by striking “lower percent” and inserting “the applicable lower percent or more than the applicable upper percent”;

(3) in clause (VII), by striking “lower percent” and inserting “the applicable lower percent or more than the applicable upper percent”;

and

(4) in clause (VIII), by striking “lower percent” and inserting “the applicable lower percent or more than the applicable upper percent”.

“(B) CONTINUATION OF CURRENT LEVEL OF REDUCTION TO THE AVERAGE STANDARDIZED AMOUNT.—Section 1886d(k)(5)(B) (42 U.S.C. 1395wwd(k)(5)(B)) is amended to read as follows:

“(B) REDUCING FOR VALUE OF OUTLIER PAYMENTS AND FOR FUNDING OF HOSPITAL VALUE-BASED PURCHASING PROGRAM.—

“(I) IN GENERAL.—The Secretary shall reduce the amount of value-based payments determined under subparagraph (A) by a factor equal to a fraction—
“(I) FISCAL YEARS PRIOR TO FISCAL YEAR 2007, 0 PERCENT; (II) FOR FISCAL YEAR 2007, 1.0 PERCENT; (III) FOR FISCAL YEAR 2008, 1.25 PERCENT; (IV) FOR FISCAL YEAR 2009, 1.5 PERCENT; (V) FOR FISCAL YEAR 2010, 1.75 PERCENT; AND (VI) FOR FISCAL YEARS 2011 AND SUBSEQUENT YEARS, 2.0 PERCENT.

(3) VALUE-BASED PURCHASING DEMONSTRATION PROGRAM FOR CRITICAL ACCESS HOSPITALS.—

(A) ESTABLISHMENT.—Not later than 6 months after the date of enactment of this Act, the Secretary shall establish a 2-year demonstration program under which the Secretary establishes a value-based purchasing program under the Medicare program under title XVIII of the Social Security Act as may be determined appropriate.

(B) SITES.—The Secretary shall ensure that such hospitals are representative of the spectrum of such hospitals that participate in the Medicare program.

(C) WAIVER AUTHORITY.—The Secretary may waive such requirements of titles XI and XVIII of the Social Security Act as may be necessary to carry out the demonstration program.

(D) FUNDING.—The Secretary shall provide for the transfer from the Federal Hospital Insurance Trust Fund under section 1817 of the Social Security Act (42 U.S.C. 1395i) of such funds as are necessary for the costs of carrying out this section.

(E) REPORT.—Not later than 6 months after the demonstration program is completed, the Secretary shall send to Congress a report on the demonstration program together with recommendations on the establishment of a permanent value-based purchasing program under the Medicare program for critical access hospitals and recommendations for such other legislation or administrative action as the Secretary determines appropriate.

(1) VOLUNTARY SUBMISSION OF PHYSICIAN AND PRACTITIONER QUALITY DATA.—

(A) UPDATE FOR PHYSICIANS AND PRACTITIONERS.—(1) QUALITY DATA.—Section 1848(d)(4) (42 U.S.C. 1395w-4(d)(4)) is amended by adding at the end the following new subparagraph:

“(e) PLANS.—

(1) SUBMISSION OF QUALITY DATA.—

For 2007 and each subsequent year, each physician and practitioner (as defined in section 1860E-3(aa)(3)) shall submit to the Secretary such data as the Secretary determines is appropriate for the measurement of health outcomes and other indices of quality, including data necessary for the operation of the plan value-based purchasing program under section 1860E-3.

Such data shall be submitted in a form and manner, and at a time, specified by the Secretary.

(II) AVAILABLE TO THE PUBLIC.—

(D) FUNDING.

(V) for fiscal year 2010, 1.75 percent; and

(VI) for fiscal year 2011 and subsequent year, 2.0 percent.

(3) VALUE-BASED PURCHASING DEMONSTRATION PROGRAM FOR CRITICAL ACCESS HOSPITALS.—

(A) ESTABLISHMENT.—Not later than 6 months after the date of enactment of this Act, the Secretary shall establish a 2-year demonstration program under which the Secretary establishes a value-based purchasing program under the Medicare program under title XVIII of the Social Security Act as may be determined appropriate.

(B) SITES.—The Secretary shall ensure that such hospitals are representative of the spectrum of such hospitals that participate in the Medicare program.

(C) WAIVER AUTHORITY.—The Secretary may waive such requirements of titles XI and XVIII of the Social Security Act as may be necessary to carry out the demonstration program.

(D) FUNDING.—The Secretary shall provide for the transfer from the Federal Hospital Insurance Trust Fund under section 1817 of the Social Security Act (42 U.S.C. 1395i) of such funds as are necessary for the costs of carrying out this section.

(E) REPORT.—Not later than 6 months after the demonstration program is completed, the Secretary shall send to Congress a report on the demonstration program together with recommendations on the establishment of a permanent value-based purchasing program under the Medicare program for critical access hospitals and recommendations for such other legislation or administrative action as the Secretary determines appropriate.

(c) PHYSICIANS AND PRACTITIONERS.

(A) UPDATE FOR PHYSICIANS AND PRACTITIONERS.—(1) QUALITY DATA.—Section 1848(d)(4) (42 U.S.C. 1395w-4(d)(4)) is amended by adding at the end the following new subparagraph:

“(d) PLANS.—

(1) SUBMISSION OF QUALITY DATA.—

(II) REVIEW.—The procedures established under subparagraph (I) shall ensure that a physician or practitioner has the opportunity to review the data that is to be made public with respect to the physician or practitioner under subparagraph (I)(cc) prior to such data being made public.

(III) EXCEPTION.—The Secretary shall establish exceptions to the requirement for making data available to the public under subparagraph (I). In providing for such exceptions, the Secretary shall take into account the size and specialty representation of the practice involved.

(B) CONFORMING AMENDMENT.—Section 1848(d)(4)(A) (42 U.S.C. 1395w-4(d)(4)(A)) is amended, in the matter preceding clause (I), by striking “paragraph (F)” and inserting “subparagraphs (F) and (G)”.

(2) REDUCTION IN CONVERSION FACTOR FOR PHYSICIANS AND PRACTITIONERS THAT SUBMIT QUALITY DATA IN ORDER TO FUND PROGRAM.—

(A) IN GENERAL.—(1) For the year beginning on or after January 1, 2008, the conversion factor determined under paragraph (4) shall be reduced by 2 percentage points. Such reduction shall apply only with respect to the year involved, and the Secretary shall not take into account such reduction in computing the conversion factor for a subsequent year.

(B) APPlicABLE PERCENT.—For purposes of subparagraph (A), the term ‘applicable percent’ means—

(i) for 2009, 1.0 percent; (ii) for 2010, 1.25 percent; (iii) for 2011, 1.5 percent; (iv) for 2012, 1.75 percent; and (v) for 2013 and each subsequent year, 2.0 percent.

(b) REDUCTION IN CONVERSION FACTOR FOR PHYSICIANS AND PRACTITIONERS IN ORDER TO FUND VALUE-BASED PROGRAM.

(A) IN GENERAL.—For 2009 and each subsequent year, the single conversion factor otherwise applicable under this subsection to services furnished in the year by a physician or a practitioner (as defined in section 1860E-3(aa)(3)) that complies with the requirements under paragraph (4) shall be reduced by the applicable percent.

(B) APPlicABLE PERCENT.—For purposes of subparagraph (A), the term ‘applicable percent’ means—

(i) for 2009, 1.0 percent; (ii) for 2010, 1.25 percent; (iii) for 2011, 1.5 percent; (iv) for 2012, 1.75 percent; and (v) for 2013 and each subsequent year, 2.0 percent.

(C) CONFORMING AMENDMENT.—Section 1848(d)(4)(A) (42 U.S.C. 1395w-4(d)(4)(A)) is amended by striking “The conversion factor” and inserting “subject to paragraph (B), the conversion factor”.

(2) PLANS.—

(1) SUBMISSION OF QUALITY DATA.—

(II) REVIEW.—The procedures established under subparagraph (I) shall ensure that a physician or practitioner has the opportunity to review the data that is to be made public with respect to the physician or practitioner under subparagraph (I)(cc) prior to such data being made public.

(III) EXCEPTION.—The Secretary shall establish exceptions to the requirement for making data available to the public under subparagraph (I). In providing for such exceptions, the Secretary shall take into account the size and specialty representation of the practice involved.

(B) CONFORMING AMENDMENT.—Section 1848(d)(4)(A) (42 U.S.C. 1395w-4(d)(4)(A)) is amended, in the matter preceding clause (I), by striking “paragraph (F)” and inserting “subparagraphs (F) and (G)”.

(2) REDUCTION IN CONVERSION FACTOR FOR PHYSICIANS AND PRACTITIONERS THAT SUBMIT QUALITY DATA IN ORDER TO FUND PROGRAM.—

(A) IN GENERAL.—(1) For the year beginning on or after January 1, 2008, the conversion factor determined under paragraph (4) shall be reduced by 2 percentage points. Such reduction shall apply only with respect to the year involved, and the Secretary shall not take into account such reduction in computing the conversion factor for a subsequent year.
(D) Sense of the Senate.—It is the sense of the Senate that, in establishing the time-frames for Medicare Advantage organizations and entities with a reasonable cost reimbursement contract under section 1856(h) of the Social Security Act (42 U.S.C. 1395mm(h)) to report quality data under sections 1822(e)(3) and 1867(b)(6), respectively, of such section, the Secretary should take into account other time-frames for reporting quality data that such organizations and entities are subject to under federal and State programs and in the commercial marketplace.

(2) Reduction in payments to organizations in order to fund program.—

(A) Reasonable cost contracts.—

(i) In general.—Section 1853(a)(1) (42 U.S.C. 1395w-23(a)(1)), as amended by section 222(e) of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (Public Law 108-173; 117 Stat. 2200), is amended—

(1) in clauses (i) and (ii) of subparagraph (B), by inserting "and, for 2009 and each subsequent year, except in the case of an MSA plan or an MA plan for which there was no contract under section 1857 during either of the preceding 2 calendar years, the applicable percent (as defined in subparagraph (I))" after "(G)"; and

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

"(I) APPLICABLE PERCENT.—For purposes of clauses (i) and (ii) of subparagraph (B), the term 'applicable percent' means—

"(i) for 2009, 1.0 percent;

"(ii) for 2010, 1.25 percent;

"(iii) for 2011, 1.5 percent;

"(iv) for 2012, 1.75 percent; and

"(v) for 2013 and each subsequent year, 2.0 percent.

(ii) Reduction in case-mix adjusted prospective payment amount in order to fund program.—Section 1881(b)(12) (42 U.S.C. 1395w(bb)(12)) is amended—

(A) by redesignating subparagraph (G) as subparagraph (H); and

(B) by inserting after subparagraph (F) the following new subparagraph:

"(G) For purposes of clause (i), the term 'applicable percent' means—

"(i) for 2007, 1.0 percent;

"(ii) for 2008, 1.25 percent;

"(iii) for 2009, 1.5 percent;

"(iv) for 2010, 1.75 percent; and

"(v) for 2011 and each subsequent year, 2.0 percent.

(3) Voluntary submission of quality data.—Section 1881(b)(12) (42 U.S.C. 1395w(bb)(12)) is amended by adding at the end the following new subparagraph:

"(G) For purposes of clause (i), the term 'applicable percent' means—

"(i) for 2008, 1.0 percent;

"(ii) for 2009, 1.25 percent;

"(iii) for 2010, 1.5 percent;

"(iv) for 2011, 1.75 percent; and

"(v) for 2012 and each subsequent year, 2.0 percent.

(4) Value-based purchasing program.—

(B) Reasonable cost contracts.—Section 1876(b) (42 U.S.C. 1395mm(h)), as amended by subsection (c)(2), is amended by adding at the end the following new paragraph:

"(4) Not later than January 1, 2010, any eligible entity with a reasonable cost reimbursement contract under section 1856(h) of the Social Security Act (42 U.S.C. 1395mm(h)) to report quality data under section 1860E-4 with respect to the contract for the preceding year shall submit to the Secretary a report containing a description of how the organization will use such payments under the contract.

(e) ESRD PROVIDERS AND FACILITIES.—

(1) Voluntary submission of quality data.—Section 1881(b)(12) (42 U.S.C. 1395w(bb)(12)) is amended by adding at the end the following new paragraph:

"(H) For purposes of clause (i), the term 'applicable percent' means—

"(i) for 2007, 1.0 percent;

"(ii) for 2008, 1.25 percent;

"(iii) for 2009, 1.5 percent;

"(iv) for 2010, 1.75 percent; and

"(v) for 2011 and each subsequent year, 2.0 percent.

(ii) Reduction in case-mix adjusted prospective payment amount in order to fund program.—Section 1881(b)(12) (42 U.S.C. 1395w(bb)(12)) is amended—

(A) by redesignating subparagraph (G) as subparagraph (H); and

(B) by inserting after subparagraph (F) the following new subparagraph:

"(G) For purposes of clause (i), the term 'applicable percent' means—

"(i) for 2007, 1.0 percent;

"(ii) for 2008, 1.25 percent;

"(iii) for 2009, 1.5 percent;

"(iv) for 2010, 1.75 percent; and

"(v) for 2011 and each subsequent year, 2.0 percent.

(7) Value-based purchasing program.—

As part of the demonstration project under this section, the Secretary shall, beginning January 1, 2007, implement a value-based purchasing program for providers and facilities participating in the demonstration project. The Secretary shall implement such value-based purchasing program in a manner that ensures that each participating provider and facility value-based purchasing program is implemented under section 1860E-5 of the Social Security Act, including the funding of such program.

(i) In general.—On and after October 1, 2006, a skilled nursing facility must submit a report to the Secretary on the functional capacity of the resident and facility value-based purchasing program that is to be made public with respect to the agency prior to such data being made public.

(ii) Submission of quality data.—For purposes of clause (i), the term 'applicable percent' means—

"(i) for 2008, 1.0 percent;

"(ii) for 2009, 1.25 percent;

"(iii) for 2010, 1.5 percent;

"(iv) for 2011, 1.75 percent; and

"(v) for 2012 and each subsequent year, 2.0 percent.

(f) Home Health Agencies.—

(1) Update for home health agencies that submit quality data.—Section 1885(b)(3)(B) (42 U.S.C. 1395fff(b)(3)) is amended—

(A) in clause (i)(IV), by striking "after subsequent year," and inserting "after such subsequent year;"

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

"(v) Adjustment if quality data not submitted.—

\(1395\;w\)
(I) ADJUSTMENT.—For purposes of clause (ii)(IV), for fiscal year 2009 and each subsequent fiscal year, in the case of a skilled nursing facility that does not submit data in accordance with subsection (F) with respect to such a fiscal year, the skilled nursing facility market basket percentage change applicable under such clause for such fiscal year shall be increased by 2 percentage points. Such reduction shall apply only with respect to the fiscal year involved, and the Secretary shall not take into account such reduction in computing the Federal per diem rate under this section for a subsequent fiscal year.

(II) SUBMISSION OF QUALITY DATA.—For fiscal year 2008 and each subsequent fiscal year, each skilled nursing facility shall submit to the Secretary such data that the Secretary determines, after conducting a study in consultation with the entities described in subsections (c)(1), (c)(2), and (d) of section 1860E-1, is appropriate for the measurement of health outcomes and other indices of quality. Such data shall be submitted in a form and manner, and at a time, specified by the Secretary for purposes of this clause.

(III) PUBLIC AVAILABILITY OF DATA SUBMITTED.—The Secretary shall establish procedures for making data submitted under subclause (II) available to the public in a clear and understandable form. Such procedures shall ensure that a facility has the opportunity to review the data that is to be made public with respect to the facility prior to such data being made public.

(b) CONFORMING REFERENCES TO PREVIOUS PART E.—Any reference in law (in effect before the date of the enactment of this Act) to part E of title XVIII of the Social Security Act is deemed a reference to part F of such title (as in effect after such date).

SEC. 6111. PHASE-OUT OF RISK ADJUSTMENT BUDGET NEUTRALITY IN DETERMINING THE AMOUNT OF PAYMENTS TO MEDICAID ADVANTAGE ORGANIZATIONS.

(a) IN GENERAL.—Section 1833 (42 U.S.C. 1395w–23) is amended—

(I) in subsection (g)(1)—

(A) in subparagraph (A)—

(i) by inserting ‘‘(or, beginning with 2007, ½ of the applicable amount determined under subsection (k)(1))’’ after ‘‘$1858(c)(1)’’; and

(ii) by inserting ‘‘(for years before 2007)’’ after ‘‘adjusted as appropriate’’;

(B) by striking ‘‘(for years before 2007)’’ after ‘‘adjusted as appropriate’’; and

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

‘‘(k) DETERMINATION OF APPLICABLE AMOUNT FOR PURPOSES OF CALCULATING THE BENCHMARK AMOUNT.—

(1) APPLICABLE AMOUNT DEFINED.—For purposes of subsection (j), subject to paragraph (2), the term ‘‘applicable amount’’ means for an area—

(A) for the year 2006—

(i) if such year is not specified under subsection (c)(1)(D)(ii), an amount equal to the amount specified in subsection (c)(1)(C) for the area for 2006; and

(ii) if such year is specified under subsection (c)(1)(D)(ii), an amount equal to the amount determined under section (e) for the year; or

(B) for any subsequent year—

(i) if such year is specified under subsection (c)(1)(D)(ii), an amount equal to the amount determined under this paragraph for the area for the previous year, increased by the national MA growth percentage, described in subsection (c)(6) for that succeeding year, but not taking into account any adjustment under paragraph (d) of such subsection for a year before 2004; and

(ii) if such year is specified under subsection (c)(1)(D)(ii), an amount equal to the greater of—

(I) the amount determined under clause (i) for the area for the year; or

(II) the amount specified in subsection (c)(1)(D)(ii) for the area for the year.

(2) ADJUSTMENT.—

(A) IN GENERAL.—Except as provided in subparagraph (D), in the case of 2007 and each subsequent year, the amount determined under paragraph (1) shall be increased by a factor equal to 1 plus the product of—

(i) the percent determined under subparagraph (B) for the year; and

(ii) the applicable percent for the year.

(B) PERCENTAGE INCREASED.—

(1) IN GENERAL.—For purposes of subparagraph (A)(i), subject to clause (ii), the percent determined under this subparagraph for a year is a percent equal to a fraction—

(numerator) of the total payments that would have been made under this part in the year if all the monthly payment amounts for all MA plans were equal to ½ of the annual MA capitation rate under subsection (c)(1) for the area and year; and

(denominator) of the total amount estimated for the year if all the monthly payment amounts for all MA plans were equal to ½ of the MA area-specific non-drug monthly benchmark amount under subsection (j) for the area and year; and

(2) EFFECTIVE DATE.—In estimating the amounts under clause (i), the Secretary—

(I) shall—

(aa) use a complete set of the most recent and available costs for Medicare Advantage risk score under subsection (a)(5) that are available from the risk adjustment model announced for the year;

(bb) adjust the risk scores to reflect changes in treatment and coding practices in the fee-for-service sector;

(cc) adjust the risk scores for differences in coding patterns between Medicare Advantage plans and providers under part A and B to the extent that the Secretary has identified such differences; and

(dd) as necessary, adjust the risk scores for late data submitted by Medicare Advantage organizations;

(II) may take into account the estimated health risk of enrollees in preferred provider organization plans (including MA regional plans) for the year.

In order to determine the adjustment required under item (cc) and to ensure payment accuracy, the Secretary shall conduct an analysis of the differences described in such item. The Secretary shall complete such analysis by a date necessary to ensure that the results of such analysis are incorporated into the payment adjustments for a year.

(c) LIMIT OF CONSTRUCTION.—Nothing in this subsection shall be construed to limit the authority of the Secretary to risk adjust the amount under subsection (c)(1)(D) pursuant to clause (i) of such subsection.

(d) REFINEMENTS TO HEALTH STATUS ADJUSTMENT.—Section 1853(a)(1)(C) (42 U.S.C. 1395w–25) is amended by inserting after the first sentence the following new sentence:

‘‘In applying such adjustment for health status to such payment amounts, the Secretary shall ensure that such adjustment reflects changes in treatment and coding practices in the fee-for-service sector and reflects differences in coding patterns between Medicare Advantage plans and providers under part A and B to the extent the A and B to the extent the Secretary has identified such differences.’’.

SEC. 6112. ELIMINATION OF MEDICARE ADVANTAGE REGIONAL PLAN STABILIZATION FUND.

(a) ELIMINATION.—

(I) IN GENERAL.—Subsection (e) of section 1838 (42 U.S.C. 1395w–27a) is repealed.

(ii) CONFORMING AMENDMENT.—Section 1853(f)(1) (42 U.S.C. 1395w–27a(1)) is amended by striking ‘‘subject to subsection (e)’’.

(iii) EFFECTIVE DATE.—The amendments made by this subsection shall take effect with respect to claims submitted for years before 2007.

(b) TIMEFRAME FOR PART A AND B PAYMENTS.—Notwithstanding sections 1816(c) and 1824(c)(2) of the Social Security Act or any other provision of law—

(I) any payment from the Federal Hospital Insurance Trust Fund under section 1817 of the Social Security Act (42 U.S.C. 1395l) or from the Federal Supplementary Medical Insurance Trust Fund under section 1817 of the Social Security Act (42 U.S.C. 1395f–2) for claims submitted under part A or B of title XVIII of such Act for items and services furnished under such part A or B, respectively, that would otherwise be payable during the period beginning on September 22, 2006, and ending on September 30, 2006, shall be paid on the first business day of October 2006; and

(II) no interest or late penalty shall be paid to an entity or individual for any delay in a payment attributable other reason of the application of paragraph (I).

SEC. 6113. RURAL PAYMENT PROVIDER GRANT PROGRAM.

(a) DEFINITION.—In this section—

(1) CMS.—The term ‘‘CMS’’ means the Centers for Medicare & Medicaid Services.
(2) ELIGIBLE PARTICIPANT.—The term “eligible participant” means a PACE program eligible individual (as defined in sections 1891(a)(5) and 1934(a)(5) of the Social Security Act (42 U.S.C. 1395f(e)); 1396u(a)(3); 1396w(a)(3); or months for which the

(3) PACER PILOT SITE.—The term “PACE pilot site” has the meaning given that term in section 1861(aa)(2)(D) of the Social Security Act (42 U.S.C. 1395eee(a)(2); 1396u(a)(3)).

(4) PACE PILOT SITE.—The term “PACE provider” has the meaning given that term in sections 1891(a)(3) and 1891(a)(2) of the Social Security Act (42 U.S.C. 1395eee(a)(3); 1396u-

(5) RURAL AREA.—The term “rural area” has the meaning given that term in section 1886(d)(2)(D) of the Social Security Act (42 U.S.C. 1395ww(d)(2)(D)).

(6) RURAL PACE PILOT SITE.—The term “rural PACE pilot site” means a PACE program in a geographic service area that is, in whole or in part, a rural area, and that has received a site development grant under this Sec-

(7) SECRETARY.—The term “Secretary” means the Secretary of Health and Human Services.

(8) SITE DEVELOPMENT GRANTS AND TECH-

NICAL ASSISTANCE PROGRAM.—

(A) SITE DEVELOPMENT GRANTS.—

(i) SITE DEVELOPMENT GRANTS.

(A) In General.—The Secretary shall es-

TABILIZATION PERIOD.

—

(B) REQUIREMENT TO ACCESS RISK RESERVES

FOR MID-AND LATE YEAR ENROLLMENTS.

—

Any other efforts determined by the rural PACE pilot site to be critical to its successful startup, as approved by the Sec-

(T) CONCLUSION.—

(e) AMOUNTS IN ADDITION TO PAYMENTS UNDER SOCIAL SECURITY ACT.—Any amounts

paid under the authority of this section to a PACE program shall be in addition to pay-

ments by Medicare and the States payable under title XVIII and title XIX of the Social Security Act (42 U.S.C. 1395f; 1396a; or related program). (C) in subparagraph (B); (ii) by inserting “volunteer in a rural area” in place of “volunteer” wherever it appears; and (iii) by striking the effective date of section 1861(aa)(2) and inserting “6 months after the date of enactment of this Act.”.

SEC. 6114. WAIVER OF PART B LATE ENROLLMENT PERIOD.

—

(A) Waiver of Penalty.—Section 1837(b)(4) of title 42, United States Code, is amended by striking “60 months” and inserting “90 months.”

(B) Effective Date.—This amendment shall take effect as provided for in section 6115(b)(1).

SEC. 6115. DELIVERY OF SERVICES AT FEDER-

ALLY QUALIFIED HEALTH CENTERS.

(1) In General.—Section 1861(aa)(3) of title 42, United States Code, is amended—

(A) by striking “;” and inserting “;”.

(B) by striking “such services” and inserting “such services”.

(C) by striking “or months for which the

(D) by striking “;” and inserting “;”.

(E) by striking “.”

(F) and “;”.

(G) and “;”.

(H) and “.”

(I) and “.”

(J) and “.”

(K) and “.”

(L) and “.”

(M) and “.”

(N) and “.”

(O) and “.”

(P) and “.”

(Q) and “.”

(R) and “.”

(S) and “.”

(T) and “.”

(U) and “.”

(V) and “.”

(W) and “.”

(X) and “.”

(Y) and “.”

(Z) and “.”

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are furnished by a health care professional under contract with a Federally qualified health center, payment shall be made to the center.

(b) Technical Corrections.—Clauses (i) and (ii) of section 1861(aa)(4)(A) (42 U.S.C. 1395x(aa)(4)(A)) are each amended by striking "(other than subsection (b))".

(c) Effective Date.—The amendments made by this section shall apply to services furnished on or after January 1, 2006.

SEC. 6116. TECHNICAL CORRECTION REGARDING PURCHASE AGREEMENTS FOR POWER-DRIVEN WHEELCHAIRS.

(a) In General.—Section 1833(a)(7)(A) (42 U.S.C. 1395m(a)(7)(A)), as amended by section 6109 of this Act, is amended—

(1) in clause (i)(I), by striking "Payment" and inserting "Except as provided in clause (iii), payment"; and

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

"(III) PURCHASE AGREEMENT OPTION FOR POWER-DRIVEN WHEELCHAIRS.

(I) In General.—In the case of a power-driven wheelchair, at the time the supplier furnishes the item, the supplier shall offer the individual the option to purchase the item, and for such item shall be made on a lump-sum basis if the individual exercises such option.

"(II) Maintenance and Servicing.—In the case of a power-driven wheelchair for which a purchase agreement has been entered into under clause (I), maintenance and servicing payments shall, if the Secretary determines such payments are reasonable and necessary, be made for parts and labor not covered by the supplier’s or manufacturer’s warranty, as determined by the Secretary to be appropriate, and such payments shall be in an amount determined to be appropriate by the Secretary.

"(b) Effective Date.—The amendments made by this section shall apply to items furnished on or after October 1, 2006.

SEC. 6117. MEDICARE COVERAGE OF ULTRASOUND SCREENING FOR ABDOMINAL AORTIC ANEURYSMS; NATIONAL EDUCATIONAL AND INFORMATION CAMPAIGN.

(a) In General.—Section 1861 (42 U.S.C. 1395x) is amended—

(1) in subsection (s)(2)—

(A) by striking "and" at the end of subparagraph (A), and

(B) by adding "and" at the end of subparagraph (Z); and

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

"(AA) ultrasound screening for abdominal aortic aneurysm (as defined in subsection (bbb)) for an individual;

"(BB) the term "ultrasound screening for abdominal aortic aneurysm" means—

"(i) a procedure using sound waves (or such other procedures using alternative technologies, of commensurate accuracy and cost, that the Secretary may specify) provided for the early detection of abdominal aortic aneurysm; and

"(ii) the results of each ultrasound screening shall be reviewed by the Secretary and any other person or entity designated by the Secretary;

"(BB) the term "ultrasound screening for abdominal aortic aneurysm" means—

"(1) a procedure using sound waves (or such other procedures using alternative technologies, of commensurate accuracy and cost, that the Secretary may specify) provided for the early detection of abdominal aortic aneurysm; and

"(2) the result of such screening shall be reviewed by the Secretary and any other person or entity designated by the Secretary; and

(b) Non-applicability of Part B deductible.—Section 1833(b) (42 U.S.C. 1395l(b)) is amended in the first sentence—

(1) by striking "and" and inserting "and";

(2) by inserting ";" and

(3) such deductible shall not apply with respect to ultrasound screening for abdominal aortic aneurysm (as defined in subsection (bbb)) before the period referred to in subsection (b)(2)(B).

(c) National Educational and Information Campaign.—

(1) In General.—After consultation with national medical, vascular technologist, and sonographer societies, the Secretary shall carry out a national education and information campaign to promote awareness among health care practitioners and the general public with regard to the importance of early detection and treatment of abdominal aortic aneurysms.

(2) Use of Funds.—The Secretary may use amounts appropriated pursuant to this subsection to—

(A) establish a national education and information campaign to promote awareness among health care practitioners and the general public with regard to the importance of early detection and treatment of abdominal aortic aneurysms;

(B) establish a national education and information campaign to promote awareness among health care practitioners and the general public with regard to the importance of early detection and treatment of abdominal aortic aneurysms;

(3) Authorization of Appropriations.—There is authorized to be appropriated for fiscal year 2006 and each fiscal year thereafter such sums as may be necessary to carry out this subsection.

(4) Effective Date.—The amendments made by this section shall apply to
(ii) by inserting before the semicolon at the end the following: “; and (W) with respect to an outpatient office visit or consultation under section 1861(s)(2)(BB), the amount shall be consistent with the payment amount for CPT codes 99201 and 99202.”

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to items and services provided on or after January 1, 2007.

(c) WAIVER OF DEDUCTIBLE FOR COLORECTAL CANCER SCREENING TESTS.—

(1) IN GENERAL.—Section 1833(b)(42 U.S.C. 1395b(b)), as amended by section 6117, is amended in the 3rd sentence—

(A) by striking “and” before “(7)” and “and” before “(8)” and “and” before “(9)”;

(B) by inserting “and” in the heading, and in the first sentence of paragraph (2)—

(A) by striking “and” after the semicolon at the end; and

(C) by adding at the end the following new paragraph—

“(5) PAYMENT FOR OUTPATIENT OFFICE VISIT OR CONSULTATION PRIOR TO SCREENING COLONOSCOPY.—With respect to an outpatient office visit or consultation under section 1861(s)(2)(BB), payment under section 1848 shall be consistent with the payment amounts for CPT codes 99201 and 99202.”

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to items and services provided on or after January 1, 2007.

SEC. 6119. COVERAGE OF MARRIAGE AND FAMILY THERAPIST SERVICES AND MENTAL HEALTH COUNSELOR SERVICES UNDER PART B OF THE MEDICARE PROGRAM.

(a) COVERAGE OF SERVICES.—

(1) IN GENERAL.—Section 1861(s)(2) (42 U.S.C. 1395m(b)(2)), as amended by section 6117, is amended—

(A) in subparagraph (B) of paragraph (2), by striking “as defined in section 1861(s)(2)(CC), the amounts paid shall be 80 percent of the lesser of the actual charge or the amount established under section 1848.”; and

(B) by inserting “as described in section 1861(s)(2)(CC)” after “(2) in subsection (c)(4)”.

(2) CONFORMING AMENDMENTS.—

(A) in paragraph (2)—

(i) by striking “and” after the semicolon at the end;

(ii) by inserting before the semicolon at the end the following: “; and (A) by striking “and” after the semicolon at the end; and

(iii) by inserting “and” before the semicolon at the end;

(B) by striking “as defined in subsection (CC)” after “as defined in subsection (CC)”.

(b) AMOUNT OF PAYMENT.—

(1) IN GENERAL.—Section 1851(h)(1) (42 U.S.C. 1395l(b)(18)), as amended by section 6117, is amended—

(2) to strike “as defined in subsection (HH)(1),” and “as defined in subsection (k)(3))”, and “as defined in subsection (HH)(1),” and “as defined in subsection (k)(3))”;

(3) by striking “as defined in subsection (HH)(1),” and “as defined in subsection (h)(3))”.

(4) by striking “as defined in subsection (h)(3))”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to services furnished on or after January 1, 2007.

SEC. 6120. QUALITY MEASUREMENT SYSTEMS AMENDMENTS.

Section 1860(a)(2), as added by section 6116(a)(2), is amended—

(1) in subsection (b) (18)—

(A) in clause (v), by striking “and” at the end;

(ii) in clause (vii), by striking the period at the end and inserting “; and”;

(iii) by inserting at the end the following new clause—

“(vii) measures that address conditions where there is the greatest disparity of health care provided and health outcomes between majorities and minority groups.”;

(B) in subsection (c) (4) (vii), by striking “and” at the end; and

(ii) by redesignating clause (vi) as clause (vii); and

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

“(vii) allows quality measures that are reported to be stratified according to patient group characteristics, and”;

(2) in subsection (c) (4) (B), by striking “and” at the end;

(3) in subsection (d) (2), by inserting “experts in minority health,” after “government agencies.”

TITLE VII—COMMITTEE ON HEALTH, EDUCATION, LABOR, AND PENSIONS

Subtitle A—Education Provisions

CHAPTER 1—EDUCATION

Title 7101. Provisional Grant Assistance Program.

(a) Amendments.—Part A of title IV of the Higher Education Act of 1965 (20 U.S.C. 1070a) is amended by adding at the end the following:

“SEC. 401A. PROVISIONAL GRANT ASSISTANCE PROGRAM.

“(a) AMENDMENTS.—

“(1) IN GENERAL.—From amounts appropriated under subsection (e) for a fiscal year other than a fiscal year to which this Act applies, the Secretary shall award grants to students (which shall be known as ‘ProGAP awards’) in the same
manner as the Secretary awards grants to students under section 401, except that—

(A) at the beginning of each award year, the Secretary shall establish a maximum and minimum award level based on amounts made available under subsection (e);

(B) the Secretary shall only award grants under this section to students eligible for a grant under section 401 for the award year; and

(C) when determining eligibility for the awards, the Secretary shall consider only those students who are eligible for a grant under section 401, as of June 30 of the award year for which the determination is made.

(D) the Secretary—

(i) shall determine if an increase in the amount of a grant under this section is needed to help encourage students to pursue courses of study that are important to the current and future national, homeland, and economic security needs of the United States; and

(ii) after making the determination described in clause (i), may increase the maximum and minimum award level established under subparagraph (A) by not more than 25 percent, for students eligible for a grant under this section, are pursuing studies in a major in mathematics, science, technology, engineering, or a foreign language that is critical to the national security of the United States;

(E) not later than September 30 of each fiscal year, the Secretary shall notify Congress, in writing, of the Secretary’s determination under paragraph (D)(i) and of any increase in award levels under subparagraph (D)(ii);

(II) DESIGNATION.—A grant awarded under this section for an award year shall be awarded in an amount that does not exceed—

(1) the student’s cost of attendance for the award year; less

(2) an amount equal to the expected family contribution for that student for the award year;

(c) SUPPLEMENT NOT SUPPLANT.—Grants awarded under this section are in addition to any other Federal, State, or institutional grant funds.

(d) DEFERRED ELLIGIBLE FUNDS.—

(1) 15 PERCENT OR LESS.—If, at the end of a fiscal year, the funds available for making grant payments under this section exceed the amount necessary to make the grant payments required under this section to eligible students by 15 percent or less, then all of the excess funds shall remain available for making grant payments under this section during the next succeeding fiscal year.

(2) MORE THAN 15 PERCENT.—If, at the end of a fiscal year, the funds available for making grant payments under this section exceed the amount necessary to make the grant payments required under this section to eligible students by more than 15 percent, then all of such funds shall remain available for making such grant payments but grant payments may be made under this paragraph only with respect to awards for that fiscal year.

(e) AUTHORIZATION AND APPROPRIATION OF FUNDS.—There are authorized to be appropriated under this section, out of any money in the Treasury not otherwise appropriated, for the Department of Education to carry out this section and section 401B—

(1) $750,000,000 for fiscal year 2006;

(2) $1,901,000,000 for fiscal year 2007;

(3) $1,899,000,000 for fiscal year 2008;

(4) $1,898,000,000 for fiscal year 2009; and

(5) $1,897,000,000 for fiscal year 2010.

(f) SUNSET PROVISION.—This section shall be effective with respect to amounts appropriated for fiscal years 2006 and each of the 4 succeeding fiscal years. .

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the amounts appropriated to carry out sections 401A and 401B of the Higher Education Act of 1965 are the amount of a grant under this section is made.

(c) GUARANTEE LIMITS.—Section 428B(b)(1)(A) of the Higher Education Act of 1965 (20 U.S.C. 1078(b)(1)(A)) is amended—

(1) in clause (i)(1), by striking "$2,850,000,000" and inserting "$3,500,000"; and

(2) in clause (ii), by striking "$3,500,000" and inserting "$4,500,000".

(d) FEDERAL PLUS LOANS.—Section 428B of the Higher Education Act of 1965 (20 U.S.C. 1078(b)(1)(A)) is amended—

(1) in subsection (a)(1), by striking "Parents" and inserting "A graduate or professional student or the parents";

(2) in subparagraph (A), by striking "the parents" and inserting "the graduate or professional student or the parents";

(3) in subparagraph (B), by striking "the parents" and inserting "the graduate or professional student or the parents or parent";

(4) in subsection (d)(1), by striking the "parents" and inserting the "graduate or professional student or the parents";

(e) UNSUBSIDIZED STAFFORD LOANS FOR GRADUATE OR PROFESSIONAL STUDENTS.—Section 428H(d)(2) of the Higher Education Act of 1965 (20 U.S.C. 1078(d)(2)) is amended—

(1) in subsection (c)(1), by striking "$10,000" and inserting "$12,000"; and

(2) in subparagraph (d)—

(A) in clause (i), by striking "$5,000" and inserting "$7,000"; and

(B) in clause (ii), by striking "$5,000" and inserting "$7,000".

SEC. 7104. PLUS LOAN INTEREST RATES AND ZERO SPECIAL ALLOWANCE PAYMENT.

(a) PLUS LOANS.—Section 427A(l)(2) of the Higher Education Act of 1965 (20 U.S.C. 1077a(l)(2)) is amended by striking "7.9 percent" and inserting "8.5 percent.

(b) CONFORMING AMENDMENTS FOR SPECIAL ALLOWANCES.—

(1) AMENDMENTS.—Subparagraph (1) of section 438(b)(2) of the Higher Education Act of 1965 (20 U.S.C. 1057(b)(2)) is amended by striking "April 1, 2006" and inserting "April 1, 2007".

(2) in subsection (c), by striking "7.9 percent" and inserting "8.5 percent.

(c) REGULATIONS.—(1) REGULATIONS.—The Secretary shall by regulation implement this section.

(2) REGULATIONS.—The regulations under this section shall be effective as of the first day of the fiscal year of the award year.
excess interest in the amount computed under subclause (II) of this clause, and by crediting the excess interest to the Government not less often than annually.

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

(i) the eligible interest rate minus the special allowance support level determined under this subparagraph; multiplied by

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

(iii) not in excess of 3 years during which the borrower—

(I) is serving on active duty during a war or other military operation or national emergency; or

(II) is performing qualifying National Guard duty during a war or other military operation or national emergency; or

(III) is not in excess of 3 years during which the borrower—

(I) is serving on active duty during a war or other military operation or national emergency; or

(II) is performing qualifying National Guard duty during a war or other military operation or national emergency; or

(iii) a period of more than 30 consecutive days or a period of less than 30 consecutive days under a call to active service authorized by the President or the Secretary of Defense for a period of less than 30 consecutive days for which the President or the Secretary of Defense has authorized the member of the National Guard on full-time active duty, and

(iv) a period of more than 30 consecutive days under a call to active service authorized by the President or the Secretary of Defense for a period of more than 30 consecutive days for which the President or the Secretary of Defense have not authorized the member of the National Guard on full-time active duty,

(ii) not in excess of 3 years during which the borrower—

(I) is serving on active duty during a war or other military operation or national emergency; or

(II) is performing qualifying National Guard duty during a war or other military operation or national emergency; or

(iii) by inserting before the semicolon at the end the following: “and inserting paragraph (b)(4) of the Higher Education Amendments of 2005 (20 U.S.C. 107f(d)(2)(A)) is amended—

(1) by redesignating subparagraphs (D) and (E) as subparagraphs (D) and (E), respectively; and

(2) by inserting after clause (ii) the following new clause:

(‘‘(iii) in determining such sum.

(II) CALCULATION OF EXCESS.—In determining such sum—

(1) by redesignating clauses (iii) and (iv) as clauses (iv) and (v), respectively; and

(2) by inserting after clause (ii) the following new clause:

(‘‘(iii) in determining such sum.

(II) CALCULATION OF EXCESS.—In determining such sum—

(3) by inserting after clause (ii) the following new clause:

‘‘(iii) in determining such sum.

(II) CALCULATION OF EXCESS.—In determining such sum—

(2) by inserting after clause (ii) the following new clause:

‘‘(iii) in determining such sum.

(II) CALCULATION OF EXCESS.—In determining such sum—

(2) by inserting after clause (ii) the following new clause:

‘‘(iii) in determining such sum.

(II) CALCULATION OF EXCESS.—In determining such sum—

(2) by inserting after clause (ii) the following new clause:

‘‘(iii) in determining such sum.

(II) CALCULATION OF EXCESS.—In determining such sum—

(2) by inserting after clause (ii) the following new clause:

‘‘(iii) in determining such sum.

(II) CALCULATION OF EXCESS.—In determining such sum—

(2) by inserting after clause (ii) the following new clause:

‘‘(iii) in determining such sum.
of 1968, this paragraph shall be effective beginning on the date of enactment of the Higher Education Amendments of 2005;"; and (2) in subsection (b)(1), by adding at the end the following: "Notwithstanding section 422(d) of the Higher Education Amendments of 1998, the second sentence of this paragraph shall be effective beginning on the date of enactment of the Higher Education Amendment of 2005.".

SEC. 7112. SPECIAL INSURANCE AND REINSURANCE RULES.

(a) REPEAL.—Section 423 of the Higher Education Act of 1965 (20 U.S.C. 1082–9) is repealed.

(b) CONFORMING AMENDMENTS.—Part A of title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.) is amended—

(1) in section 423(b)(1), by striking (A) through (F), and made

(B) as subparagraphs (D) and (E), respectively; and

(2) in section 423(b)(5), by striking the matter following subparagraph (B),

SEC. 7113. SCHOOL AS LENDER MORATORIUM.

Section 435(d)(2) of the Higher Education Act of 1965 (20 U.S.C. 1085(d)(2)) is amended—

(1) in subparagraph (E), by striking "and" after the following:

(2) by inserting before the matter following subparagraph (F) (as amended by section 729) the following:

"(G) shall have met the requirements of subparagraphs (A) through (F), and made loans under this part, on or before August 31, 2005;

"(H) hold each loan the eligible institution makes under this part to a student enrolled at the eligible institution until the student enters the grace period described in section 427(a)(2)(B) or 427(b)(7);

"(I) shall use the proceeds from the sale of a loan made under this part, for need based grant aid programs, except that such proceeds—

"(i) shall not be used to provide a grant to a student for an academic year in an amount that is more than the student’s cost of attendance for the academic year; and

"(ii) shall supplement and not supplant other Federal, State, and institutional grant aid; and

"(J) shall not be a foundation or alumni organization;"

SEC. 7114. PERMANENT REJECTION OF SPECIAL ALLOWANCES AND REDUCTIONS FOR LOANS FROM THE PROCEEDS OF TAX EXEMPT ISSUES.

(a) TECHNICAL AMENDMENTS.—The matter preceding paragraph (1) of section 2 of the Taxpayer-Teacher Protection Act of 2004 (Public Law 108–409; 118 Stat. 2299) is amended by inserting "of the Higher Education Act of 1965" after "Section 438(b)(2)(B)". The amendment made by the preceding sentence shall be effective as if enacted on October 30, 2004.

(b) AMENDMENT.—Section 438(b)(2)(B) of the Higher Education Act of 1965 (20 U.S.C. 1087–1(b)(2)(B)) is amended—

(1) by striking (b), and

"(c) IN GENERAL.—This section shall be applied by substituting 2.5 percent for 3 percent’."

SEC. 7117. INCOME CONTINGENT REPAYMENT FOR PUBLIC SECTOR EMPLOYEES.

Section 455(c) of the Higher Education Act of 1965 (20 U.S.C. 1082(c)) is amended by adding at the end the following:

"(7) REPAYMENT PLAN FOR PUBLIC SECTOR EMPLOYEES—

"(A) IN GENERAL.—The Secretary shall—

"(i) require any loan made under this part to public sector employees to be repaid in accordance with the following:

"(I) if the borrower—

"(II) makes the 120 payments described in paragraph (3); and

"(B) IN GENERAL.—A borrower who is repaying a loan under this part pursuant to income contingent repayment may choose, at any time, to terminate repayment and repay such loan under the standard repayment plan.’’.

SEC. 7117A. FAMILY CONTRIBUTION FOR DEPENDENT STUDENTS.

(a) AMENDMENTS.—Section 477(c)(4) of the Higher Education Act of 1965 (20 U.S.C. 1087c(e)) is amended by striking "12" and inserting "7”.

(b) EFFECTIVE DATE.—The amendment made by section (a) shall apply with respect to determinations of need for periods of enrollment beginning on or after July 1, 2007.

SEC. 7120. FAMILY CONTRIBUTION FOR INDEPENDENT STUDENTS WITHOUT DEPENDENTS OTHER THAN A SPOUSE.

(a) AMENDMENTS.—Section 477(e) of the Higher Education Act of 1965 (20 U.S.C. 1087e(e)) is amended by striking "5" and inserting "3.5".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to determinations of need for periods of enrollment beginning on or after July 1, 2007.

SEC. 7121. SIMPLIFIED NEED TEST AND AUTOMATIC ZERO IMPROVEMENTS.

(a) AMENDMENTS.—Section 479 of the Higher Education Act of 1965 (20 U.S.C. 1087s) is amended—

(1) in paragraph (1), by adding at the end the following: "For the 2007–2008 academic year, the Secretary shall revise the tables in accordance with this paragraph, except that the Secretary shall increase the amounts contained in the table in section 477(b)(4) by a percentage equal to the greater of the estimated percentage increase in the Consumer Price Index (as determined under the preceding sentence) or 5 percent.”; and

(2) in paragraph (2), by striking "2000–2001" and inserting "2007–2008".

SEC. 7122. SIMPLIFIED NEED TEST AND AUTOMATIC ZERO IMPROVEMENTS.

(a) AMENDMENTS.—Section 479 of the Higher Education Act of 1965 (20 U.S.C. 1087s) is amended—

(1) in subsection (b)—

"(A) in paragraph (1)—

"(i) in subparagraph (A), by striking clause (i) and inserting the following:

"(i) the student’s parents—

"(II) receives, or the student received, benefits at some time during the previous 12-month period under a means-tested Federal benefit program as defined under subsection (d); and

"(B) in paragraph (2), by striking clause (i) and inserting the following:

"(i) the student’s parents—

"(II) in paragraph (3); and

"(II) certifies that the student is not required to file a Federal income tax return; or

"(III) received benefits at some time during the previous 12-month period under a

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of 1968, this paragraph shall be effective beginning on the date of enactment of the Higher Education Amendments of 2005;” and (2) in subsection (b)(1), by adding at the end the following: “Notwithstanding section 422(d) of the Higher Education Amendments of 1998, the second sentence of this paragraph shall be effective beginning on the date of enactment of the Higher Education Amendment of 2005.”
SEC. 7151. HIGHER EDUCATION RECOVERY

CHAPTER 2—HURRICANE KATRINA HIGHER EDUCATION RECOVERY

SEC. 7151. SHORT TITLE.
This chapter may be cited as the “Hurricane Katrina Higher Education Recovery Act.”

SEC. 7152. DEFINITIONS.
In this chapter:
(1) AFFECTED BORROWER.—The term “affected borrower” means an individual who
(A) was in repayment, but not in deferment, on a loan made, insured, or guaranteed under part B, D, or E of the Higher Education Act of 1965 (20 U.S.C. 1071 et seq., 1087a et seq., 1087aa et seq.) on August 22, 2005, or entered or entered repayment after August 22, 2005 and before June 30, 2006; and
(B) has a permanent home in a county or parish of Alabama, Louisiana, or Mississippi.

(2) AFFECTED STUDENTS WHO DO NOT ENROLL IN ANOTHER INSTITUTION AND BORROW IN GRACE PERIODS OR DEFERMENT.—With respect to an affected borrower, an affected student who, as of the date of enactment of this Act, received assistance under subpart 1 or 3 of part A or parts B, C, D, or E of title IV of the Higher Education Act of 1965 for attendance at an affected institution of higher education during the 2005-2006 academic year.

(3) DISTANCE EDUCATION.—The term “distance education” means a course or program that uses one or more of the technologies described in subparagraph (B) to—
(A) deliver instruction to students who are separated from the instructor; and
(B) support regular and substantive interaction between the students and the instructor synchronously.

(4) DISBURSEMENT.—The term “disbursement” means a payment of funds to a borrower or an owner of an affected student’s education accounts.

(5) ELIGIBILITY GUIDELINES.—The Secretary of Education shall evaluate the impact of the eligibility guidelines in subsections (b)(1)(A)(i), (b)(1)(B)(1), (c)(1)(A), and (c)(2)(A) of section 479 of the Higher Education Act of 1965 (20 U.S.C. 1070a(1), (b)(1)(B)(1), (c)(1)(A), and (c)(2)(A)).

SEC. 7151A. LOANS FOR TEACHERS.
Section 3(b)(3) of the Taxpayer-Teacher Protection Act of 2004 (20 U.S.C. 1078-10 note) is amended by striking “, and before October 1, 2005”.

SEC. 7151B. EFFECTIVE DATE.
Except as otherwise provided in this chapter or the amendments made by this chapter, the amendments made by this chapter shall take effect on July 1, 2006.

CHAPTER 2—HURRICANE KATRINA HIGHER EDUCATION RECOVERY

SEC. 7151. SHORT TITLE.
This chapter may be cited as the “Hurricane Katrina Higher Education Recovery Act.”

SEC. 7152. DEFINITIONS.
In this chapter:
(1) AFFECTED BORROWER.—The term “affected borrower” means an individual who
(A) was in repayment, but not in deferment, on a loan made, insured, or guaranteed under part B, D, or E of the Higher Education Act of 1965 (20 U.S.C. 1071 et seq., 1087a et seq., 1087aa et seq.) on August 22, 2005, or entered or entered repayment after August 22, 2005 and before June 30, 2006; and
(B) has a permanent home in a county or parish of Alabama, Louisiana, or Mississippi.

(2) AFFECTED STUDENTS WHO DO NOT ENROLL IN ANOTHER INSTITUTION AND BORROW IN GRACE PERIODS OR DEFERMENT.—With respect to an affected borrower, an affected student who, as of the date of enactment of this Act, received assistance under subpart 1 or 3 of part A or parts B, C, D, or E of title IV of the Higher Education Act of 1965 for attendance at an affected institution of higher education during the 2005-2006 academic year.

(3) DISTANCE EDUCATION.—The term “distance education” means a course or program that uses one or more of the technologies described in subparagraph (B) to—
(A) deliver instruction to students who are separated from the instructor; and
(B) support regular and substantive interaction between the students and the instructor synchronously.

(4) DISBURSEMENT.—The term “disbursement” means a payment of funds to a borrower or an owner of an affected student’s education accounts.

(5) ELIGIBILITY GUIDELINES.—The Secretary of Education shall evaluate the impact of the eligibility guidelines in subsections (b)(1)(A)(i), (b)(1)(B)(1), (c)(1)(A), and (c)(2)(A) of section 479 of the Higher Education Act of 1965 (20 U.S.C. 1070a(1), (b)(1)(B)(1), (c)(1)(A), and (c)(2)(A)).

SEC. 7151A. LOANS FOR TEACHERS.
Section 3(b)(3) of the Taxpayer-Teacher Protection Act of 2004 (20 U.S.C. 1078-10 note) is amended by striking “, and before October 1, 2005”.

SEC. 7151B. EFFECTIVE DATE.
Except as otherwise provided in this chapter or the amendments made by this chapter, the amendments made by this chapter shall take effect on July 1, 2006.
against such student’s assistance under title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.) that such student or parent contribution (or both) for enrollment or other grantee, with respect to affected students. The Secretary may waive or modify any provision in the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.) or any regulation implementing such Act as the Secretary determines necessary in connection with a major disaster that has been declared in accordance with section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act due to the effects of Hurricane Katrina.

(a) Administrative requirements placed on affected students, affected borrowers, institutions of higher education, lenders, guaranty agencies and other entities participating in the student financial assistance programs authorized under title IV of such Act (20 U.S.C. 1070 et seq.), that serve an area in which a major disaster has been declared in accordance with section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act due to the effects of Hurricane Katrina, may be granted temporary relief from requirements that are rendered impossible, unreasonable or unnecessary due to the effects of Hurricane Katrina, including due diligence requirements and reporting deadlines.

(b) Construction.—Nothing in this section shall be construed to allow the Secretary to waive or modify any applicable statutory or regulatory requirements prohibiting discrimination in prohibited employment or contracting, under existing law (in existence on the date of the Secretary’s action).

(c) Prior to granting any waiver or modification under section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act due to the effects of Hurricane Katrina, the Secretary shall consult with the Committee on Health, Education, Labor, and Pensions and the Committee on Appropriations of the Senate and the Committee on Education and the Workforce and the Committee on Appropriations of the House of Representatives on the full status of the activities of the Inspector General of the Department of Education initiated pursuant to subsection (a).

(d) Cooperative Ventures.—In carrying out this section, the Inspector General is encouraged to enter into cooperative ventures with Inspectors General of other Federal agencies.

SEC. 7157. DEPARTMENT OF EDUCATION INSPECTOR GENERAL—AIDE AND AUDIT REPORT.

(a) Inspector General.—The Inspector General of the Department of Education shall conduct an audit and investigation of each program carried out by the Department of Education that includes response and recovery activities related to Hurricane Katrina. The Inspector General shall submit a report to the Committee on Health, Education, Labor, and Pensions and the Committee on Appropriations of the Senate and the Committee on Education and the Workforce and the Committee on Appropriations of the House of Representatives listing the audits and investigations initiated pursuant to subsection (a).

(b) Chief Financial Officers.—Not later than 6 months after the date of enactment of this Act, and biannually thereafter until the audits and investigations described in subsection (a) are complete, the Inspector General shall submit a report to the Committee on Health, Education, Labor, and Pensions and the Committee on Appropriations of the Senate and the Committee on Education and the Workforce and the Committee on Appropriations of the House of Representatives on the full status of the activities of the Inspector General authorized under this section.

(c) Regulatory Requirements.—In carrying out this section, the Inspector General is encouraged to enter into cooperative ventures with Inspectors General of other Federal agencies.

SEC. 7158. SUNSET PROVISION.

Except as otherwise provided in this chapter, the provisions of this chapter shall be effective for the period of time beginning on the date of enactment of this Act and ending on September 30, 2006.

SUBTITLE B—PENSION BENEFIT GUARANTY CORPORATION PREMIUMS

SEC. 7201. AMENDMENTS TO THE EMPLOYER RETIREMENT INCOME SECURITY ACT OF 1974.

(a) FLAT-RATE PREMIUMS.—


"(i) in the case of a single-employer plan, an amount equal to

(I) $8.00 for plan years beginning in 2006,

(II) except as provided in subparagraph (F), for plan years beginning after December 31, 2005, $46.75 plus the additional premium (if any) determined under subparagraph (E) for each individual who is a participant in such plan during the plan year;"

(2) Multiemployer Plans.—Section 4006(a)(3)(A) of such Act (29 U.S.C. 1306(a)(3)(A)) is amended—

(A) in clause (ii), by inserting “and before January 1, 2006,” after “Act of 1980,”; and

(B) by adding at the end the following:

"(iv) in the case of a multiemployer plan, an amount equal to the following for each individual who is a participant in such plan during the applicable plan year:

"(I) $8.00 for plan years beginning in 2006.

"(II) For plan years after December 31, 2005, the amount determined under subparagraph (G)."

(3) INDEXING OF FLAT-RATE PREMIUMS.—
(A) SINGLE-EMPLOYER PREMIUMS.—Section 4006(a)(3) of such Act (29 U.S.C. 1306(a)(3)), as amended by this Act, is amended by adding at the end the following:

"(ii) PLANS TERMINATED IN BANKRUPTCY.—For purposes of subparagraph (A), if the plan year begins during the first month following the month which includes the date the plan sponsor emerges from bankruptcy,

(iii) the dates of amendment by subsection (a) (I) shall be the 12-month period beginning with the first month following the month which includes the date the plan sponsor emerges from bankruptcy.

(b) P REMIUM RATE FOR CERTAIN TERMINATED SINGLE-EMPLOYER PLANS.—Section 4006(a)(3) of such Act (29 U.S.C. 1306(a)(3)), as amended by this Act, is amended by adding at the end the following:

"(II) the national average wage index (as defined in section 209(k)(1) of the Social Security Act) for the first 2 calendar years preceding the calendar year in which the plan year begins, to

(ii) the national average wage index (as defined in section 209(k)(1) of the Social Security Act) for the first 2 calendar years preceding the calendar year in which the plan year begins, to

(iii) the national average wage index (as defined in section 209(k)(1) of the Social Security Act) for 2004.

(2) SPECIAL RULE FOR PLANS TERMINATED IN BANKRUPTCY.—The amendment made by this section shall apply to plan years beginning after December 31, 2005.

(3) SPECIAL RULE IF SUBSEQUENT SAVINGS PROCEEDING UNDER CHAPTER 11 OF TITLE 11, UNITED STATES CODE.—(A) In general.—If there is a termination of a single-employer plan that is terminated during the first month following the month in which a bankruptcy proceeding under chapter 11 of title 11, United States Code (or any similar law of a State or political subdivision of a State) until the plan sponsor emerges from bankruptcy,

(i) premiums under this paragraph shall be due within 30 days after the beginning of any applicable 12-month period,

(ii) the fifth amendment by section 4007(a) shall not apply, and

(iii) the designated payor under section 4007(i)(1)(A) shall be the contributing sponsor immediately after the termination date.

(c) CONFORMING AMENDMENTS.—Section 4006(a)(3)(B) of such Act (29 U.S.C. 1306(a)(3)(B)), as amended by this Act, is amended by adding a conforming amendment by striking "subparagraph (A)(ii)" and inserting "clause (ii) or (iv) of subparagraph (A)."

(2) EFFECTIVE DATE.—The amendments made by this section shall apply to plan years beginning after December 31, 2005.

(b) P REMIUM RATE FOR CERTAIN TERMINATED SINGLE-EMPLOYER PLANS.—Section 4006(a)(3) of such Act (29 U.S.C. 1306(a)(3)), as amended by this Act, is amended by adding at the end the following:

"(I) IN GENERAL.—If there is a termination of a single-employer plan under clause (i)(I) shall be the 12-month period following the dollar amount under clause (ii) or (iv) of subparagraph (A)(iii) for 2004.

(2) SPECIAL RULE FOR CERTAIN TERMINATED SINGLE-EMPLOYER PLANS.—Section 4006(a)(3) of such Act (29 U.S.C. 1306(a)(3)), as amended by this Act, is amended by adding at the end the following:

"(I) IN GENERAL.—If there is a termination of a single-employer plan under clause (i)(I) shall be the 12-month period following the dollar amount under clause (ii) or (iv) of subparagraph (A)(iii) for 2004.

(2) SPECIAL RULE FOR CERTAIN TERMINATED SINGLE-EMPLOYER PLANS.—Section 4006(a)(3) of such Act (29 U.S.C. 1306(a)(3)), as amended by this Act, is amended by adding at the end the following:

"(I) IN GENERAL.—If there is a termination of a single-employer plan under clause (1) shall be the 12-month period following the dollar amount under clause (i)(I) shall be multiplied by the ratio of

(i) the national average wage index (as defined in section 209(k)(1) of the Social Security Act) for the first 2 calendar years preceding the calendar year in which the plan year begins, to

(ii) the national average wage index (as defined in section 209(k)(1) of the Social Security Act) for the first 2 calendar years preceding the calendar year in which the plan year begins, to

(iii) the national average wage index (as defined in section 209(k)(1) of the Social Security Act) for 2004.

(2) SPECIAL RULE FOR CERTAIN TERMINATED SINGLE-EMPLOYER PLANS.—Section 4006(a)(3) of such Act (29 U.S.C. 1306(a)(3)), as amended by this Act, is amended by adding at the end the following:

"(I) IN GENERAL.—If there is a termination of a single-employer plan under clause (i)(I) shall be the 12-month period following the dollar amount under clause (ii) or (iv) of subparagraph (A)(iii) for 2004.

(2) SPECIAL RULE FOR CERTAIN TERMINATED SINGLE-EMPLOYER PLANS.—Section 4006(a)(3) of such Act (29 U.S.C. 1306(a)(3)), as amended by this Act, is amended by adding at the end the following:

"(I) IN GENERAL.—If there is a termination of a single-employer plan under clause (i)(I) shall be the 12-month period following the dollar amount under clause (ii) or (iv) of subparagraph (A)(iii) for 2004.
(9) in section 439 (20 U.S.C. 1087–2)—
(A) in subsection (d)(1)(E)(iii), by striking “advise the Chairman” and all that follows through “House of Representatives” and inserting “Chairpersons and Ranking Members of the authorizing committees”;
(B) in subsection (g)(1), by striking “and inserting ‘Chairpersons and Ranking Members of the authorizing committees’”;
(ii) in paragraph (5)(B), by striking “plan, to the Chairman” and all that follows through “House of Representatives,” and inserting “plan, to the Chairpersons and Ranking Members of the authorizing committees”;
(iii) in paragraph (6)(B)—
(1) by striking “plan, to the Chairman” and all that follows through “House of Representatives” and inserting “plan, to the Chairpersons and Ranking Members of the authorizing committees”;
(II) has evaluation of distance education programs that are not recognized by the Secretary under section 101 (20 U.S.C. 1001) is amended—
(i) in subsection (e), by striking “the definition of an institution of higher education in paragraph (1) if such institution—
(ii) is not otherwise eligible to participate in a program authorized under title IV; or
(iii) is not recognized by the Secretary under title IV.

SEC. 7131. DEFINITION OF INSTITUTION OF HIGHER EDUCATION FOR PURPOSES OF TITLE IV PROGRAMS.

Section 102 (20 U.S.C. 1002) is amended—
(A) by striking paragraph (2)(A)(i) and inserting the following:

(i) in the case of a graduate medical school located outside the United States—
(II) at least 60 percent of those enrolled in, and at least 60 percent of the graduates of, the graduate medical school outside the United States were not persons described in section 484(a)(5) in the year preceding the year for which a student is seeking a loan under part B of title IV; and
(ii) at least 60 percent of the individuals who were students or graduates of the graduate medical school outside the United States or Canada (both nationals of the United States and others) taking the examination administered by the Educational Commission for Foreign Medical Graduates received a passing score in the year preceding the year for which a student is seeking a loan under part B of title IV, or a loan during title IV.
(B) by striking paragraph (3) and inserting the following:

(i) is recognized by the Secretary under title IV; and
(ii) has evaluation of distance education programs that are not recognized by the Secretary under section 101 (20 U.S.C. 1001) is amended—
(A) by striking “Chairpersons and Ranking Members of the authorizing committees”;
(B) in subsection (f)(1), by striking “Chairpersons and Ranking Members of the authorizing committees”;
(C) by redesignating paragraphs (4), (5), and (6) as paragraphs (5), (6), and (7), respectively; and
(D) by inserting after paragraph (3) the following:

“(4) LIMITATIONS BASED ON MODE OF DELIVERY.

“(A) IN GENERAL.—An institution shall not be considered to meet the definition of an institution of higher education in paragraph (1) if such institution—
“(i) offers more than 50 percent of such institution’s courses by correspondence, unless the institution is an institution that meets the definition in section 333(c) of the Carl D. Perkins Vocational and Technical Education Act of 1998; or
“(ii) enrolls 50 percent or more of the institution’s students in correspondence courses, unless the institution is an institution that meets the definitions of a nonprofit institution as defined by section 101 (20 U.S.C. 1001), except that the Secretary, at the request of such institution, may waive the applicability of this subparagraph to such institution for a specified time, as determined by the Secretary, in the case of an institution of higher education that provides a 2- or 4-year program of instruction (or both) for which the institution awards a bachelor’s degree or an associate degree, respectively.

“(B) DISTANCE EDUCATION PROGRAM ELIGIBILITY.—Notwithstanding subparagraph (A), an institution of higher education, other than a foreign institution, that offers education or training programs principally through distance education shall be considered to meet the definition of an institution of higher education in paragraph (1) if such institution—
“(i) has been evaluated and determined (before or after the date of enactment of the Higher Education Amendments of 2005) to have the capability to effectively deliver distance education programs by an accrediting agency or association, or
“(ii) is recognized by the Secretary under title IV; and

“(C) DEFINITION OF INSTITUTION OF HIGHER EDUCATION.—(1) IN GENERAL.—An institution shall be considered to meet the definition of an institution of higher education in paragraph (1) if such institution—
“(A) is an institution of higher education, other than a foreign institution, that offers education or training programs principally through distance education, that is accredited by an accrediting agency or association, or
“(B) is approved by the Secretary under section 496(b)(3).

“(2) LIMITATIONS ON ELIGIBILITY.—An institution shall not be considered to meet the definition of an institution of higher education in paragraph (1) if such institution—
“(A) acts as a proprietary postsecondary institution, or
“(B) is not an institution of higher education, other than a foreign institution, that offers education or training programs principally through distance education.
"(iv) has met the requirements of section 487(d), if applicable.

'(C) DEFINITION.—

'(1) IN GENERAL.—In this Act, except as otherwise provided, the term 'distance education' means a program that uses 1 or more of the technologies described in clause (i) to—

'(A) distance learning; or

'(B) individual or group instruction.

'(2) in subsection (b)(1), by striking "and" and inserting a period; and

'(B) in subparagraph (A), by inserting 'or'

'(C) by striking subparagraph (B).

'SEC. 7314. PROTECTION OF STUDENT SPEECH AND ASSOCIATION RIGHTS.

'Section 112 (20 U.S.C. 1011a) is amended—

'(1) in subsection (a)—

'(A) by inserting '(1) before "It is the sense' and

'(B) by adding at the end following:

'(2) It is the sense of Congress that—

'(A) the diversity of institutions and educational missions is one of the key strengths of American higher education;

'(B) individual colleges and universities have the freedom to change, or if不行 endorsed, to change programs or curricula; and

'(C) students should not be treated equally and fairly; and

'(D) students should not be intimidated, harassed, discouraged from speaking out, or discriminated against;

'(E) students should not be treated equally and fairly; and

'(F) nothing in this paragraph shall be construed to limit any appeal to the Constitution's protection of academic freedom, self-association, or association.';

'(2) in subsection (b)(1), by inserting 'or' and

'(D) the imposition of such sanction is done objectively and fairly' after "higher education".

'SEC. 7315. NATIONAL ADVISORY COMMITTEE ON INSTITUTIONAL QUALITY AND INTEGRITY.

'Section 114(g) (20 U.S.C. 1011c(g)) is amended by striking 'September 30, 2001' and inserting 'September 30, 2011'.

'SEC. 7316. DRUG AND ALCOHOL ABUSE PREVENTION AND EDUCATION ACT.

'Section 120 (20 U.S.C. 1011i) is amended by striking subsections (e) and (f) and inserting the following:

'(e) DEFINITIONS.—In this subsection:

'(A) ELIGIBLE ENTITY.—The term 'eligible entity' means a State, an institution of higher education as defined in section 102, or a nonprofit entity.

'(B) INSTITUTION OF HIGHER EDUCATION.—

'(i) The term 'institutions of higher education' means the term 'institutions of higher education' as defined in section 101(a).

'(ii) The term 'State' means each of the 50 States, the District of Columbia, and the Commonwealth of Puerto Rico.

'(iii) The term 'statewide community' means a coalition that—

'(A) includes—

'(i) institutions of higher education within a State; and

'(B) a not-for-profit group, a community anti-drug or underage drinking prevention coalition, or another substance abuse prevention group within a State; and

'(B) one that works toward lowering alcohol abuse rates by targeting undergraduate students at institutions of higher education throughout the State and in the surrounding communities.

'(C) SURROUNDING COMMUNITY.—The term 'surrounding community' means the community—

'(i) that surrounds an institution of higher education participating in a statewide coalition;

'(ii) where the students from the institution of higher education take part in the community; and

'(iii) where students from the institution of higher education live in off-campus housing.

'(D) ADMINISTRATIVE EXPENSES.—Not more than 5 percent of a grant awarded under this subsection may be expended for administrative expenses.

'(E) AUTHORIZATION OF APPROPRIATIONS.—

'There are authorized to be appropriated to carry out this subtitle such sums as may be necessary for fiscal year 2006 and each of the 5 succeeding fiscal years.'.

'SEC. 7317. PRIOR RIGHTS AND OBLIGATIONS.

'Section 121(a) (20 U.S.C. 1011(a)) is amended—

'(1) in paragraph (1), by striking "1999" and inserting "2006"; and

'(2) in paragraph (2), by striking "1999" and inserting "2006".

'SEC. 7318. COST OF HIGHER EDUCATION.

'Section 131 (20 U.S.C. 1015) is amended—

'(1) in subsection (b) and inserting the following:

'(B) COLLEGE CONSUMER INFORMATION.—

'(i) in paragraph (2), by striking "1999" and inserting "2006".

'(C) tuition and fees for a first-time, full-time undergraduate student;

'(D) the average annual cost of attendance for a first-time, full-time undergraduate student;

'(E) The average annual cost of attendance for a first-time, full-time undergraduate student for the preceding periods of 5 and 10 academic years preceding the year for which the information is made available under this subsection, or if data are not available for such academic years, data for as many of such academic years as are available.

'(F) The percentage of full-time undergraduate students receiving financial assistance;

'(G) the aggregate amount of such sums as may be necessary for fiscal year 2006 and each of the 5 succeeding fiscal years.'.

'(1) Tuition and fees for a first-time, full-time undergraduate student;

'(2) the average annual cost of attendance for a first-time, full-time undergraduate student for the preceding periods of 5 and 10 academic years preceding the year for which the information is made available under this subsection, or if data are not available for such academic years, data for as many of such academic years as are available.

'(A) Tuition and fees for a first-time, full-time undergraduate student;

'(B) Cost of attendance for a first-time, full-time undergraduate student;

'(C) The average annual cost of attendance for a first-time, full-time undergraduate student for the preceding periods of 5 and 10 academic years preceding the year for which the information is made available under this subsection, or if data are not available for such academic years, data for as many of such academic years as are available.

'(A) Tuition and fees for a first-time, full-time undergraduate student;
in clauses (i) through (iv) of subparagraph (D).

(ii) Graduation rates, as described in section 485(a)(4)(L).

(iii) Rate of return on the dollar and percent increase in tuition and fees for all institutions of higher education for which data are available in each of the categories described in paragraph (3).

(3) CATEGORIES.—The categories described in this paragraph are as follows:

(A) All institutions of higher education.

(B) Public, degree-granting institutions of higher education.

(C) 2-year public, degree-granting institutions of higher education.

(D) 4-year, nonprofit, private, degree-granting institutions of higher education.

(E) 2-year, nonprofit, private, degree-granting institutions of higher education.

(F) 4-year, for-profit, private, degree-granting institutions of higher education.

(G) 2-year, for-profit, private, degree-granting institutions of higher education.

(H) Less than 2-year, for-profit, private institutions of higher education.

(4) STANDARD DEFINITIONS.—In carrying out the provisions of this section, the Secretary shall use the standard definitions developed under subsection (a)(3); and

(ii) in subparagraph (C), by inserting “and after” the semicolon; and

(iii) by adding at the end the following:

“(3) A 3-year period and inserting a semicolon; and

(4) the average cost of attending an institution of higher education, disaggregated by category, as described in subsection (b)(3); and

(5) the average annual cost of attending an institution of higher education for the periods of 5 and 10 academic years preceding the year for which the study is conducted or if data are not available for such academic years, data for as many of such academic years as are available), disaggregated by category, as described in subsection (b)(3); and

(6) the assistance provided to institutions of higher education by each State.”;

(C) in paragraph (3)—

(i) in the paragraph heading, by striking “FINA L” and inserting “ANNUAL”;

(ii) by striking “a report and inserting “an annual report”;

and

(iii) by adding after “September 30, 2002” and inserting “the public”; and

(D) by striking paragraph (4) and inserting the following:

“(4) Higher Education Cost Index.—The Bureau of Labor Statistics, in consultation with the Commissioner of Education Statistics, shall develop a higher education cost index that tracks inflation changes in the relevant costs associated with higher education.”;

SEC. 7319. PERFORMANCE-BASED ORGANIZATION FOR THE DELIVERY OF FEDERAL STUDENT FINANCIAL ASSISTANCE.

Section 141 (20 U.S.C. 1018) is amended—

(1) in subsection (a)—

(A) in paragraph (1), by striking “operational” and inserting “administrative and oversight”; and

(B) in paragraph (2)(D), by striking “of the operational functions” and inserting “and administration”;

(2) in subsection (b)—

(A) in subparagraph (A), by striking “the information systems administered by the PBO, and other functions performed by the PBO”;

and

(B) in subparagraph (A), by striking “the Federal student financial assistance programs authorized under title IV”;

and

(10) in subsection (i) (as redesignated by paragraph (9), by striking “, including transit costs”;

SEC. 7320. PROCUREMENT FLEXIBILITY.

Section 142 (20 U.S.C. 1018a) is amended—

(1) in subsection (b)—

(A) in paragraph (1)—

(i) by striking “for information systems supporting the programs authorized under title IV”; and

(ii) by striking “and” after the semicolon;

(B) in paragraph (2), by striking the period at the end and inserting “; and”;

and

(C) by adding at the end the following:

“(3) through the Chief Operating Officer—

(A) to the maximum extent practicable, utilize procurement systems that streamline operations, improve internal controls, and enhance management; and

(B) assess the efficiency of such systems and assess such systems’ ability to meet PBO requirements.”;

(2) by striking subsection (c)(2) and inserting the following:

“(2) FOR SERVICE ARRANGEMENTS.—The Chief Operating Officer shall, when appropriate and consistent with the purposes of this title, PBO, acquire services related to the functions set forth in section 141(b)(2) from any entity that has the capability and capacity to meet the requirements set by the PBO. The Chief Operating Officer is authorized to pay fees that are equivalent to those paid by other entities to an organization that provides services that meet the requirements of the PBO, as determined by the Chief Operating Officer.”;

(3) in subsection (d)(2)(B), by striking “on Federal Government contracts’; and

(4) in subsection (g)—

(A) in paragraph (4)(A)—

(i) in the subparagraph heading, by striking “S NELY SOURCE.”; and

(ii) by striking “sole-source” and inserting “single-source”;

and

(B) in paragraph (7), by striking “sole-source” and inserting “single-source”;

(5) in subsection (h)(2)(A), by striking “sole-source” and inserting “single-source”;

and

(6) in subsection (1), by striking paragraph (3) and inserting the following:

“(3) SINGLE-SOURCE BASIS.—The term ‘single-source basis’, with respect to an award of a contract, means an award of a contract is awarded to a source after soliciting an offer or offers from, and negotiating with, only such source (although such source is not the only source in the marketplace capable of meeting the need) because such source is the most advantageous source for purposes of the award.”;

CHAPTER 3—TEACHER QUALITY ENHANCEMENT

SEC. 7331. TEACHER QUALITY ENHANCEMENT GRANTS FOR STATES AND PARTNER-SHIPS.

Part A of title II (20 U.S.C. 1021 et seq.) is amended to read as follows:

“PART A—TEACHER QUALITY ENHANCEMENT GRANTS FOR STATES AND PARTNER-SHIPS.

“SEC. 201. PURPOSES; DEFINITIONS.

“(a) PURPOSES.—The purposes of this part are to—

(1) improve student achievement;

(2) improve the quality of the current and future teaching force by improving the preparation of prospective teachers and enhancing professional development activities;

(3) hold institutions of higher education accountable for preparing highly qualified teachers; and

(4) recruit qualified individuals, including minorities and individuals from other occupations, into the teaching force.”
(b) Definitions.—In this part:

(1) ARTS AND SCIENCES.—The term ‘arts and sciences’ means—

(A) when referring to an organizational unit of an institution of higher education, any academic unit that offers 1 or more academic majors in disciplines or content areas corresponding to the academic subject areas in which the institution is accredited; and

(B) when referring to a specific academic subject area, the disciplines or content areas in which academic majors are offered by the arts and sciences organizational unit.

(2) CHILDREN FROM LOW-INCOME FAMILIES.—The term ‘children from low-income families’ means children as described in section 112(k)(1)(A) of the Elementary and Secondary Education Act of 1965.

(3) EARLY CHILDHOOD EDUCATION PROGRAM.—The term ‘early childhood education program’ means a Head Start program or an Early Head Start program carried out under the Head Start Act (42 U.S.C. 9831 et seq.), a State licensed or regulated child care program or school, or a State prekindergarten program that serves children from birth through kindergarten and that addresses the children’s cognitive (including language, early literacy, and pre-numeracy), social, emotional and physical development.

(4) EARLY CHILDHOOD EDUCATOR.—The term ‘early childhood educator’ means an individual with primary responsibility for the education of children in an early childhood education program.

(5) EDUCATIONAL SERVICE AGENCY.—The term ‘educational service agency’ has the meaning given such term in section 9101 of the Elementary and Secondary Education Act of 1965.

(6) EXEMPLARY TEACHER.—The term ‘exemplary teacher’ has the meaning given such term in section 9101 of the Elementary and Secondary Education Act of 1965.

(7) HIGH-NEED LOCAL EDUCATIONAL AGENCY.—The term ‘high-need local educational agency’ means a local educational agency or educational service agency—

(A)(i) that serves not fewer than 10,000 children from low-income families;

(ii) for which not less than 20 percent of the children served by the agency are children from low-income families; or

(iii) with a total of less than 600 students in average daily attendance at the schools that are served by the agency and all of whose schools are designated with a school locale code of 7 or 8, as determined by the Secretary; and

(B)(i) for which there is a high percentage of teachers providing instruction in the academic subject areas or grade levels in which the teachers were trained to teach; or

(ii) for which there is a high teacher turnover rate or a high percentage of teachers with emergency, provisional, or temporary certification or licensure.

(8) HIGHLY QUALIFIED.—The term ‘highly qualified’ means the meaning given such term in section 9101 of the Elementary and Secondary Education Act of 1965 and, with respect to special education teachers, in section 602(b) of the Individuals with Disabilities Education Act.

(9) PROFESSIONAL DEVELOPMENT.—The term ‘professional development’ has the meaning given such term in section 9101 of the Elementary and Secondary Education Act of 1965.

(10) SCIENTIFICALLY BASED READING RESEARCH.—The term ‘scientifically based reading research’ has the meaning given such term in section 1208 of the Elementary and Secondary Education Act of 1965.

(11) SCIENTIFICALLY BASED RESEARCH.—The term ‘scientifically based research’ has the meaning given such term in section 9101 of the Elementary and Secondary Education Act of 1965.

(12) TEACHER MENTORING.—The term ‘teacher mentoring’ means mentoring of teachers to improve their teaching skills in an established or implemented program—

(A) that includes qualifications for mentors;

(B) that provides training for mentors;

(C) that provides regular and ongoing opportunities for mentors and mentees to observe each other’s teaching methods in classroom settings during the school day;

(D) in which the mentoring is provided by a colleague who teaches in the same field, grade, or subject area as the mentee; and

(E) that includes—

(i) common planning time or regularly scheduled collaboration with teachers in the teachers’ same field, grade, or subject area; and

(ii) additional professional development opportunities.

(13) TEACHING SKILLS.—The term ‘teaching skills’ means the ability to—

(A) increase student achievement;

(B) effectively convey and explain academic subject matter;

(C) employ strategies that—

(i) are based on scientifically based research;

(ii) are specific to academic subject matter; and

(iii) focus on identification and tailoring of academic instruction to students’ specific needs;

(D) mentor teachers at the elementary, middle, and secondary levels; and

(E) in the case of an early childhood educator, use age appropriate strategies and practices for children in early childhood education programs.

SEC. 202. STATE GRANTS.

(a) IN GENERAL.—From amounts made available under section 209(a)(1) for a fiscal year, the Secretary is authorized to award grants under this section, on a competitive basis, to States that—

(1) meets the requirement of this section; and

(2) demonstrates that the eligible State is—

(A) when referring to an organizational unit or a specific academic subject area, the disciplines or content areas in which academic majors are offered by the arts and sciences organizational unit;

(B) that provides training for mentors; and

(C) that includes—

(i) common planning time or regularly scheduled collaboration with teachers in the teachers’ same field, grade, or subject area; and

(ii) additional professional development opportunities.

(b) DEFINITIONS.—In this part, the term ‘eligible State’ means—

(A) the Governor of a State; or

(B) in the case of a State for which the constitution or law of such State designates another individual, entity, or agency in the State to be responsible for teacher certification, such individual, entity, or agency.

(2) CONSULTATION.—The Governor or the individual, entity, or agency designated under paragraph (1) shall consult with the Governor, State education, State educational agency, State agency for higher education, or other applicable State entities (including the State agency responsible for early childhood education), as appropriate, with respect to the activities assisted under this section, including the development of the grant application and implementation of the activities.

(3) CONSTRUCTION.—Nothing in this subsection shall be construed to negate or supersede the jurisdiction under State law of any State agency, State entity, or State public official over programs that are under the jurisdiction of the agency, entity, or official.

(4) APPLICATION.—To be eligible to receive a grant under this section, an eligible State shall submit an application to the Secretary that—

(1) meets the requirements of this section; and

(2) demonstrates that the eligible State is in full compliance with such requirements.

(5) GRANT SELECTION.—The Secretary shall make grants from amounts made available under this section, on a competitive basis, to States that—

(A) sections 206(b) and 207; and

(B) if applicable, sections 207(b) and 208, as such sections were in effect on the day before the date of enactment of the Higher Education Amendments of 2005.

(6) GRANT AWARD.—The Secretary shall award a grant under this section—

(A) to a high-need State educational agency;

(B) to a high-need educational service agency; or

(C) to an educational service agency, local educational agency, or educational service agency, as appropriate, that demonstrates that the eligible State intends to use funds provided under this section—

(i) to develop and implement professional development activities that promote effective teaching skills and student academic achievement and consistent with section 9101 of the Elementary and Secondary Education Act of 1965, and section 612(a)(14) of the Individuals with Disabilities Education Act; and

(ii) to develop and implement successful programs that the eligible State will carry out each of the intended uses of grant funds described in paragraph (3).

(7) USE OF GRANTS.—The eligible State shall—

(A) current capacity to measure the effectiveness of teacher preparation programs and professional development activities within the State using available statewide data;

(B) activities to enhance or expand the integration of existing data systems to better measure the effectiveness of teacher preparation programs and professional development activities within the State; or

(C) if such data systems do not exist, plans for the development of an integrated statewide data system to measure the effectiveness of teacher preparation programs and professional development activities within the State.

(b) REQUIRED USES OF FUNDS.—An eligible State that receives a grant under this section shall use the grant funds to reform teacher preparation requirements, to coordinate and work with the Governor, State education, State educational agency, State agency for higher education, or other applicable State entities (including the State agency responsible for early childhood education), as appropriate, with respect to the activities assisted under this section, including the development of the grant application and implementation of the activities.

(b) REQUISITE—Ensuring that all teacher preparation programs in the State are preparing current or prospective teachers to become highly qualified, to understand scientifically based research and its applicability, and to use technology effectively, including use of instructional techniques to improve student academic achievement, by adopting such programs—

(1) that are based on rigorous academic content and scientifically based research (including scientifically based reading research) and are aligned with the challenging State academic content standards;

(2) to promote effective teaching skills; and
(iii) promote understanding of effective instructional strategies for students with special needs, including students with disabilities, students who are limited English proficient, and students who are gifted and talented;

(C) in ensuring collaboration with departments, programs, or units outside of the teacher preparation program in relevant academic content areas to ensure a successful combination of training in both teaching and such content;

(D) developing high-quality, rigorous clinical experiences (that include student teaching experience) in which students participate in a teacher preparation program, lasting not less than 1 term, through dissemination of best practices, technical assistance, or other relevant activities; and

(E) in collecting and using data, in collaboration with institutions of higher education, schools, and local educational agencies, on teacher retention rates, by school, to evaluate and strengthen the effectiveness of the State’s teacher support system.

(2) CERTIFICATION OR LICENSURE REQUIREMENTS.—

(A) teachers have the academic content knowledge and teaching skills in the academic subject areas (such as reading, mathematics, science, and foreign language) necessary to teach such areas, as required under section 111(b)(1) of the Elementary and Secondary Education Act of 1965;

(B) such requirements are aligned with challenging State academic content standards, as required under section 111(b)(1) of the Elementary and Secondary Education Act of 1965;

(C) either certification and licensure assessments are:

(i) used for purposes for which such assessments are valid and reliable;

(ii) consistent with relevant, professional, and technical standards; and

(iii) aligned with the reporting requirements of sections 202 and 206; and

(D) such requirements for high-need academic subject areas (such as reading, mathematics, science, and foreign language, including less commonly taught languages) and other high-demand areas (such as special education, language instruction educational programs, and early childhood education) exist and are modified to ensure that students meet high standards, which may include the development of a State test for such areas.

(3) EVALUATION.—

(A) ANNUAL EVALUATION.—An eligible State that receives a grant under this section shall evaluate annually the effectiveness of teacher preparation programs and professional development activities within the State using available statewide data, shall use a portion of funds received under this section to enhance or expand the integration of existing data systems, as described in subsection (c)(7)(B), or develop an integrated statewide data system, as described in subsection (c)(7)(C), to better measure programs that will improve the effectiveness of teacher preparation programs on student learning and professional development on teacher placement and retention.

(B) TECHNICAL QUALITY; STUDENT PRIVACY; FUNDS FROM OTHER SOURCES.—In carrying out clause (i), the eligible State shall ensure:

(i) the technical quality of the data system to maximize the validity, reliability, and accessibility of the data;

(ii) that student privacy is protected and that individually identifiable information about students, their achievements, and student learning practices is maintained confidential, in accordance with the Family Educational Rights and Privacy Act of 1974; and

(iii) that funds provided under this section are used for purposes for which such funds were provided.

(C) ALLOWABLE USES OF FUNDS.—An eligible State that receives a grant under this section may use the grant funds to reform teacher preparation requirements, to coordinate with State activities under section 212(c) of the Elementary and Secondary Education Act of 1965 and subsections (a) and (b) of section 111b of the Individuals with Disabilities Education Act, and to ensure that current and future teachers are highly qualified, by carrying out any of the following activities:

(1) ALTERNATIVES TO TRADITIONAL PREPARATION FOR TEACHING AND STATE CERTIFICATION OR LICENSURE.

(A) innovative approaches that reduce unnecessary barriers to State certification or licensure while producing highly qualified teachers to help meet high-need schools’ needs;

(B) selective means for admitting individuals into such programs that includes passage of State approved teacher examination in appropriate subject areas;

(C) programs that help prospective teachers develop effective teaching skills and strategies through knowledge of research-based instruction and learning process and learning practices;

(D) programs that provide support to teachers during their initial years in the profession, such as mentoring, induction, and other initiatives to improving teacher academic achievement, as measured by State academic assessments required under section 111(b)(3) of the Elementary and Secondary Education Act of 1965; and

(E) alternative routes to State certification or licensure of teachers for qualified individuals, including mid-career professionals from other occupations, paraprofessionals, former military personnel, and recent college graduates with records of academic distinction.

(2) INNOVATIVE PROGRAMS. —Planning and implementing innovative programs to enhance the ability of institutions of higher education, including charter colleges of education and other educational organizations such as urban or rural schools or districts, to prepare highly qualified teachers, which programs shall—

(A) permit flexibility in the manner in which teacher education meets State requirements as long as graduates, during the graduates’ initial years in the profession, increase student academic achievement;

(B) provide a description in the application of long-term data gathered from teachers who participate in the program in the classroom regarding the teachers’ ability to increase student academic achievement;

(C) ensure high-quality preparation of teachers from underrepresented groups;

(D) create performance measures that can be used to document the effectiveness of innovative methods for preparing highly qualified teachers; and

(E) develop frameworks for exemplary induction programs informed by research and best practices.

(3) TEACHER RECRUITMENT AND RETENTION.—Undertaking activities that develop and implement effective mechanisms to ensure that local educational agencies in the most underserved and low-income communities and schools are able to recruit and retain highly qualified teachers, which may include the following activities:

(A) PERFORMANCE-BASED COMPENSATION.—Assisting local educational agencies in developing—

(i) performance systems that reward teachers who increase student academic achievement and take on additional responsibilities, such as teacher mentoring and serving as master teachers; and

(ii) strategies that provide differential and bonus pay in high-need local educational agencies to recruit and retain—

(I) highly qualified teachers;

(II) highly qualified teachers who teach in high-need academic subject areas (such as reading, mathematics, science, and foreign language, including less commonly taught languages);

(III) highly qualified teachers who teach in schools identified for school improvement under section 1111 of the Elementary and Secondary Education Act of 1965;

(IV) highly qualified special education teachers;

(V) highly qualified teachers specializing in teaching children who are limited English proficient; and

(VI) highly qualified teachers in low-income urban and rural schools or districts.

(B) ADDITIONAL MECHANISMS.—Developing and implementing effective mechanisms to ensure that local educational agencies and schools are able to—

(i) address needs identified with respect to—

(I) underrepresented groups;

(II) high-need academic subject areas (such as reading, mathematics, science, and foreign language, including less commonly taught languages);

(III) high-need areas (such as special education, language instruction educational programs for limited English proficient students, and early childhood education);

(IV) high-need communities, such as rural and urban areas; and

(V) high-need schools, including schools with high rates of teacher turnover;

(ii) offer teacher mentoring for new teachers during such teachers’ initial years of teaching; and

(iii) provide access to ongoing professional development and innovative training opportunities for teachers and administrators.

(C) TEACHER ADVANCEMENT.—Assisting local educational agencies in developing teacher advancement and retention initiatives that promote professional growth and ensure that early career teachers (such as through supporting teacher preparation and alternative routes to certification) move into leadership roles and into career advancement.

(D) RECRUIT QUALIFIED PROFESSIONALS.—Developing recruitment programs or assisting local educational agencies in—
“(i) recruiting qualified professionals from other fields, including highly qualified para-professionals (as defined in section 2102 of the Elementary and Secondary Education Act of 1965); and

“(ii) providing such professionals with alternative routes to teacher certification or licensure.

“(E) Underrepresented populations.—Providing increased opportunities for minorities, individuals with disabilities, and other individuals underrepresented in the teaching profession to become highly qualified teachers.

“(F) Rural education recruitment and retention.—MLR [Migrant Labor Restoration] programs, rural school districts, or a consortium of rural school districts, to implement—

“(i) teacher recruitment strategies, which may include financial assistance, student loan forgiveness, housing assistance, bonus pay, and other effective approaches;

“(ii) teacher retention strategies, such as mentoring programs and ongoing opportunities for professional growth and advancement;

“(iii) partnerships with institutions of higher education designed to—

“(1) prepare beginning teachers to teach; and

“(2) assist teachers (including teachers who teach multiple subjects) to become highly qualified.

“(4) Teacher scholarships and support.—Providing—

“(A) scholarships to help students, such as individuals who have been accepted by, or who are enrolled in, a program of undergraduate education or initial teacher preparation at an institution of higher education, pay the costs of tuition, room, board, and other expenses of completing a teacher preparation program;

“(B) assistance to ensure that recipients of scholarships under this section who complete teacher preparation programs—

“(ii) assist teachers (including teachers who teach multiple subjects) to become highly qualified.

“(4) Teacher scholarships and support.—Providing—

“(A) scholarships to help students, such as individuals who have been accepted by, or who are enrolled in, a program of undergraduate education or initial teacher preparation at an institution of higher education, pay the costs of tuition, room, board, and other expenses of completing a teacher preparation program.

“(B) assistance to ensure that recipients of scholarships under this section who complete teacher preparation programs—

“(i) subsequently teach in an early childhood education program or a high-need local educational agency for a period of time equivalent to the period of time for which the recipient received scholarship assistance, plus an additional 1 year; or

“(II) a department within such institution, not a school of arts and sciences; and

“(C) follow-up services, if needed, to enable scholarship recipients to complete postsecondary education programs, or to move from a career outside of the field of education into a teaching career; and

“(C) follow-up services, if needed, to enable scholarship recipients to complete postsecondary education programs, or to move from a career outside of the field of education into a teaching career; and

“(2) Teacher removal.—Developing and implementing effective mechanisms to ensure that local educational agencies and schools are able to expeditiously remove incompetent or unqualified teachers consistent with procedures to ensure due process for the teachers;

“(8) Early childhood educators.—Developing strategies to improve and expand teacher preparation programs for early childhood educators to teach in early childhood education programs.

“(8) Professional development.—Developing professional development, instructional materials, and relevant educational materials.

“(9) Technology.—Assisting teachers to use technology in the classroom, including use for instructional techniques and the collection, management, and analysis of data to improve teaching, learning, and decision making for the purpose of increasing student academic achievement.

“(10) Areas of instructional shortage.—Increasing the number of—

“(A) teachers in the classroom providing instruction in high-need academic subject areas (such as reading, mathematics, science, and foreign language, including less commonly taught languages) and high-need areas (such as special education, language instruction educational programs for limited English proficient students, and early childhood education); and

“(B) special education faculty dedicated to preparing highly qualified special education teachers at institutions of higher education.

“(ii) providing technical assistance to low-performing programs of teacher preparation within institutions of higher education identified under section 207(a).

“(12) Evaluation support.—Performing data collection, evaluation, and reporting to meet the requirements of subsection (d)(3).

“(13) Professional advancement.—Developing a professional advancement system to—

“(A) initiate or enhance a system in which highly qualified teachers who pursue advanced licensure levels are required to demonstrate increased competencies and undertake increased responsibilities for increased compensation in recognition of the progress through levels established by the State; or

“(B) provide opportunities for professional growth, including through—

“(i) a nationally recognized advanced credentialing system; or

“(ii) special certification in advanced placement or international baccalaureate content, teacher-certified and talented students, and pedagogy.

“(14) Supplement, not supplant.—Funds made available under this section shall be used to supplement, and not supplant, other Federal, State, and local funds that would otherwise be expended to carry out activities under this section.

**SEC. 203. Partnership grants.**

**(a) Grants.—**From amounts made available under section 209(a)(2) for a fiscal year, the Secretary is authorized to make award grants for the purposes of this section and shall—

“(i) contribute to the development of a partnership with the appropriate State education agency; and

“(II) a related major in the academic subject area in which the candidate intends to teach.

“(ii) in the case of early childhood school candidates, to successfully complete—

“(i) a major or its equivalent in coursework in the academic subject area in which the candidate intends to teach; or

“(ii) in the case of elementary school candidates, to successfully complete—

“(i) an academic major or its equivalent in coursework in the arts and sciences; or

“(ii) a major in elementary education with a significant amount of coursework in the arts and sciences; and

“(iii) in the case of early childhood educators, to become highly competent and meet degree requirements, as established by the State.

“(c) Application.—Each eligible partnership desiring a grant under this section shall submit an application to the Secretary at such time, in such manner, and accompanied by such information as the Secretary may require. Each such application shall contain—

“(i) a needs assessment of all the partners with respect to the preparation, induction,
and professional development of early childhood educators, general and special education teachers, and principals;

(2) a description of the extent to which the teacher preparation program of the eligible partnership prepares new teachers with effective teaching skills;

(3) a description of how the eligible partnership will comply with other teacher preparation or professional development programs, including those funded under the Elementary and Secondary Education Act of 1965 and the Individuals with Disabilities Education Act, and how the activities of the eligible partnership will be consistent with State, local, and other education reform activities and student achievement goals;

(4) a resource assessment that describes the resources available to the eligible partnership, the intended use of the grant funds (including a description of how the grant funds will be fairly distributed), and the commitment of the resources of the eligible partnership to the activities assisted under this part, including financial support, faculty participation, time commitments, and continuation of the activities when the grant period ends;

(5) a description of—

(A) how the eligible partnership will meet the purposes of this part;

(B) how the eligible partnership will carry out the activities required under subsection (e) and any permissible activities under subsection (c); and

(C) the eligible partnership’s evaluation plan pursuant to section 205(b); and

(6) how the eligible partnership will align the teacher preparation program with the challenging student academic achievement standards and learning standards of early childhood education programs (where applicable), and challenging academic content standards, established by the State in which the partner school is located;

(2) a description of how the eligible partnership will coordinate with other teacher preparation programs so that such programs—

(i) are based on rigorous academic content and scientifically based research (including scientifically based reading research), and aligned with challenging State academic content standards, as required under section 1111(b)(1) of the Elementary and Secondary Education Act of 1965, and for early childhood educators, aligned with State early learning standards;

(ii) promote effective teaching skills;

(iii) promote mastery of effective instructional strategies for students with special needs, including students with disabilities, students who are limited English proficient, and students who are gifted and talented, and children in early childhood education programs; and

(iv) promote high-quality mathematics, science, and foreign language instruction, where applicable;

(3) in ensuring collaboration with departments, programs, or units outside of the teacher preparation program, or for alternative routes to State certification or licensure program, or alternative routes to certification or licensure program, to enable such students to develop the skills and experience necessary for success in teaching, including—

(A) providing intensive clinical training and combining in-service instruction in teacher methods and assessments with classroom observations, experiences, and practice in such internships shall have a reduced teaching load and a mentor for assistance in the classroom.

(II)Mid-career professional internships.—Developing a 1-year paid internship program for mid-career professionals from other occupations, former military personnel, and recent college graduates from fields other than teacher preparation with records of academic distinction to enable such individuals to develop the skills and experience necessary for success in teaching, including providing intensive clinical training and combining in-service instruction in teacher methods and assessments with classroom observations, experiences, and practice in such internships shall have a reduced teaching load and a mentor for assistance in the classroom.
“(B) Residency programs for new teachers.—Supporting teachers in a residency program that provides an induction period for all new general education and special education teachers, as included under subclause (I); and

(ii) the application of scientifically based research on teaching and learning generated by entities such as the Institute for Education Sciences of the National Research Council of the National Academies.

(C) Pathways for paraprofessionals to enter and complete postsecondary programs to provide the coursework and clinical experiences needed by highly qualified paraprofessionals, as defined in section 2102 of the Elementary and Secondary Education Act of 1965, to qualify for State teacher certification or licensure to become highly qualified teachers.

(D) Managerial and leadership skills.—Developing and implementing proven mechanisms to provide principals and superintendents with effective managerial, leadership, curriculum, and instructional skills that result in increased student academic achievement.

(E) Teacher scholarships and support.—Providing—

(A) scholarships to help students, such as individuals who have been accepted by, or who have completed a program of undergraduate education at an institution of higher education, pay the costs of tuition, room, board, and other expenses of completing a teacher preparation program, if—

(i) the Secretary establishes such requirements as the Secretary determines necessary to ensure that recipients of scholarships under this paragraph are enrolled in, and complete, a teacher preparation program;

(ii) the eligible partnership provides innovative reforms to hold teacher preparation programs accountable for preparing teachers to become highly qualified teachers;

(B) support services, if needed, to enable original participants to complete postsecondary education programs, or to transition from a career outside the field of education into a teaching career; and

(C) strategies for former scholar- ship recipients during the recipients’ initial years of teaching.

(F) Coordination with community colleges.—

(A) Teacher preparation programs.—Coordinating with 2-year institutions of higher education to implement teacher preparation programs that are aligned with challenging State academic content standards, as required under section 1111(b)(1) of the Elementary and Secondary Education Act of 1965, and with postsecondary standards for reading and writing;

(B) Professional development.—Coordinating with 2-year institutions of higher education to provide professional development that—

(i) improves the academic content knowledge of teachers in the academic subject areas (such as reading, mathematics, science, and foreign language, including less commonly taught languages); and

(ii) prepares teachers to plan and assess instruction with other teach- ers, school leaders, and faculty at institutions of higher education;

(C) Literacy teacher training.—Implementing programs that strengthen the content knowledge and teaching skills of secondary school teachers in literacy that—

(A) provides training and stipends for literacy coaches who train classroom teachers to implement literacy programs;

(B) develops or redesigns rigorous re- search that is aligned with challenging State academic content standards, as required under section 1111(b)(1) of the Elementary and Secondary Education Act of 1965, and with postsecondary standards for reading and writing; and

(C) provides training and stipends for teachers to tutor students with intense individualized reading, writing, and subject matter instruction during or beyond the school day;

(D) provides opportunities for teachers to plan and assess instruction with other teach- ers, school leaders, and faculty at institutions of higher education; and

(E) establishes an evaluation and accountability system conducted under this paragraph to measure the impact of such activities.

(g) Construction.—Nothing in this section shall be construed to prohibit an eligible partnership from using grant funds to coordinate with the activities of eligible partnerships under other Federal, State, or local grants. Funds made available under this title shall be supplemental, according to each State, and for the purpose of eliminating disparities in use of funds available for all grants under this part.
and the types of activities proposed to be carried out.

‘‘(c) Matching Requirements.—

(1) STATE GRANTS.—Each eligible State receiving a grant under section 202 shall provide, from non-Federal sources, an amount equal to 50 percent of the amount of the grant (in cash or in kind) to carry out the activities under section 202.

(2) PARTNERSHIP GRANTS.—Each eligible partnership receiving a grant under section 203 shall provide, from non-Federal sources (in cash or in kind), an amount equal to 50 percent of the amount of the grant for the first year of the grant, 35 percent of the amount of the grant for the second year of the grant, and 50 percent of the amount of the grant for each succeeding year of the grant.

(3) LIMITATION ON ADMINISTRATIVE EXPENSES.—An eligible State or eligible partnership that receives a grant under this part may use not more than 2 percent of the grant funds for purposes of administering the grant.

(4) ADDITIONAL ACTIVITIES.—The Secretary shall use funds repaid pursuant to section 202(e)(3)(A)(i)(II) or section 203(e)(5)(A)(ii) to carry out additional activities under section 202 or 203, respectively.

‘‘SEC. 207. ACCOUNTABILITY AND EVALUATION.

(a) STATE GRANT ACCOUNTABILITY REPORT.—An eligible State that receives a grant under section 202 shall submit an annual report to the Secretary and the authorizing committees. The report shall include a description of the degree to which the eligible State, in using funds provided under such section, has made progress in meeting the purposes of this part and substantial progress in meeting the following goals, as applicable:

(1) STUDENT ACADEMIC ACHIEVEMENT.—Increasing student academic achievement for all students as defined by the eligible State.

(2) GAINS.—Improving the State academic standards required to enter the teaching profession as a highly qualified teacher, and where applicable, as a fully competent early childhood educator.

(3) INITIAL CERTIFICATION OR LICENSURE.—Improving the pass rates and scaled scores for initial State teacher certification or licensure programs, the numbers of qualified individuals being certified or licensed as teachers through alternative routes to State certification or licensure programs.

(4) HIGHLY QUALIFIED TEACHERS.—Providing data on the progress of the State in meeting the highly qualified teacher requirements under section 111(a)(3) of the Elementary and Secondary Education Act of 1965.

(5) DECREASING TEACHER SHORTAGES.—Decreasing shortages of—

(A) non-Federal sources, and

(i) low-income urban and rural areas;

(ii) high-need academic subject areas (such as reading, mathematics, science, and foreign language, including less commonly taught languages);

(iii) special education; and

(iv) high-need areas (such as special education, language instruction educational programs for limited English proficient students, and early childhood education); and

(B) fully competent early childhood educators supporting the grant.

(6) INCREASING OPPORTUNITIES FOR PROFESSIONAL DEVELOPMENT.—Increasing opportunities for enhanced and ongoing professional development for teachers and principals in which the teachers are working toward certification or licensure to teach; and

(7) PROVIDING EFFECTIVE TEACHING SKILLS.—(A) Promotes effective teaching skills.

(B) ELIGIBILITY PARTNERSHIP EVALUATION.—Each eligible partnership submitting an application for a grant under section 203 shall include in such application an evaluation plan that includes strong performance objectives. The plan shall include objectives and measures, as applicable:

(i) student achievement for all students as measured by the eligible partnership;

(ii) teacher retention in the first 3 years of a teacher’s career;

(iii) improvement in the pass rates and scaled scores for initial State certification or licensure of teachers;

(iv) the percentage of highly qualified teachers hired by the high-need local educational agencies participating in the eligible partnership; and

(v) the percentage of—

(A) highly qualified teachers among underrepresented groups, in high-need academic subject areas (such as reading, mathematics, science, and foreign language, including less commonly taught languages), in high-need areas (such as special education, language instruction educational programs for limited English proficient students, and early childhood education), and in high-needs schools;

(B) elementary school, middle school, and secondary school classes taught by teachers who are highly qualified;

(C) early childhood education program classes taught by providers who are fully competent;

(D) highly qualified special education teachers.

(8) STATE REPORT CARD ON THE QUALITY OF TEACHER PREPARATION.

(a) INSTITUTIONAL AND PROGRAM REPORT CARDS ON THE QUALITY OF TEACHER PREPARATION.

(1) REPORT CARD.—Each institution of higher education that conducts a traditional teacher preparation program or alternative routes to State certification or licensure program and that enrolls students receiving Federal assistance under this Act shall report annually to the State and the general public, in a uniform and comprehensive manner that conforms with the definitions and methods established by the Secretary, the following information:

(i) the percentage of—

(A) passing and scaled scores for the most recent year for which the information is available for those students who took the assessments and are enrolled in the traditional teacher preparation program or alternative routes to State certification or licensure program, and for those who have completed the traditional teacher preparation program or alternative routes to State certification or licensure program during the 2-year period preceding the reporting year for the assessments used for teacher certification or licensure by the State in which the program is located;

(ii) the percentage of all such students who passed each such assessment;

(iii) the percentage of students taking an assessment who completed the traditional teacher preparation program after entering in the program, which shall be made available widely and publicly by the State;

(iv) the average scaled score for all students who took each such assessment;

(v) a comparison of the program’s pass rates with the average pass rates for programs in the State, and

(vi) a comparison of the program’s average scaled scores with the average scaled scores for programs in the State.

(b) PROGRAM REPORT CARD.—The criteria for admission into the program, the number of students in the program (disaggregated by race and gender), the average number of hours of supervised practice required for those in the program, the number of full-time equivalent faculty and students in the supervised clinical experience, and the total number of students who have been certified or licensed as teachers, disaggregated by subject and area of certification or licensure.

(9) STATEMENT.—In States that require approval or accreditation of teacher preparation programs, a statement of whether the institution’s program is so approved or accredited, and by whom.

(10) DESIGNATION AS LOW-PERFORMING.—Whether the program has been designated as low-performing by the State under section 207(a).

(11) USE OF TECHNOLOGY.—A description of the activities that prepare teachers to effectively integrate technology in the curriculum and instruction and effectively use technology to collect, manage, and analyze data in order to improve teaching, learning, and developing processes for the purpose of increasing student academic achievement.

(12) REPORT.—Each eligible partnership receiving a grant under section 203 shall report annually on the progress of the eligible partnership towards meeting the purposes of this part and the objectives and measures described in section 207(b).

(13) FINES.—The Secretary may impose a fine not to exceed $25,000 on an institution of higher education for failure to provide the information described in this subsection in a timely or accurate manner.

(14) SPECIAL RULE.—In the case of an institution of higher education that conducts a traditional teacher preparation program or alternative routes to State certification or licensure program and has fewer than 10 scores reported on any single initial teacher certification or licensure assessment during an academic year, the institution shall collect and publish information, as required under paragraph (1)(A), with respect to an average pass rate and scaled score on each State certification or licensure assessment taken over a 3-year period.

(b) STATE REPORT CARD ON THE QUALITY OF THE PARTNERSHIP.

(1) IN GENERAL.—Each State that receives funds under this Act shall provide to the
Secretary, annually, in a uniform and comprehensible manner that conforms with the definitions and methods established by the Secretary, a State report card on the quality of teacher preparation in the State, traditional teacher preparation programs and for alternative routes to State certification or licensure programs, which shall include, among other things:

(1) The average number of hours of supervised clinical experience required for those in the program, disaggregated by race and gender in the State, the criteria for admission into programs and alternative routes to State certification or licensure programs.

(2) A description of alternative routes to State certification or licensure in the State (including any such routes operated by entities that are not institutions of higher education), if any, including, for each of the assessments used by the State for teacher certification or licensure:

(i) for each institution of higher education located in the State and each entity located in the State that offers an alternative route for teacher certification or licensure in the State, the percentage of students of such institution or entity who have completed 100 percent of the nonclinical coursework and taken the assessment who pass such assessment;

(ii) the percentage of all such students at all such institutions taking the assessment who pass such assessment; and

(E) A description of alternative routes to State certification or licensure in the State (including any such routes operated by entities that are not institutions of higher education), if any, including, for each of the assessments used by the State for teacher certification or licensure:

(i) for each institution of higher education located in the State and each entity located in the State that offers an alternative route for teacher certification or licensure in the State, the percentage of students of such institution or entity who have completed 100 percent of the nonclinical coursework and taken the assessment who pass such assessment;

(ii) the average scaled score of individuals participating in such routes, or who have completed such routes during the 2-year period preceding the date of determination, who passed each such assessment; and

(F) A description of the State’s criteria for assessing the performance of teacher preparation programs within institutions of higher education in the State. Such criteria shall include indicators of the academic content and teaching and professional skills of students enrolled in such programs.

(G) For each teacher preparation program in the State, the criteria for admission into the program, the number of students in the program, disaggregated by race and gender (except that such disaggregation shall not be required in a case in which the number of students in a category is insufficient to yield statistically reliable information or the results would reveal personally identifiable information about an individual student), the average number of hours of supervised clinical experience required for those in the program, and the number of full-time equivalent faculty, adjunct faculty, and students in such teacher preparation programs.

(H) For the State as a whole, and for each teacher preparation program in the State, the number of teachers prepared, in the aggregate and reported separately by—

(i) area of certification or licensure;

(ii) academic major; and

(iii) the extent to which the teacher has been prepared to teach.

(4) Using the data generated under subparagraphs (G) and (H), a description of the extent to which teacher preparation programs are helping to address shortages of highly qualified teachers, by area of certification or licensure, subject, and specialty, in the State’s public schools, with respect to areas described in section 206(a)(5).

(1) A description of the activities that prepare teachers to effectively integrate the use of technology in the classroom and effectively use technology to collect, manage, and analyze data in order to improve teaching, learning, and decision making for the purpose of increasing student academic achievement.

(2) PROHIBITION AGAINST CREATING A NATIONAL LIST.—The Secretary shall not create a national list or ranking of States, institutions, or schools using the scaled scores provided under this subsection.

(c) REPORT OF THE SECRETARY ON THE QUALITY OF TEACHER PREPARATION.—

(1) REPORT CARD.—The Secretary shall provide to Congress, and publish and make widely available, a report card on teacher certification and training programs in the United States, including all the information reported in subparagraphs (A) through (J) of subsection (b)(1). Such report shall identify States for which eligible States and eligible partnerships received a grant under this part. Such report shall be so provided, published, and made available annually.

(2) REPORT TO CONGRESS.—The Secretary shall prepare and submit a report to Congress that contains the following:

(A) A comparison of States’ efforts to improve the quality of the current and future teaching force.

(B) A comparison of eligible partnerships’ efforts to improve the quality of the current and future teaching force.

(C) The national mean and median scaled scores and pass rate on any standardized test that is used in more than 1 State for teacher certification or training programs.

(3) SPECIAL RULE.—In the case of a teacher preparation program with fewer than 10 scores reported on any single initial teacher certification or training program during an academic year, the Secretary shall collect and publish information, and make publicly available, with respect to an average pass rate calculated by subtracting from 100 the percentage of students enrolled in the State certification or licensure assessment taken over a 3-year period.

(d) COORDINATION.—The Secretary, to the extent practicable, shall coordinate the information collected and published under this part among States for individuals who took State teacher certification or training assessments in a State other than the State in which the individual received the individual’s most recent degree.

(e) SEC. 207. STATE FUNCTIONS.

(a) STATE ASSESSMENT.—In order to receive funds under this Act, a State shall have in place a procedure to identify and assist, through the provision of technical assistance, a State teacher certification or licensure assessment program that is of high quality.

(b) TERMINATION OF ELIGIBILITY.—Any program of teacher preparation from which the State has withdrawn the State’s approval, or terminated the State’s financial support, or to which the program based upon the State assessment described in subsection (a)—

(i) shall be ineligible for any funding for professional development activities awarded by the Department;

(ii) shall not be permitted to enroll or enroll any student that receives aid under title IV in the institution’s teacher preparation program; and

(iii) shall provide transitional support, including remedial services if necessary, for those students enrolled in such routes at the time of termination of financial support or withdrawal of approval.

(c) NEGOTIATED RULEMAKING.—If the Secretary develops any regulations implementing subsection (b)(2), the Secretary shall submit such proposed regulations to a negotiated rulemaking process, which shall include representatives of States, institutions of higher education, and educational and student organizations.

(d) APPLICATION OF THE REQUIREMENTS.—The requirements of this section shall apply to both traditional teacher preparation programs and alternative routes to State certification and licensure programs.

(e) NEGOTIATED RULEMAKING.—In complying with sections 206 and 207, the Secretary shall ensure that States and institutions of higher education use fair and equitable methods in reporting and that the reporting methods do not allow identification of individuals.

(f) SPECIAL RULE.—For each State that demonstrates content assessments as a means of ensuring that all teachers teaching in core academic subjects within the State are highly qualified not later than the end of the 2006 school year, the Secretary shall provide to Congress under section 1119 of the Elementary and Secondary Education Act of 1965, and that each person employed as a special education teacher in the State who teaches elementary school, middle school, or secondary school is highly qualified by such deadline, as required under section 612(a)(14)(C) of the Individuals with Disabilities Education Improvement Act of 2004.
to establish or support any national system of teacher certification or licensure.

(1) RELEASE OF INFORMATION TO TEACHER PREPARATION PROGRAMS.—

(2) (A) for the purpose of improving teacher preparation programs, a State educational agency shall provide to a teacher preparation program, upon the request of the preparation program, any and all pertinent education-related information that—

(A) may enable the teacher preparation program to evaluate the effectiveness of the program’s graduates or the program itself; and

(B) is possessed, controlled, or accessible by the State educational agency.

(2) CONTENT OF INFORMATION.—The information described in paragraph (1)—

(A) shall include an identification of specific individuals who graduated from the teacher preparation program to enable the teacher preparation program to evaluate the information provided to the program from the State educational agency with the program’s own data about the specific courses taken by, and field experiences of, the individual graduates; and

(B) may include—

(i) kindergarten through grade 12 academic achievement and demographic data, with sufficiently identifiable information about an individual student, for students who have been taught by graduates of the teacher preparation program;

(ii) and effectiveness evaluations for teachers who graduated from the teacher preparation program.

SEC. 209. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There are authorized to be appropriated to carry out this part sums as may be necessary for fiscal year 2006 and each of the 5 succeeding fiscal years, of which—

(1) 50 percent shall be available for each fiscal year to award grants under section 202; and

(2) 50 percent shall be available for each fiscal year to award grants under section 203.

(b) SPECIAL RULE.—If the Secretary determines that there is an insufficient number of meritorious applications for grants under section 202 or 203 to justify awarding the full amount described in paragraph (1) or (2) of subsection (a), respectively, the Secretary may, by redesignation of the meritorious applications, use the remaining funds for grants under the other such section.

CHAPTER 4—INSTITUTIONAL AID

SEC. 7341. PROGRAM PURPOSE.

Section 313 (20 U.S.C. 1057) is amended—

(1) in subsection (b)—

(A) in paragraph (1), by striking “311” and inserting “311”; and

(B) in paragraph (3)(F), by inserting “, including services that will assist in the education of special populations” before the period;

and

(2) in subsection (c)—

(A) in paragraph (6), by inserting “, including innovative, customized, remedial education and English language instruction courses designed to help retain students and move the students rapidly into core courses and through program completion” before the period;

(B) by redesigning paragraphs (7) through (12) as paragraphs (8) through (13), respectively;

(C) by inserting after paragraph (6) the following:

“(7) Education or counseling services designed to improve the financial literacy and economic literacy of students or the students' parents.”

(8) by striking subparagraph (B), by striking “and” and inserting “and” after the semicolon;

(9) by inserting after subparagraph (B) the following:

“(B) may include—

(1) kindergarten through grade 12 academic achievement and demographic data, without sufficiently identifiable information about an individual student, for students that is not less than 10 percent Native American students; and

(B) education or counseling services designed to improve the financial literacy and economic literacy of students or the students' parents.”

SEC. 7342. DEFINITIONS; ELIGIBILITY.

Section 312 (20 U.S.C. 1058) is amended—

(1) in subsection (c) of the Tribally Controlled Colleges and Universities Assistance Act of 1978 (25 U.S.C. 1059c) is amended—

(1) by striking subsection (b)(3) and inserting the following:

“(B) in paragraph (A), by inserting “, including parents.” before the period;

and

(2) in subsection (d), by striking “and” and inserting “and” after the semicolon;

and

(3) by adding at the end the following:

“(I) education or counseling services designed to improve the financial literacy and economic literacy of students or the students' parents.”

SEC. 7344. ALASKA NATIVE AND NATIVE HAWAIIAN-SERVING INSTITUTIONS.

Section 317(c)(2) (20 U.S.C. 1059d(c)(2)) is amended—

(1) by striking “and” and inserting “and” after the semicolon;

(2) by striking paragraph (H), (I), (J), (K), (L), and (N) as subparagraphs (H), (I), (J), (K), (L), and (N), respectively; and

(3) by inserting after subparagraph (F) the following:

“(G) education or counseling services designed to improve the financial literacy and economic literacy of students or the students' parents.”

SEC. 7345. NATIVE AMERICAN-SERVING, NONTRIBAL INSTITUTIONS.

(a) GRANT PROGRAM AUTHORIZED.—Part A of title III (20 U.S.C. 1057 et seq.) is amended by adding at the end the following:

“SEC. 318. NATIVE AMERICAN-SERVING, NONTRIBAL INSTITUTIONS.

(a) PROGRAM AUTHORIZED.—The Secretary shall provide grants and related assistance to Native American-serving, nontribal institutions to enable such institutions to improve and expand their capacity to serve Native Americans.

(b) DEFINITIONS.—In this section:

(1) NATIVE AMERICAN.—The term ‘Native American’ means an individual who is of a tribe, people, or culture that is indigenous to the United States.

(2) NATIVE AMERICAN-SERVING, NONTRIBAL INSTITUTION.—The term ‘Native American-serving, nontribal institution’ means an institution of higher education that, at the time of application—

(A) has an enrollment of undergraduate students that is not less than 10 percent Native American students; and

(B) is not a Tribal College or University (as defined in section 316).

(c) AUTHORIZED ACTS.—

(1) TYPES OF ACTIVITIES AUTHORIZED.—Grants awarded under this section shall be used by Native American-serving, nontribal institutions to plan, develop, undertake, and carry out activities to improve and expand such institutions’ capacity to serve Native Americans.

(2) EXAMPLES OF AUTHORIZED ACTIVITIES.—Such programs may include—

(A) the purchase, rental, or lease of scientific or laboratory equipment for educational purposes, including instructional and research purposes;

(B) renovation and improvement in classroom, library, laboratory, and other instructional facilities; and

(C) support of faculty exchanges, and faculty development and faculty fellowships to
assist faculty in attaining advanced degrees in the faculty’s field of instruction;

(‘‘D) curriculum development and academic instruction;

(‘‘E) the purchase of library books, periodicals, microfilm, and other educational materials;

(‘‘F) funds and administrative management, and acquisition of computers for use in strengthening funds management;

(‘‘G) the joint use of facilities such as laboratories and libraries; and

(‘‘H) student tutoring and counseling programs and student support services.

(‘‘d) APPLICATION PROCESS.—

(1) INSTITUTIONAL ELIGIBILITY.—A Native American-serving, nontribal institution desiring to receive assistance under this section shall submit to the Secretary such enrollment data as may be necessary to demonstrate that the institution is a Native American-serving, nontribal institution, along with such other information and data as the Secretary may by regulation require.

(2) APPLICATIONS.—

(A) PERMISSION TO SUBMIT APPLICATIONS.—Any institution that is determined by the Secretary to be a Native American-serving, nontribal institution may submit an application for assistance under this section to the Secretary.

(B) SIMPLIFIED AND STREAMLINED FORMAT.—The Secretary shall, to the extent possible, prescribe a simplified and streamlined format for applications under this section that takes into account the limited number of institutions that are eligible for assistance under this section.

(C) CONTENT.—An application submitted under subparagraph (A) shall include—

(i) a 5-year plan for improving the assistance provided by the Native American-serving, nontribal institution to Native Americans and

(ii) such other information and assurances as the Secretary may require.

(3) SPECIAL RULES.—

(A) ELIGIBILITY.—No Native American-serving, nontribal institution that receives funds under this section shall concurrently receive funds under other provisions of this part or part B.

(B) EXEMPTION.—Section 313(d) shall not apply to institutions that are eligible to receive assistance under this section.

(C) DISTRIBUTION.—In awarding grants under this section, the Secretary shall, to the extent possible and consistent with the competitive process under which such grants are awarded, ensure maximum and equitable distribution among all eligible institutions.

(b) AUTHORIZATION OF APPROPRIATIONS.—

Section 399 (20 U.S.C. 1068b) is amended by adding at the end the following:

(‘‘c) FROM GRANT AMOUNT.—The minimum amount of a grant under this title shall be $200,000.’’.

SEC. 7346. PART B DEFINITIONS.

Section 322 (20 U.S.C. 1062) is amended by inserting (‘‘S’,‘‘T’,‘‘U’’) after the word ‘‘subsection (c)’’ and (‘‘S’’, ‘‘T’’, ‘‘U’’) after the words ‘‘paragraph (3)’’.

SEC. 7347. GRANTS TO INSTITUTIONS.

Section 323(a) (20 U.S.C. 1062a) is amended—

(i) by striking paragraphs (A) and (B) and inserting the following:

(A) The amount of non-Federal funds for the fiscal year for which the determination is made, represents of the total number of Black American students and minority students who are students of Black American students and minority students that receive financial aid in the graduating class of 2006;

(B) The number of students enrolled in the qualified programs of the eligible institution or program, for which the institution or program received and allocated funding under this section in the preceding academic year;

(C) The percentage that the total number of Black American students and minority students who received financial aid in their graduating class in the academic year preceding the academic year for which the determination is made, represents of the total number of Black American students and minority students in the United States who received first professional, master’s, or doctoral degrees in the professional disciplines related to the course of study at such institution or program, respectively, in the preceding academic year;

(d) in subsection (c), by striking ‘‘2006’’ and inserting ‘‘2006’’.

SEC. 7349. PROFESSIONAL OR GRADUATE INSTITUTIONS.

Section 326 (20 U.S.C. 1063b) is amended—

(i) in subsection (c)—

(A) The amount of non-Federal funds for the fiscal year for which the determination is made, represents of the total number of Black American students and minority students who are students of Black American students and minority students that were enrolled in the institution or program under this section;

(B) There are authorized to be appropriated to carry out section 318 such sums as may be necessary for fiscal year 2007 and each of the 5 succeeding fiscal years;

(C) There are authorized to be appropriated to carry out section 326 such sums as may be necessary for fiscal year 2006 and each of the 5 succeeding fiscal years;

(D) There are authorized to be appropriated to carry out section 317 such sums as may be necessary for fiscal year 2007 and each of the 5 succeeding fiscal years;

(E) There is no limitation on the amount of funds that may be necessary for fiscal year 2006 and each of the 5 succeeding fiscal years;

(F) Such sums as may be necessary for fiscal year 2007 and each of the 5 succeeding fiscal years;

SEC. 7350. AUTHORIZATION OF APPROPRIATIONS.

Subsection (a) of section 399 (20 U.S.C. 1068b) is amended by striking ‘‘2006’’ and inserting ‘‘2007’’.

(a) AUTHORIZATION.—

(1) PART A.—(A) There are authorized to be appropriated to carry out part A (other than section 326) such sums as may be necessary for fiscal year 2006 and each of the 5 succeeding fiscal years.

(B) There are authorized to be appropriated to carry out section 318 such sums as may be necessary for fiscal year 2006 and each of the 5 succeeding fiscal years.

(C) There are authorized to be appropriated to carry out section 317 such sums as may be necessary for fiscal year 2006 and each of the 5 succeeding fiscal years.

(D) There are authorized to be appropriated to carry out section 315 such sums as may be necessary for fiscal year 2006 and each of the 5 succeeding fiscal years.

(E) There are authorized to be appropriated to carry out section 316 such sums as may be necessary for fiscal year 2006 and each of the 5 succeeding fiscal years.

(F) Such sums as may be necessary for fiscal year 2006 and each of the 5 succeeding fiscal years;

(G) Such sums as may be necessary for fiscal year 2007 and each of the 5 succeeding fiscal years.

(H) There are authorized to be appropriated to carry out part B (other than section 326) such sums as may be necessary for fiscal year 2006 and each of the 5 succeeding fiscal years;

(I) Such sums as may be necessary for fiscal year 2007 and each of the 5 succeeding fiscal years;
such sums as may be necessary for fiscal year 2006 and each of the 5 succeeding fiscal years."

"(B) There are authorized to be appropriated for the 2007-2008 academic year $500,000,000, to remain available until expended for the purposes of carrying out section 347 for each fiscal year 2006 and each of the 5 succeeding fiscal years."

"(5) PART E.—There are authorized to be appropriated for each such fiscal year such sums as may be necessary for fiscal year 2006 and each of the 5 succeeding fiscal years.".

SEC. 7351. TECHNICAL CORRECTIONS.

Title II (20 U.S.C. 1061 et seq.) is further amended—

(1) in section 342(d)(3) (20 U.S.C. 1066a(d)(3)), by striking "", and inserting "",;

(2) in section 343(e) (20 U.S.C. 1066b(e)), by inserting "SALE OF QUALIFIED BONDS"—before "Notwithstanding";

(3) in the matter preceding clause (i) of section 3509(9)(A) (20 U.S.C. 1078k(9)(A)), by striking "support and inserting "supports";

(4) in section 391(b)(7)(E) (20 U.S.C. 1068(b)(7)(E)), by striking "paragraph (E)" and inserting "paragraph (D)";

(5) in the matter preceding subparagraph (A) of section 392(b)(2) (20 U.S.C. 1068a(b)(2)), by striking "appropriations under part A" and inserting "eligible institutions under part A";

(6) in the matter preceding paragraph (1) of section 399 (20 U.S.C. 1068a), by striking "390", and inserting "399".

CHAPTER 5—STUDENT ASSISTANCE

Subchapter A—Grants to Students in Attendance at Institutions of Higher Education

SEC. 7361. FEDERAL PELL GRANTS.

Section 401 (20 U.S.C. 1070a) is amended—

(1) in subsection (a)(1)—

(A) in the first sentence, by striking "2004" and inserting "2007";

(B) in the second sentence, by striking "", and inserting "";

(2) in subsection (b)—

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

"(2)(A) the amount of the Federal Pell Grant for a student eligible under this part shall be not less than $200,000, except that an individual grant authorized under section 402G shall be awarded in an amount that is not less than $170,000."

(3) in subsection (c), by adding at the end following:

"(4) MINIMUM GRANTS.—Unless the institution or agency requests a smaller amount, an individual grant authorized under this chapter shall be awarded in an amount that is not less than $200,000, except that an individual grant authorized under section 402G shall be awarded in an amount that is not less than $170,000.".

(4) in subsection (d)—

(A) in paragraph (2), by striking "service delivery" and inserting "quality service delivery, as determined under subsection (f)";

(B) in paragraph (3)(B), by striking "is not required to" and inserting "shall not"; and

(C) in paragraph (5), by striking "campuses" and inserting "campuses and campus centers";

(5) in subsection (e), by striking "(g)(2)" each place the term occurs and inserting "(h)(2)";

(6) in subsection (f), by redesignating subsections (f) and (g) as subsections (g) and (h), respectively;

(5) by inserting after subsection (e) the following:

"(f) OUTCOME CRITERIA.—

(1) IN GENERAL.—The Secretary, by regulation, shall establish outcome criteria for measuring, annually and for longer periods, the quality and effectiveness of programs authorized under this chapter.

(2) USE FOR PRIOR EXPERIENCE DETERMINATION.—In carrying out paragraph (1) shall be used to evaluate the programs provided by a recipient of a grant under this chapter, and the Secretary shall determine an eligible student's progress in high quality service delivery, as required in subsection (c)(2), based on the outcome criteria.

(3) CONSIDERATION OF RELEVANT DATA.—The outcome criteria shall take into account data pertaining to secondary school completion, postsecondary education enrollment, and postsecondary education enrollment to measure progress of such students, first generation college students, and individuals with disabilities, in the schools and institutions of higher education served by the programs.

(4) CONTENTS OF OUTCOME CRITERIA.—The outcome criteria shall include the following:

"(A) For programs authorized under section 402B, whether the eligible entity met or exceeded the entity's objectives established in the entity's application for such program regarding—

(i) the delivery of service to a total number of students served by the program;

(ii) the continued secondary school enrollment of such students; and

(iii) the graduation of such students from secondary school;

(iv) the enrollment of such students in an institution of higher education.

"(B) For programs authorized under section 402C, whether the eligible entity met or exceeded its objectives for such program regarding—

(i) the delivery of service to a total number of students served by the program, as agreed upon by the entity and the Secretary for the period;

(ii) such students' performance, as measured by the grade point average, or its equivalent;

(iii) such students' academic performance, as measured by standardized tests, including tests required by the students' State; and

(iv) the retention of such students from, secondary school of such students; and

(v) the enrollment of such students in an institution of higher education.

"(C) For programs authorized under section 402D—

(i) whether the eligible entity met or exceeded the entity's objectives regarding the retention in postsecondary education of the students served by the program;

(ii) in the case of an entity that is an institution of higher education offering a baccalaureate degree, the extent to which the entity met or exceeded the entity's objectives regarding such students' completion of the institution in which such students were enrolled; or

(ii) in the case of an entity that is an institution of higher education offering a baccalaureate degree, the extent to which the entity met or exceeded the entity's objectives regarding the delivery of service to a total number of students, as agreed upon by the entity and the Secretary for the period; and

(iii) whether the applicant met or exceeded the entity's objectives regarding such students remaining in good academic standing.

"(D) For programs authorized under section 402E, whether the entity met or exceeded the entity's objectives for such program regarding—

(i) the delivery of service to a total number of students, as agreed upon by the entity and the Secretary for the period; and

(ii) whether the entity met or exceeded the entity's objectives regarding such students' performance in high quality service delivery; and

(iii) the attainment of doctoral degrees by former program participants.

"(E) For programs authorized under section 402F, whether the entity met or exceeded the entity's objectives for such program regarding—

(i) the enrollment of students without a high school diploma or its recognized equivalent, who were served by the program, in programs leading to such diploma or equivalent; and

(ii) the enrollment of secondary school graduates who were served by the program in programs of postsecondary education;
“(iii) the delivery of service to a total number of students, as agreed upon by the entity and the Secretary for the period; and 

“(iv) the provision of assistance to students to complete college, including but not limited to the following: 

(a) alternative education programs and college admission applications; 

(b) advice and assistance in secondary course selection and, if applicable, initial postsecondary course selection; 

(c) assistance in preparing for college entrance examinations and completing college admission applications; 

(d) information on both the full range of Federal student financial aid programs (including Federal Pell Grant awards and loan forgiveness) and resources for locating public and private scholarships; 

(e) assistance in completing financial aid applications; 

(f) information and activities designed to acquaint youths with the range of career options available to the youths; 

(g) exposure to cultural events, academic or secondary school reentry; 

(h) information and activities designed to encourage eligible youths to enter or reenroll in postsecondary courses, which may include instruction in reading, writing, study skills, mathematics, science, and other subjects; 

(i) information and activities designed to encourage eligible youths to enter or reenroll in postsecondary courses, which may include instruction in reading, writing, study skills, mathematics, science, and other subjects; 

(j) information and activities designed to encourage eligible youths to enter or reenroll in postsecondary courses, which may include instruction in reading, writing, study skills, mathematics, science, and other subjects.

“As another population that the entity has applied for a grant under this chapter means a group of individuals, with respect to whom an eligible entity desires to serve through an application for a grant under this chapter, that—

(A) is geographically apart from the main campus of the institution; 

(B) is permanent in nature; and 

(C) offers courses in educational programs leading to a degree, certificate, or other recognized educational credential.

“(2) PERMISSIBLE SERVICES.—The term ‘permissible services’ means a group of individuals, with respect to whom an eligible entity desires to serve through an application for a grant under this chapter, that—

(A) is separate and distinct from any other population that the entity has applied for a grant under this chapter to serve; or 

(B) while sharing some of the same needs as another population that the eligible entity has applied for a grant under this chapter to serve, has distinct needs for specialized services.

“In paragraph (a), by striking ‘or’ after the semicolon; 

“(i) in subparagraph (B), by striking the period at the end and inserting ‘;’ or; and 

“(ii) by adding at the end the following: 

“(C) a member of a reserve component of the Armed Forces called to active duty for a period of more than 180 days.”

(D) in paragraph (b), by striking “subparagraph (A) or (B) of paragraph (3)” and inserting “subparagraph (A), (B), or (C) of paragraph (5)”.

(E) TALENT SEARCH.—Section 402B (20 U.S.C. 1070a–12) is amended—

(1) in subsection (a)—

(A) in paragraph (1), by striking ‘‘to identify qualified youths with potential for education at the postsecondary level and to encourage such youths’’ and inserting ‘‘to encourage eligible youths;’’

(B) by striking paragraph (2), by inserting ‘‘, and facilitate the application for,’’ after ‘‘the availability of;’’ and

(C) in paragraph (3), by striking ‘‘, but who have the ability to complete such programs, to reenter and inserting ‘‘to enter or reenter, and complete;’’

(2) by redesigning subsection (c) as subsection (d); 

(3) by striking subsection (b) and inserting the following: 

(b) REQUIRED SERVICES.—Any project assisted under this section shall provide—

(1) academic tutoring to enable students to complete secondary or postsecondary courses, which may include instruction in reading, writing, study skills, mathematics, science, and other subjects; 

(2) advice and assistance in secondary course selection and, if applicable, initial postsecondary course selection; 

(3) assistance in preparing for college entrance examinations and completing college admission applications; 

(4) information on both the full range of Federal student financial aid programs (including Federal Pell Grant awards and loan forgiveness) and resources for locating public and private scholarships; 

(5) guidance on and assistance in—

(A) secondary school reentry; 

(B) alternative education programs for secondary school dropouts that lead to the receipt of a regular secondary school diploma; 

(C) entry into general educational development (GED) programs; or 

(D) postsecondary education; and 

(6) education or counseling services designed to improve the financial literacy and economic literacy of students, including financial planning for postsecondary education.

(2) in subsection (c)—

(A) in the subsection heading, by striking ‘‘REQUIRED SERVICES’’ and inserting ‘‘ADDITIONAL REQUIRED SERVICES FOR MULTIPLE-YEAR GRANT RECIPIENTS’’; 

(B) by striking ‘‘upward bound projects under this chapter and inserting ‘project assisted under this section;’’

(3) by redesigning subsections (d) and (e) as subsections (e) and (f), respectively; 

(4) by inserting after subsection (c) the following: 

(d) PERMISSIBLE SERVICES.—Any project assisted under this section may provide such services as—

(1) exposure to cultural events, academic programs, and other activities not usually available to disadvantaged youth; 

(2) information, activities and instruction designed to acquaint youths participating in the project with the range of career options available to the youths; 

(3) on-campus residential programs; 

(4) mentoring programs involving elementary school or secondary school teachers or counselors, faculty members at institutions of higher education, students, or any combination of such persons; 

(5) work-study positions where youth participating in the project are exposed to careers requiring a postsecondary degree; 

(6) special services to enable veterans to make the transition to postsecondary education; and 

(7) programs and activities as described in subsection (b), by striking ‘‘talent search projects under this chapter’’ and inserting ‘‘projects under this section’’.

(3) in subsection (f) (as redesignated by paragraph (3))—

(A) by striking “during June, July, and August” each place the term occurs and inserting “during the summer school recess, for a period not to exceed 3 months;” and 

(B) by striking “(b)(10)” and inserting “(d) STUDENT SUPPORT SERVICES.—Section 402D (20 U.S.C. 1070a–14) is amended—

(1) in subsection (a)—

(A) in paragraph (2), by striking ‘‘and’’ after the semicolon; 

(B) by striking paragraph (3) and inserting the following: 

(2) to foster an institutional climate supportive of the success of low-income and first generation college students, students with disabilities, students who are limited English proficient, students who are homeless children and youths (as such term is defined in section 725 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a)), and students who are in foster care or are aging out of the foster care system.”; 

(3) in the matter preceding paragraph (1) (as redesignated by paragraph (3)), by striking “upward bound projects under this chapter and inserting ‘projects under this section’;” and 

(4) in subsection (f) (as redesignated by paragraph (3) —

(A) by striking “during June, July, and August” each place the term occurs and inserting “during the summer school recess, for a period not to exceed 3 months;” and 

(B) by striking “(b)(10)” and inserting”

(d) STUDENT SUPPORT SERVICES.—Section 402D (20 U.S.C. 1070a–14) is amended—

(1) in subsection (a)—

(A) in paragraph (2), by striking ‘‘and’’ after the semicolon; 

(B) by striking paragraph (3) and inserting the following: 

(2) to foster an institutional climate supportive of the success of low-income and first generation college students, students with disabilities, students who are limited English proficient, students who are homeless children and youths (as such term is defined in section 725 of the McKinney-Vento
Homeless Assistance Act (42 U.S.C. 11434a), and students who are in foster care or are aging out of the foster care system.; and
(C) by adding at the end the following:
"(4) in subsection (d)(1) (as redesignated by paragraph (2)), by striking "subparagraph (c)" and inserting "subparagraph (c); and
(5) in the matter preceding paragraph (1) of subsection (e) (as redesignated by paragraph (2)), by striking "student support services and projects under this chapter and inserting "projects under this section".
(e) POSTBACCALAUREATE ACHIEVEMENT PROGRAM AUTHORITY.—Section 402E (20 U.S.C. 1070a-15) is amended—
(1) in subsection (b)—
(A) in the subsection heading, by inserting "REQUIRED" before "SERVICES";
(B) in the matter preceding paragraph (1), by striking "A postbaccalaureate achievement project assisted under this section may provide services such as— and inserting "A project assisted under this section may provide services such as—; and
(C) in paragraph (5), by inserting "and" after the semicolon;
(D) in paragraph (6), by striking the semicolon and inserting a period; and
(E) by striking paragraphs (7) and (8);
(2) by redesignating subsections (c) through (f) as subsections (d) through (g), respectively;
(3) by inserting after subsection (b) the following:
"(c) PERMISSIBLE SERVICES.—A project assisted under this section may provide services such as—
(1) education or counseling services designed to improve the financial literacy and economic literacy of students, including financial planning for postsecondary education;
(2) activities designed to assist students participating in the project in securing college admission and financial assistance for enrollment in graduate and professional programs; and
(3) activities designed to assist students enrolled in 2-year institutions of higher education in securing admission and financial assistance for enrollment in a 4-year program of postsecondary education.
"(d) A project assisted under this section may provide services such as—
"(1) consistent, individualized personal, career, and academic counseling; provided by assigned counselors;
"(2) information, activities, and instruction designed to acquaint youths participating in the project with the range of career options available to the students;
"(3) exposure to cultural events and academic programs not usually available to disadvantaged students;
"(4) activities designed to acquaint students participating in the project with the range of career options available to the students;
"(5) mentoring programs involving faculty or upper class students, or a combination thereof;
"(6) securing temporary housing during breaks in the academic year for students who are homeless children and youths (as such term is defined in section 725 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a)) who are formerly homeless children and youths and students who are in foster care or are aging out of the foster care system;
"(7) programs and activities as described in subsection (b) or paragraphs (1) through (5) of this subsection that are specially designed for students who are limited English proficient, students with disabilities, students who are homeless children and youths (as such term is defined in section 725 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a)) or were formerly homeless children and youths, or students who are in foster care or are aging out of the foster care system.
"(8) in section 402F (20 U.S.C. 1070a-15) is amended—
(1) in subsection (a)—
(A) in paragraph (1), by striking "and" after the semicolon;
(B) in paragraph (2), by striking the period at the end and inserting "; and"; and
(C) by adding at the end the following:
"(2) to improve the financial literacy and economic literacy of students, including—
(A) basic personal income, household money management, and financial planning skills;
(B) basic economic decisionmaking skills; and
(C) by striking paragraph (7) (as redesignated by subparagraph (A) and inserting the following:
"(7) individualized personal, career, and academic counseling;
"(D) by striking paragraph (11) (as redesignated by subparagraph (A) and inserting the following:
"(2) information, activities, and instruction designed to assist students participating in the project in securing college admission and financial assistance for enrollment in a 4-year program of postsecondary education;
(2) the number of entities that received grants during the fiscal year, including the number of entities that—
(A) received a grant to carry out a program under this chapter for the fiscal year; and
(B) had not received funding for that particular program during the previous grant cycle;
(3) a comparison of the number and percentage of grant awards made to entities described in paragraph (2), with the number of such entities funded through discretionary grant competitions conducted by the Secretary under this chapter in the 3 grant cycles preceding the fiscal year;
(4) information on the number of individuals served by each program authorized under this chapter; and
(5) information on the outcomes achieved by each program authorized under this chapter, including the outcomes described in section 402A(f) for each program.
SEC. 7363. GAINING EARLY AWARENESS AND READINESS FOR UNDERGRADUATE PROGRAMS.
(a) EARLY INTERVENTION AND COLLEGE AWARENESS PROGRAM AUTHORIZED.—Section 4044 (20 U.S.C. 1070a-21) is amended—
(1) by striking subsection (a) and inserting the following:
"(a) PROGRAM AUTHORIZED. The Secretary is authorized to carry out the requirements of this chapter, to establish a program that encourages eligible entities to
provide support to eligible low-income students to assist the students in obtaining a secondary school diploma (or its recognized equivalent) and to prepare for and succeed in postsecondary education, by providing—

“(1) financial assistance, academic support, additional counseling, mentoring, outreach, and supportive services to middle school and secondary school students to reduce—

“(A) the risk of such students dropping out of school;

“(B) the need for remedial education for such students at the postsecondary level; and

“(2) information to students and their parents about the advantages of obtaining a postsecondary education and the college financing options for the students and their parents;

(2) by striking subsection (b)(2)(A) and inserting the following:

“(A) give priority to eligible entities that have a prior, demonstrated commitment to early intervention leading to college access through collaboration and replication of successful strategies;” and

(3) by striking subsection (c)(2) and inserting the following:

“(2) a partnership—

“(A) consisting of—

“(i) 1 or more local educational agencies; and

“(ii) 1 or more degree granting institutions of higher education; and

“(B) which may include not less than 2 other community organizations or entities, such as businesses, professional organizations, State agencies, institutions or agencies sponsoring programs authorized under subpart 4, or other public or private agencies or organizations.”

(b) REQUIREMENTS.—Section 404B (20 U.S.C. 1070a) is amended—

(1) by striking subsection (a) and inserting the following:

“(1) DISTRIBUTION.—In awarding grants from the amount appropriated under section 404G for a fiscal year, the Secretary shall take into consideration—

“(A) the geographic distribution of such awards; and

“(B) the distribution of such awards between urban and rural applicants.

“(2) SPECIAL RULE.—The Secretary shall annually reevaluate the distribution of funds described in paragraph (1) based on number, quality, or impact of the applications.

(2) by striking subsections (b), (c), and (d); and

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

(4) by adding at the end the following:

“(e) SUPPLEMENT, NOT SUPPLANT.—Grant funds awarded under this chapter shall be used to supplement, and not supplant, other Federal, State, or local funds that would otherwise be expended to carry out activities assisted in that chapter.

(c) APPLICATION.—Section 404C (20 U.S.C. 1070a-23) is amended—

(1) in the section heading, by striking “ELIGIBLE ENTITY PLANS” and inserting “APPLICATIONS”;

(2) in subsection (a)—

(A) in the subsection heading, by striking “ELIGIBLE ENTITY PLANS” and inserting “APPLICATION”;

(B) in paragraph (1)—

(i) by striking “a plan” and inserting “an application”;

(ii) by striking the second sentence; and

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

“(2) CONTENTS.—Each application submitted pursuant to paragraph (1) shall be in such form, contain or be accompanied by such information or assurances, and be submitted at such time as the Secretary may require. Each such application shall, at a minimum—

“(A) describe the activities for which assistance under this chapter is sought, including how the eligible entity will carry out the required activities described in section 404D(a);

“(B) describe how the eligible agency will meet the requirements of section 404E;

“(C) provide assurances that adequate administrative and support staff will be responsible for conducting the activities described in section 404D;

“(D) ensure that activities assisted under this chapter will not displace an employee or eliminate a school, assisted under this chapter, including a partial displacement such as a reduction in hours, wages or employment benefits;

“(E) describe, in the case of an eligible entity described in section 404A(c)(2), how the eligible entity will define the cohorts of the students served by the eligible entity pursuant to section 404B(d), and how the eligible entity will serve the cohort through grade 12, including—

“(i) how vacancies in the program under this chapter will be filled; and

“(ii) how the eligible entity will serve students attending different secondary schools;

“(F) describe how the eligible entity will coordinate programs with other existing Federal, State, or local programs to avoid duplication and maximize the number of students served;

“(G) provide such additional assurances as the Secretary determines necessary to ensure compliance with the requirements of this chapter; and

“(H) provide information about the activities that will be carried out by the eligible entity to support systemic changes from which future cohorts of students will benefit.

“(3) in the matter preceding subparagraph (A) of subsection (b)(1)—

“(A) by striking “a plan” and inserting “an application”;

“(B) by striking “such plan” and inserting “such application”;

“(C) by striking the semicolon at the end and inserting “including—

“(A) the amount contributed to a student scholarship fund established under section 404E; and

“(B) the amount of the costs of administering the scholarship program under section 404E;

“(4) in subsection (c)(1), by striking the segment of the section (d) to participate in program activities.

(d) ACTIVITIES.—Section 404D (20 U.S.C. 1070a-24) is amended to read as follows:

“SEC. 404D. ACTIVITIES.

“(a) REQUIRED ACTIVITIES.—Each eligible entity receiving a grant under this chapter shall carry out the following:

“(1) Provide information regarding financial aid for postsecondary education to participating students in the cohort described in subsection 404D(b)(1)(A).

“(2) Encourage student enrollment in rigorous and challenging curricula and coursework, in order to reduce the need for remedial coursework at the postsecondary level.

“(3) Support activities designed to improve the number of participating students who—

“(A) obtain a secondary school diploma; and

“(B) complete applications for and enroll in a program for postsecondary education;

“(4) In the case of an eligible entity described in section 404A(c)(1), provide for the scholarships described in section 404E;

“(5) In the case of an eligible entity described in section 404A(c)(2), receiving funds under this chapter and may use grant funds to carry out 1 or more of the following activities:

“(1) Providing technical assistance to—

“(A) middle schools or secondary schools that are located within the State; or

“(B) partnerships described in section 404A(c)(2) that are located within the State.
“(2) Providing professional development opportunities to individuals working with eligible cohorts of students described in section 404D(b)(1) (A).

“(3)Developing strategies and activities that align efforts in the State to prepare eligible students for attending and succeeding in postsecondary education, which may include—

"(i) the development of graduation and career plans.

“(4) Disseminating information on the use of scientifically based research and best practices to improve services for eligible students.

“(5)(A) Disseminating information on effective coursework and support services that assist in maintaining the goals described in subparagraph (B)(ii).

“(B) Identifying and disseminating information on best practices with respect to—

"(i) increasing parental involvement; and

"(ii) preparing students, including students with disabilities and students who are limited English proficient, to succeed academically in, and prepare financially for, postsecondary education.

“(6) Working to align State academic standards and curricula with the expectations of postsecondary institutions and employers.

“(7) Developing alternatives to traditional secondary school that give students a head start in attaining a recognized postsecondary credential (including an industry certificate, an apprenticeship, or an associate’s or a bachelor’s degree), including school design that gives students early exposure to college-level courses and experiences and allow students to earn transferable college credits or an associate’s degree at the same time as secondary school diploma.

“(8) Creating community college programs for drop-outs that are personalized drop-out recovery programs that allow drop-outs to complete a secondary school diploma and begin college-level work.

“(d) Eligible entities described in section 404A(c)(1) that receives a grant under this chapter shall use not less than 25 percent and not more than 50 percent of the grant funds for activities described in section 404D(c), with the remainder of such funds to be used for activities described in this section.

“(2) EXCEPTION.—Notwithstanding paragraph (1), the Secretary may allow an eligible entity to use more than 50 percent of grant funds for activities described in this section if the eligible entity demonstrates that the eligible entity has another means of providing the services with which the funds described in this section and describes such means in the application submitted under section 404C.

“(c) NOTIFICATION.—Each eligible entity providing scholarships under this section shall provide information on the eligibility requirements for the scholarships to all participating students upon the students’ entry into the programs assisted under this chapter.

“(d) ALLOCATION OF FUNDS.

“(1) IN GENERAL.—For eligible entities described in subsection (d), by striking “the lesser of” all and inserting ‘‘the amount that is not less than the minimum scholarship amount described in subsection (d), multiplied by the number of students participating in the cohort”.

“(e) PORTABILITY OF ASSISTANCE.

“(1) IN GENERAL.—Each eligible entity described in section 404A(c)(1) that receives a grant under this paragraph shall be able to create or organize a trust for each cohort described in section 404B(d)(1)(A) for which the grant is sought in the application submitted by the entity, which trust shall be an amount that is not less than the minimum scholarship amount described in subsection (d), multiplied by the number of students participating in the cohort.

“(2) REQUIREMENT FOR PORTABILITY.—Funds contributed to the trust for a cohort shall be available to an eligible student in the cohort when the student has—

“(A) completed a secondary school diploma, its recognized equivalent, or other recognized alternative standard for individuals with disabilities; and

“(B) enrolled in an institution of higher education.

“(3) QUALIFIED EDUCATIONAL EXPENSES.—Funds available to an eligible student from a trust may be used for—

“(A) tuition, fees, books, supplies, and equipment required for the enrollment or attendance of the eligible student at an institution of higher education; and

“(B) in the case of the eligible student with special needs, expenses for special needs services which are incurred in connection with such enrollment or attendance.

“(4) RETURN OF FUNDS.

“(A) REDISTRIBUTION.—In general.

“(i) of the grant under this chapter that is not used by an eligible entity within 5 years of the student’s scheduled completion of secondary school may be redistributed by the eligible entity to other eligible students.

“(ii) RETURN OF EXCESS TO THE SECRETARY.—If, after meeting the requirements of paragraph (i), if applicable, redistributing excess funds in accordance with clause (i), an eligible entity has funds remaining, the eligible entity shall return excess funds to the Secretary for distribution to other grantees under this chapter.

“(B) NONPARTICIPATING ENTITY.—Notwithstanding subparagraph (A), in the case of an eligible entity described in section 404A(c)(1)(A) that does not receive assistance under this subpart for 6 fiscal years, the eligible entity shall return any trust funds not awarded to students to the Secretary for distribution to other grantees under this chapter.

“(6) in subsection (g) (as redesignated by paragraph (2)—

“(A) in paragraph (2), by striking “1993” and inserting “2000”;

“(B) in paragraph (4), by striking “early intervention component required under section 404D” and inserting “activities required under section 404D(a)(1)”; and

“(C) in section 404G (as redesignated by subsection (g) (20 U.S.C. 1070a-28) is amended by striking “$200,000,000 for fiscal year 1999” and all that follows through the period and inserting “such sums as may be necessary for fiscal year 2006 and each of the 5 succeeding fiscal years.”

“(h) CONFORMING AMENDMENTS.—Chapter 2 of part 2 of A of title IV (20 U.S.C. 1070a-1 et seq.) is further amended—

“(1) in section 404A(b)(1), by striking “404H” and inserting “404G”;

“(2) in section 404A(b)(1), by striking “404H” and inserting “404G”;

“(3) in section 404F(c) (as redesignated by subsection (f)(2), by striking “404H” and inserting “404G”;

“SEC. 7364. FEDERAL ACHIEVEMENT INCENTIVE SCHOLARSHIPS.

“Chapter 3 of part 2 of A of title IV (20 U.S.C. 1070a-31 et seq.) is repealed.

“SEC. 7365. FEDERAL SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANTS.

“(a) Appropriations Authorized.—Section 413A(b)(1) (20 U.S.C. 1070b(b)(1)) is amended by striking “$757,000,000 for fiscal year 1999” and all that follows through the period and inserting “such sums as may be necessary for fiscal year 2006 and each of the 5 succeeding fiscal years.”

“(b) Allocation of Funds.—

“(1) Allocation of Funds.—Section 413D (20 U.S.C. 1070b-23) is amended by—

“(A) striking subsection (a)(4); and

“(B) in subsection (c)(3)(D), by striking “1995” and inserting “2000”.

“(2) TECHNICAL CORRECTION.—Section 413D(a)(1) (20 U.S.C. 1070b-3a(a)(1)) is amended by striking “such institution” and all that follows through the period and inserting “such institution received under subsections (a) and (b) of this section for fiscal year 1999 (as such subsections were in effect with respect to allocations for fiscal year 1998)”.

“SEC. 7366. LEVERAGING EDUCATIONAL ASSISTANCE PARTNERSHIP PROGRAM.

“(a) Appropriations Authorized.—Section 415A(b)(1) (20 U.S.C. 1070c(b)(1)) is amended to read as follows:

“(1) IN GENERAL.—There are authorized to be appropriated to carry out this subpart such sums as may be necessary for fiscal year 2006 and each of the 5 succeeding fiscal years.

“(2) APPICATIONS.—Section 415C(b) (20 U.S.C. 1070c-2(b)) is amended—

“(1) in the matter preceding paragraph (A) of subsection (B) and inserting “not to exceed the lesser of $12,500 or the student’s cost of attendance per academic year”;

“(2) in paragraph (10) and inserting the following—

“(10) provides notification to eligible students that such grants are—

“Leveraged Educational Assistance Partnership Grants; and

“(B) funded by the Federal Government, the State, and other contributing partners.”

“(c) ELIGIBILITY.—Section 415E (20 U.S.C. 1070c-3a) is amended to read as follows:
SEC. 415E. GRANTS FOR ACCESS AND PERSISTENCE.

(a) Purpose.—It is the purpose of this section to expand college access and increase college persistence by making allotments to States to enable the States to—

(1) enter into and support partnerships with institutions of higher education, early information and intervention, mentoring, or outreach programs, private corporations, philanthropic organizations, and other interested parties in order to—

(A) carry out activities under this section; and

(B) provide coordination and cohesion among Federal, State, and local government and private efforts that provide financial assistance to help low-income students attend an institution of higher education;

(2) provide need-based grants for access and persistence to eligible low-income students;

(3) provide early notification to low-income students of the students’ eligibility for financial aid; and

(4) encourage increased participation in early information and intervention, mentoring, or outreach programs.

(b) Allotments to States.—

(1) In general.—

(A) Authorization.—From sums reserved under section 415A(b)(2) for each fiscal year, the Secretary shall make an allotment to each State that submits an application for an allotment in accordance with subsection (c) to enable the State to pay the Federal share, as described in paragraph (2), of the cost of carrying out the activities under subsection (d).

(B) Determination of allotment.—In making allotments under subparagraph (A), the Secretary shall consider the following:

(i) Priority.—In making an allotment under this section, the Secretary shall apply the following:—

(A) the methods by which non-Federal share funds will be paid and include provisions designed to ensure that funds paid under this section will be used to supplement, and not supplant, Federal and non-Federal funds available for carrying out the activities under this title;

(B) A description of the plan for using the allotted funds;

(ii) Assurances that the State will provide the non-Federal share from State, institutional, philanthropic, or private funds, of not less than the required share of the cost of carrying out the activities under subsection (d), as determined under subsection (b), in accordance with part F of this title; and

(iii) Assurances that the State will provide or coordinate non-Federal share funds, and coordinate activities among partners; and

(iv) Assurances that the State will use the allotted funds to create or expand existing partnerships with nonprofit organizations or community-based organizations in which such organizations match funds for student scholarships, may apply such matching funds from such organizations toward fulfilling the State’s non-Federal share obligation under this part, to the extent that the State has in place, such as acceptance of the automatic recognition of financial aid and transportation passes, and that helps a student meet the cost of attendance.

(iii) Effect on need analysis.—For the purpose of calculating the non-Federal share under this section, an in-kind contribution is a non-cash award that has monetary value, such as free tuition, books, board and room, transportation passes, and that helps a student meet the cost of attendance.

(iv) Application for allotment.—

(A) Submission.—A State that desires to receive an allotment under this section shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require.

(B) Contents.—An application submitted under subparagraph (A) shall include the following:

(i) A description of the State’s plan for using the allotted funds;

(ii) Assurances that the State will provide the non-Federal share from State, institutional, philanthropic, or private funds, of not less than the required share of the cost of carrying out the activities under subsection (d), as determined under subsection (b), in accordance with part F of this title;

(iii) The State shall specify the methods by which non-Federal share funds will be paid and include provisions designed to ensure that funds paid under this section will be used to supplement, and not supplant, Federal and non-Federal funds available for carrying out the activities under this title;

(iv) A description of the organizational structure that the State has in place to administer the activities under subsection (d), including a description of the system the State will use to track the participation of students who receive grants under this section to degree completion;

(v) Assurances that the State has a method in place, such as acceptance of the automatic recognition of family contribution determination data, that is used by the State’s unit for the partnership to identify eligible low-income students and award State grant aid to such students;

(vi) Assurances that the State will provide the non-Federal share for eligible low-income students that grants under this section are—

(D) Leveraging Educational Assistance Partnership Grants; and

(E) Issued by the Federal Government, the State, and other contributing partners.

(2) State agency.—The State agency that submits an application for a State under section 415A(c) of this title that submits an application under paragraph (1) for such State.

(3) Partnership.—In applying for an allotment under this section, the State agency shall apply for the allotment in partnership with—

(A) not less than 1 public and 1 private degree-granting institution of higher education that are located in the State, if applicable;

(B) new or existing early information and intervention, mentoring, or outreach programs located in the State; and

(C) not less than 1—

(i) philanthropic organization located in, or provides services to, the State; or

(ii) private corporation located in, or that does business in, the State.

(4) Roles of partners.—

(A) State agency.—A State agency that is in a partnership receiving an allotment under this section—

(i) shall—

(I) serve as the primary administrative unit for the partnership;

(II) provide early information and intervention, mentoring, or outreach programs;

(B) Degree granting institutions of higher education.—A degree granting institution of higher education that is in a partnership receiving an allotment under this section—

(i) shall—

(I) recruit and admit participating qualified students and provide such additional institutional grant aid to participating students as agreed to with the State agency;

(ii) provide support services to students who receive grants for access and persistence under this section and are enrolled at such institutions; and

(iii) assist the State in the identification of eligible students and the dissemination of early notifications of assistance as agreed to with the State agency; and

(C) Programs.—An early information and intervention, mentoring, or outreach program that is in a partnership receiving an allotment under this section shall provide direct services, support, and information to participating students.

(D) Philanthropic organization or private corporation.—A philanthropic organization or private corporation that is in a partnership receiving an allotment under this section shall provide funds for grants for access and persistence for participating students, or provide funds or support for early information and intervention, mentoring, or outreach programs.

(E) Authorized activities.—

(I) General.—

(A) Establishment of partnership.—Each State receiving an allotment under this section shall use the funds to establish a partnership to award grants for access and persistence to eligible low-income students in order to increase the amount of financial assistance such students receive under this section for undergraduate education expenses.

(B) Amount of grants.—
(1) Partnerships with institutions serving less than a majority of students in the State.—

(2) In general.—In the case where a State receives an allotment under this section, the State shall participate in a partnership described in subsection (b)(2)(A)(i), the amount of a grant for access and persistence awarded by such State shall be not less than the amount that is equal to the average undergraduate tuition and mandatory fees at 4-year public institutions of higher education in the State where the student resides (less any Federal or State sponsored grant amount, work study amount, and scholarship amount received by the student), and such amount shall be used toward the average cost of attendance at an institution of higher education located in the State.

(II) Partnerships with institutions serving the majority of students in the State.—In the case where a State receiving an allotment under this section is in a partnership described in subsection (b)(2)(A)(ii), the amount of a grant for access and persistence awarded by such State shall be not more than an amount that is equal to the average cost of attendance at 4-year public institutions of higher education in the State where the student resides (less any Federal or State sponsored grant amount, college work study amount, and scholarship amount received by the student), and such amount shall be used by the student to attend an institution of higher education located in the State.

(C) Special rules.—

(I) Partnership institutions.—A State receiving an allotment under this section shall ensure that any institution that is a partner in the partnership and that receives an allotment under this section shall ensure that any institution of higher education located in another State, such agreement may also apply to grants awarded under this section.

(II) Out-of-State institutions.—If a State provides grants through another program to students attending institutions of higher education located in another State, such agreement may also apply to grants awarded under this section.

(3) Eligibility.—

(A) In General.—Each State receiving an allotment under this section shall annually notify low-income students, such students who are eligible to receive a free lunch under the National School Lunch Act, in grade 7 through grade 12 in the State, and persons attending institutions of higher education, that the State has determined eligible for grants for access and persistence, to attend an institution of higher education.

(B) Notification.—The notification under subparagraph (A)—

(i) shall include—

(I) information about early information and intervention, mentoring, or outreach programs available to the student;

(II) information that a student’s candidacy for a grant for access and persistence is enhanced through participation in an early information and intervention, mentoring, or outreach program;

(III) an explanation that student and family eligibility and participation in other Federal means-tested programs may indicate eligibility for a grant for access and persistence and other student aid programs authorized by this title, including pursuant to section 479; and

(IV) a nonbinding estimation of the total amount of financial aid a low-income student with a similar income level may expect to receive from the institution of higher education, including the amount of a grant for access and persistence and an estimation of the amount of grants, loans, and all other available types of aid from the Federal or State financial aid programs;

(V) an explanation that in order to be eligible for a grant for access and persistence, at a minimum, a student shall—

(aa) meet the requirement under paragraph (3);

(bb) graduate from secondary school; and

(cc) enroll at an institution of higher education that is a partner in the partnership or qualifies under subsection (d)(1)(C)(i); and

(VI) information on any additional requirements (such as a student pledge detailing student responsibilities) that the State may impose for receipt of a grant for access and persistence and an explanation that a determination of the student’s eligibility is made in accordance with paragraph (5).

(B) Is receiving, or has received, a grant for access and persistence and an explanation that a determination of the student’s eligibility is made in accordance with paragraph (5).

(VII) instructions on how to apply for a grant for access and persistence and an explanation that a student is required to file a Free Application for Federal Aid authorized under section 483(a) to be eligible for such grant and assistance from other Federal and State financial aid programs; and

(i) may include a disclaimer that grant awards for access and persistence are contingent upon—

(A) a determination of the student’s financial eligibility at the time of the student’s enrollment at an institution of higher education that is in a partnership described in subsection (b)(2)(A)(ii) and that receives an allotment under this section.

(B) inform the student that payment of a grant for access and persistence awarded to the student remains eligible for assistance under this title, including pursuant to section 484(c), and remains financially eligible as determined by the State, if the student is enrolled at an institution of higher education that is in a partnership described in subsection (b)(2)(A)(ii) and that receives an allotment under this section.

(C) APPLICABILITY RULE.—The provisions of this subsection that are not inconsistent with or contrary to the program authorized by this section.

(VIII) background of potential eligibility.

(A) For purposes of determining a State’s share of the cost of the authorized activities described in subsection (d), the Secretary shall consider all expenditures of the State, from funds derived from non-Federal sources, for the authorized activities described in subsection (d) for the preceding fiscal year that were not inconsistent with or contrary to the program authorized by this section.

(B) MAGNITUDE OF AWARD.—Each State receiving an allotment under this section shall provide the Secretary with an assurance that the aggregate amount expended per student or the aggregate expenditure by the State, from funds derived from non-Federal sources, for the authorized activities described in subsection (d) for the preceding fiscal year shall be non-Federal sources, for the authorized activities described in subsection (d) for the preceding fiscal year shall be.

(C) SPECIAL RULE.—Notwithstanding subsection (b), for purposes of determining a State’s share of the cost of the authorized activities described in subsection (d), the Secretary shall consider all expenditures of the State, from funds derived from non-Federal sources, that exceed the Secretary’s share of the total expenditures for need-based grants, scholarships, and work-study assistance for the fiscal year, including any such assistance provided under this subpart.

(D) Continuation and transition.—For the 2-year period that begins on the date of enactment of this section, the Secretary shall—

(1) in subsection (a), by adding “(including providing outreach and technical assistance)” after “maintain and expand”;

(2) in subsection (d), by adding “An eligible student that receives a grant for access and persistence under this title, including pursuant to section 484(c), and remains financially eligible as determined by the State, if the student is enrolled at an institution of higher education that is in a partnership described in subsection (b)(2)(A)(ii) and that receives an allotment under this section.”;

(3) in subsection (e)(1), by adding “An eligible student that receives a grant for access and persistence under this title, including pursuant to section 484(c), and remains financially eligible as determined by the State, if the student is enrolled at an institution of higher education that is in a partnership described in subsection (b)(2)(A)(ii) and that receives an allotment under this section.”;

(4) in subsection (f), by adding “An eligible student that receives a grant for access and persistence under this title, including pursuant to section 484(c), and remains financially eligible as determined by the State, if the student is enrolled at an institution of higher education that is in a partnership described in subsection (b)(2)(A)(ii) and that receives an allotment under this section.”;

(5) in subsection (g)(1), by adding “An eligible student that receives a grant for access and persistence under this title, including pursuant to section 484(c), and remains financially eligible as determined by the State, if the student is enrolled at an institution of higher education that is in a partnership described in subsection (b)(2)(A)(ii) and that receives an allotment under this section.”;

(6) in subsection (h), by adding “An eligible student that receives a grant for access and persistence under this title, including pursuant to section 484(c), and remains financially eligible as determined by the State, if the student is enrolled at an institution of higher education that is in a partnership described in subsection (b)(2)(A)(ii) and that receives an allotment under this section.”;

(7) in subsection (i), by adding “An eligible student that receives a grant for access and persistence under this title, including pursuant to section 484(c), and remains financially eligible as determined by the State, if the student is enrolled at an institution of higher education that is in a partnership described in subsection (b)(2)(A)(ii) and that receives an allotment under this section.”;

(8) in subsection (j), by adding “An eligible student that receives a grant for access and persistence under this title, including pursuant to section 484(c), and remains financially eligible as determined by the State, if the student is enrolled at an institution of higher education that is in a partnership described in subsection (b)(2)(A)(ii) and that receives an allotment under this section.”; and

(9) in subsection (k), by adding “An eligible student that receives a grant for access and persistence under this title, including pursuant to section 484(c), and remains financially eligible as determined by the State, if the student is enrolled at an institution of higher education that is in a partnership described in subsection (b)(2)(A)(ii) and that receives an allotment under this section.”.

SEC. 7367. SPECIAL PROGRAMS FOR STUDENTS WHOSE FAMILIES ARE ENGAGED IN MIGRATION AND SEASONAL FARM WORK.

Section 418A (20 U.S.C. 1070u-2) is amended—

(1) in subsection (a), by adding “(including providing outreach and technical assistance)” after “maintain and expand”;
The activities described in this section shall be considered default reduction activities for the purposes of section 422.

SEC. 7389. DEFINITION OF ELIGIBLE LENDER.

Section 433(b)(2) (20 U.S.C. 1085a(d)(2)) is amended by striking subparagraph (F) and inserting the following:

"(F) shall use the proceeds from special allowance payments, payments from foreclosures from the sale of a loan made, insured, or guaranteed under this part, and all other proceeds related to such a loan made, insured, or guaranteed under this part and such other proceeds related to such a loan, to provide assistance with respect to the borrower with information on the loan benefit repayment options the lender, holder, or servicer offer, including information on reductions in interest rates or servicer offer, including information on the borrower with information on the loan benefit repayment options the lender, holder, or servicer offer, including information on reductions in interest rates or servicer offer, including information on the

SEC. 7390A. REPAYMENT BY THE SECRETARY OF LOANS OF BANKRUPT, DECEASED, OR DISABLED BORROWERS; TREATMENT OF BORROWERS ATTENDING SCHOOLS THAT FAIL TO PROVIDE A REFUND, ATTENDING CLOSED SCHOOLS, OR FALSELY CERTIFIED AS ELIGIBLE TO BORROW.

Section 437 (20 U.S.C. 1087) is amended—

(1) in the section heading, by striking "CLOSED SCHOOLS OR FALSELY CERTIFIED AS ELIGIBLE TO BORROW" and inserting "SCHOOLS THAT FAIL TO PROVIDE A REFUND, ATTENDING CLOSED SCHOOLS, OR FALSELY CERTIFIED AS ELIGIBLE TO BORROW";

(2) in the first sentence of subsection (c)(1), by inserting "or was falsely certified as a result of a crime of identity theft"

Subchapter C—Federal Work-Study Programs

SEC. 7391. AUTHORIZATION OF APPROPRIATIONS.

Section 441(i)-(k) (20 U.S.C. 2753(b)) is amended by striking "$600" and inserting "$560".

SEC. 7392. GRANTS FOR FEDERAL WORK-STUDY PROGRAMS.

Section 443(b)(2) (20 U.S.C. 2753(b)(2)) is amended—

(1) by striking subparagraph (A);

(2) by redesigning subparagraphs (B) and (C) as subparagraphs (A) and (B), respectively;

and

SEC. 7394. JOB LOCATION AND DEVELOPMENT PROGRAMS.

Section 468(b)(1) (20 U.S.C. 2756a(c)) is amended by striking "$500,000" and inserting "$75,000".

SEC. 7397. WORK COLLEGES.

Section 448 (20 U.S.C. 2756b) is amended—

(1) in subsection (b), by striking "under subsection (f) with respect to the borrower;" and

(2) by redesigning subparagraphs (C) through (F) as subparagraphs (A) through (G), respectively; and

SEC. 7415. CANCELLATION OF LOANS FOR CERTAIN PURPOSES.

Section 465(a) (20 U.S.C. 1087e(e)) is amended—

(1) in paragraph (2), by striking "Head" and inserting "Head Start Act and"; and

(2) in paragraph (3), by striking "Head Start Act" and inserting "Head Start Act, or in a prekindergarten or child care program that is licensed or regulated by the State that;"; and

(3) in paragraph (3), by striking "or" after the semicolon;
(C) in subparagraph (1), by striking the period and inserting a semicolon; and

(D) by inserting before the matter following subparagraph (1) (as amended by subparagraph (A))—

“(J) as a full-time faculty member at a Tribal College or University, as that term is defined in section 316;

“(K) as a full-time speech language therapist, if the therapist has a master’s degree in speech language science and is employing—

(i) an elementary school or secondary school for which the library is eligible for assistance under title I of the Elementary and Secondary Education Act of 1965; or

(ii) a public library that serves a geographic area that contains 1 or more schools eligible for assistance under title I of the Elementary and Secondary Education Act of 1965; or

“(L) as a full-time speech language therapist, if the therapist has a master’s degree and is working exclusively with schools that are eligible for assistance under title I of the Elementary and Secondary Education Act of 1965.”;

and

(2) in paragraph (3)(A)(i), by striking “or (I)” and inserting “(I), (J), (K), or (L)”;

SEC. 7414. FEDERAL CAPITAL CONTRIBUTION RECOVERY.

Section 466 (20 U.S.C. 1087ff) is amended—

(1) by inserting paragraph (4) and inserting—

“(1) by striking paragraph (4) and inserting—

“(B) in paragraph (2), by striking ‘‘Tuition Program’’ and inserting ‘‘Tuition Purposes’’;

“(C) by designating paragraph (3) as paragraph (2); and

“(D) by inserting after paragraph (2) (as redesignated by subparagraph (C)) the following paragraph:

“(2) Notwithstanding paragraph (1) and section 472, assistance not received under this title may be excluded from both estimated financial assistance and cost of attendance determined by the State providing that assistance to offset specific component of the cost of attendance. If that assistance is excluded from estimated financial assistance cost of attendance, that assistance shall be excluded from both calculations.”;

(3) in subparagraph (d), by striking “is an orphan or ward of the court” and inserting “is an orphan, in foster care, or ward of the court or was in foster care”;

(4) in paragraph (6), by striking “or” after the semicolon;

(C) by redesignating paragraph (7) as paragraph (6); and

(D) by inserting after paragraph (6) the following:

“(7) has been verified as both a homeless child or youth and an unaccompanied youth, as such terms are defined in section 529(b)(1) of the Internal Revenue Code of 1986.”;

SEC. 7415. DEFINITIONS.

(a) DEFINITIONS.—Section 481 (20 U.S.C. 1088) is amended—

(1) by striking subsections (a) and (b), and

(2) by inserting the following:

“(a) COMMON FINANCIAL AID FORM DEVELOPMENT AND PROCESSING.—

“(1) IN GENERAL.—The Secretary, in cooperation with representatives of agencies and organizations involved in the financial assistance, shall produce, distribute, and process free of charge common financial aid reporting forms as described in this subsection to determine the eligibility of a student for financial assistance under part A through E of this title (other than under subpart 4 of part A). The forms shall be made available in both paper and electronic formats and shall be referred to (except as otherwise provided in this subsection) as the ‘Free Application for Federal Student Aid’—FAFSA’.

“(2) PAPER FORMAT.—

“(A) IN GENERAL.—Subject to subparagraph (B), the Secretary shall produce, distribute, and make common forms in paper format to meet the requirements of paragraph (1). The Secretary shall develop a common paper application form for applicants who do not meet the requirements of or do not use the process described in subparagraph (B).

“(B) EZ FAFSA.—

“(1) IN GENERAL.—The Secretary shall develop and use a simplified paper application form, to be known as the ‘EZ FAFSA’, to be used for applicants meeting the requirements under section 476(c).

“(2) REDUCED STUDENT DATA REQUIREMENTS.—The EZ FAFSA shall permit an applicant to submit for purposes of determining financial need and eligibility, only the data elements used to make a determination of student eligibility and whether the applicant meets the requirements of section 476(c).
(iii) STATE DATA.—The Secretary shall include on the EZ FAFSA such data items as may be necessary to award State financial assistance, as provided under paragraph (5), except the Secretary shall not include in a State’s data if that State does not permit its applicants for State assistance to use the EZ FAFSA.

(iv) FREE AVAILABILITY AND PROCESSING.—The provisions of paragraph (6) shall apply to the EZ FAFSA, and the data collected by means of the EZ FAFSA shall be available to institutions of higher education, guaranty agencies, and States in accordance with paragraph (9).

(v) TESTING.—The Secretary shall conduct appropriate field testing on the EZ FAFSA.

(vi) PHASING OUT THE FULL PAPER FORM FOR STUDENTS WHO DO NOT MEET THE REQUIREMENTS OF THE EZ FAFSA.—

(i) IN GENERAL.—The Secretary shall make all efforts to encourage all applicants to utilize the electronic forms described in subparagraph (A).

(ii) PHASEOUT OF FULL PAPER FAFSA.—Not later than 5 years after the date of enactment of the Higher Education Amendments of 2005, the Secretary shall notify the States that a paper form described in subparagraph (A) and used by applicants who do not meet the requirements of the EZ FAFSA described in subparagraph (B).

(iii) AVAILABILITY OF FULL PAPER FAFSA.—In general, the Secretary shall maintain on the Internet print versions of the paper forms described in subparagraphs (A) and (B).

(ii) ACCESSIBILITY.—The printable versions described in subclause (I) shall be made easily accessible and downloadable to students. The Secretary shall provide students with the common electronic forms described in paragraph (3).

(iii) SUBMISSION OF FORMS.—The Secretary shall conduct a study to determine the feasibility of using downloadable forms to ensure sufficient quality to meet the processing requirements of this section. Following the completion of the study, the Secretary shall enable, to the extent practicable, students to submit a form described in this clause that is downloaded from the Internet in order to determine the filing requirements of this section and to receive financial assistance under this title.

(iv) REPORT.—The Secretary shall report annually to the authorizing committees on—

(aa) the steps taken to improve access to the common electronic forms for applicants meeting the requirements of section 479(c); and

(bb) the phaseout of the long common paper form described in subparagraph (A).
(iii) if the State agency is unable to permit applicants to utilize the simplified application forms described in paragraph (2)(B) or (3)(B).

(ii) STATE NOTIFICATION TO THE SECRETARY.—

(1) In General.—Each State agency shall notify the Secretary—

(A) if a State permits an applicant to file a form described in paragraph (2)(B) or (3)(B) for purposes of determining eligibility for State need-based financial aid; and

(B) if the State-specific data that the State requires for delivery of State need-based financial aid.

(ii) ACCEPTANCE OF FORMS.—If a State does not permit an applicant to file a form described in paragraph (2)(B) or (3)(B) for purposes of determining eligibility for State need-based financial aid, then the State shall notify the Secretary if it is not permitted to do so because of State law or agency policy.

(iii) Acceptance of forms under this subsection and initiate the programs under this title; and

(ii) of the State-specific data that the State requires for delivery of State need-based financial aid.

(ii) ACCEPTANCE OF FORMS.—If a State does not permit an applicant to file a form described in paragraph (2)(B) or (3)(B) for purposes of determining eligibility for State need-based financial aid, then the State shall notify the Secretary if it is not permitted to do so because of State law or agency policy. The notification shall include an acknowledgment that State-specific questions will not be included on a form described in paragraph (2)(B) or (3)(B).

(iii) LACK OF SPECIFICATION BY THE STATE.—If a State does not notify the Secretary pursuant to clause (i), the Secretary shall—

(A) permit residents of that State to complete application forms or forms described in paragraphs (2)(B) and (3)(B); and

(B) not require any resident of such State to complete any data previously required by that State.

(ii) RESTRICTION.—The Secretary shall not require applicants to complete any financial or non-financial data that are not required by the applicant’s State, except as may be required for applicants who use the paper forms described in subparagraphs (A) and (B) of paragraph (3)(B).

(8) DISTRIBUTION OF DATA.—Institutions of higher education, State agencies, and States shall receive, without charge, the data collected by the Secretary using the form developed pursuant to this subsection for the purposes of determining need and eligibility for institutional and State financial aid awards. Entities designated by institutions of higher education, guaranty agencies, or States to receive such data shall be subject to all the requirements of this section, unless such requirements are waived by the Secretary.

(9) DISTRIBUTION OF DATA.—Institutions of higher education, State agencies, and States shall receive, without charge, the data collected by the Secretary using the form developed pursuant to this subsection for the purposes of determining need and eligibility for institutional and State financial aid awards. Entities designated by institutions of higher education, guaranty agencies, or States to receive such data shall be subject to all the requirements of this section, unless such requirements are waived by the Secretary.

(10) THIRD PARTY SERVICERS AND PRIVATE SOFTWARE PROVIDERS.—To the extent practicable and in a timely manner, the Secretary shall work with organizations and consortia that develop software used by institutions of higher education for the administration of funds under this title, and all the necessary specifications of the organization and consortia used for the software, the organizations and consortia deliver to the Secretary, to the extent practicable, shall use means of providing such specifications, including conferences and other meetings, outreach, and technical support mechanisms (such as training and printed reference materials). The Secretary shall, from time to time, solicit from such organizations and consortia means of improving the support provided by the Secretary.

(11) PARENT’S SOCIAL SECURITY NUMBER AND BIRTH DATE.—The Secretary is authorized to include on the form developed under this subsection space for the social security number and birth date of parents, in the case of dependent students seeking financial assistance under this title.

(i) by redesignating subsections (c) through (e) as subsections (b) through (d), respectively;

(ii) in subsection (c) (as redesignated by paragraph (2)(E)) the term ‘‘authorizes’’ and all that follows through the period at the end and inserting ‘‘or other appropriate provider of technical assistance and information on postsecondary educational services that is authorized under section 683(a) of the Individuals with Disabilities Education Act. Not later than 2 years after the date of enactment of the Higher Education Amendments of 2005, the Secretary shall test and implement, to the extent practicable, a toll-free telephone-based system to permit applicants who do not meet the requirements of section 479(e)(1) to submit an application over such system,’’; and

(ii) by striking subsection (d) (as redesignated by paragraph (2)) and inserting the following:

(iii) ASSISTANCE IN PREPARATION OF FINANCIAL AID APPLICATION.—

(1) PREPARATION AUTHORIZED.—Notwithstanding any provision of this Act, an applicant may use a preparer for consulting or preparation services for the completion of the common financial reporting forms described in subsection (a) if the preparer satisfies the requirements of this subsection.

(ii) A student’s eligibility to receive grants, loans, or work assistance under this title shall be reduced if a financial aid officer determines that the student has not disposed of the documentation described in section 479(c)(1) of the Carl D. Perkins Vocational and Technical Education Act of 1998.

(iii) By striking subsection (d) (as redesignated by paragraph (2)) and inserting the following:

(iv) ASSISTANCE IN PREPARATION OF FINANCIAL AID APPLICATION.—

(1) PREPARATION AUTHORIZED.—Notwithstanding any provision of this Act, an applicant may use a preparer for consulting or preparation services for the completion of the common financial reporting forms described in subsection (a) if the preparer satisfies the requirements of this subsection.

(iv) A student’s eligibility to receive grants, loans, or work assistance under this title shall be reduced if a financial aid officer determines that the student has not disposed of the documentation described in section 479(c)(1) of the Carl D. Perkins Vocational and Technical Education Act of 1998.

(ii) Any common financial reporting form required to be made under this title shall include the name, signature, address or employer’s address, social security number, and organizational affiliation of the preparer of such common financial reporting form.

(4) ADDITIONAL REQUIREMENTS.—A preparer that provides consulting or preparation services pursuant to this subsection shall—

(A) clearly inform individuals upon initial contact (including advertising in clear and conspicuous language on the website of the preparer, including by providing a link directly to the website described in subsection (a)(3)(A), if the preparer provides such services through a website) that the common financial reporting forms that are required to determine eligibility for financial assistance under parts A through E (other than part 4 of part A) may be completed for free by paper or electronic forms provided by the Secretary;

(B) refrain from producing or disseminating any form other than the forms produced by the Secretary under subsection (a); and

(C) not charge any fee to any individual seeking such services who meets the requirements of subsection (b) or (c) of section 479.

(5) SPECIAL RULE—Nothing in this Act shall be construed to limit preparers of the common financial reporting forms required to be made under this title who meet the requirements of this section to collect source information from a student or parent, including Internal Revenue Service tax forms, in providing consulting and preparation services in completing the forms.

SEC. 7434. STUDENT ELIGIBILITY.

Section 484 (20 U.S.C. 1091) is amended—

(1) in subsection (d), by adding at the end the following:

(‘‘4’’ The student shall be determined by the institution of higher education as having the ability to benefit from the instruction or training offered by the institution of higher education, upon satisfactory completion of 6 credit hours or the equivalent coursework (as applicable) of a recognized certificate, or associate, baccalaureate, or graduate degree, conferred by such institution, shall not be considered to be enrolled in correspondence courses.

(B) EXCEPTION.—An institution of higher education referred to in subparagraph (A) shall not include an institution or school described in section 3(3)(C) of the Carl D. Perkins Vocational and Technical Education Act of 1998.

(B) EXCEPTION.—An institution of higher education referred to in subparagraph (A) shall not include an institution or school described in section 3(3)(C) of the Carl D. Perkins Vocational and Technical Education Act of 1998.

(2) By striking subsection (l) and inserting the following:

(i) COURSES OFFERED THROUGH DISTANCE EDUCATION.—

(1) RELATION TO CORRESPONDENCE COURSES.—

(A) IN GENERAL.—A student enrolled in a course of instruction at an institution of higher education that is offered principally through distance education (as defined in section 479A that distance education results in a substantially reduced cost of attendance to such student.)
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“(3) SPECIAL RULE.—For award years prior to the date of enactment of this subsection, the Secretary shall not take any compliance, disallowance, penalty, or other action against a holder of an eligible institution when such action arises out of such institution’s prior award of student assistance under this title if the institution demonstrated that its course of instruction would have been in conformance with the requirements of this subsection.

(4) REMEDIES.—In this subsection, the term ‘distance education’ has the meaning given the term in section 102."

and

section 483(a).

inserting

given the term in section 102."

and receiving financial assistance under this title, after “the possession”;

(B) in the column heading of the first table, by inserting “while the student is enrolled in an institution of higher education and receiving financial assistance under this title” after “possession of a controlled substance”;

(C) by redesignating paragraph (3) as paragraph (4); and

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

“(2) INTERACTION WITH FAFSA.—The Secretary shall not require a student to provide information regarding the student’s possession of a controlled substance on the Free Application for Federal Student Aid described in section 486(a).”

SEC. 7435. STATUTE OF LIMITATIONS AND STATE COURT JUDGMENTS.

Section 484A (20 U.S.C. 1091a) is amended—

(1) in subsection (a)—

(A) in paragraph (1), by striking “and” after the semicolon;

(B) in paragraph (2), by striking the period and inserting “;” and;

and

(C) by adding at the end the following:

“(3) in collecting any obligation arising from a loan made under part E of this title, an institution of higher education that has an agreement with the Secretary pursuant to section 485(a) shall not be subject to a defense raised by a borrower based on a claim of infancy;”;

and

(2) by adding at the end the following:

“(d) SPECIAL RULE.—This section shall not apply to a student whose family is deceased or to a deceased student’s estate or the estate of such student’s family. If a student’s family is deceased, then the student’s estate or the estate of such student’s family shall not be required to repay any financial assistance under this title, including interest paid on the student’s behalf, collection costs, or other charges specified in this title.”

SEC. 7436. INSTITUTIONAL REFUNDS.

Section 484B (20 U.S.C. 1091B) is amended—

(1) in subsection (a)—

(A) by striking clause (1) of paragraph (2)(A), by striking “a leave of” and inserting “1 or more leaves of” and;

(B) in paragraph (3)(C)(i), by striking “grant or loan assistance under this title” and inserting “grant assistance under subparts 1 and 3 of part A, or loan assistance under parts B, D, and E;”;

(2) in subsection (b), by adding at the end the following:

“(4) TIME FRAME.—Not later than 45 days after the date of an institution’s determination that a student withdrew from the institution, the institution shall—

“A return the amount required under paragraph (1);

notify the student of the applicable requirements regarding the overpayment of grant and loan assistance and

too few of such students to so disclose or report with confidence and confidentiality.”;

(2) in subsection (b), by adding at the end the following:

“(A) authorize an officer or employee of the Department to exercise any direction, supervision, or control over the curriculum,
program of instruction, administration, or personnel of any institution of higher education, or over any accrediting agency or association; 

2. The application of the General Education Provisions Act; or 

3. "Create any legally enforceable right on the part of a student to require an institution to accept the transfer of credit from another institution."

SEC. 7438. NATIONAL STUDENT LOAN DATA SYSTEM.

Section 483(a) (20 U.S.C. 1092(a)) is amended—

(1) by redesigning paragraphs (6) through (10) as paragraphs (7) through (11), respectively; 

(2) in paragraph (5) (as added by Public Law 101-610), by striking "effectiveness:" and inserting "effectiveness;"; and 

(3) by redesigning paragraph (5) (as added by Public Law 101-234) as paragraph (6).

SEC. 7439. EARLY AWARENESS OF FINANCIAL AID AND AID ELIGIBILITY.

Part G of title IV (20 U.S.C. 1088 et seq.) is amended by inserting after section 485C (20 U.S.C. 1092c) the following:

"SEC. 485D. EARLY AWARENESS OF FINANCIAL AID AND ELIGIBILITY.

(a) In General.—The Secretary shall implement, in cooperation with States, institutions of higher education, secondary schools, middle schools, early intervention programs, and outreach programs under this title, other agencies and organizations involved in student financial assistance and college access, public libraries, community centers, employers, and businesses, a comprehensive system of early financial aid information in order to provide students and families with early information about financial aid and early estimates of such students’ eligibility for financial aid from multiple sources. Such system shall include the activities described in subsections (b) and (c).

(b) Communication of Availability of Aid and Aid Eligibility.—

(1) Students who receive benefits.—The Secretary shall—

(A) make special efforts to notify students who receive or are eligible to receive benefits from means-tested benefit programs (including the school lunch program established under the Richard B. Russell National School Lunch Act (42 U.S.C. 1751 et seq.) or the school breakfast program established under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.), and other such programs as determined by the Secretary) of such students’ potential eligibility for the maximum Federal Pell Grant under part 1 of part A; and

(B) disseminate such informational materials as the Secretary determines necessary.

(2) Middle school students.—The Secretary, in cooperation with States, institutions of higher education, other organizations involved in student access and student financial aid, middle schools, and programs under this title that serve middle school students, shall make special efforts to notify students and their parents of the availability of financial aid under this title and, in accordance with subsection (c), shall provide nondisabling estimates of the amounts of grant and loan aid that an individual may be eligible for under this title upon completion of an application form under section 483(a). The Secretary shall ensure that such information is as accurate as possible and that such information is provided in an age-appropriate format using dissemination mechanisms suitable for students in middle school.

(3) Institution of higher education, other organizations involved in student financial aid, secondary schools, and programs under this title that serve secondary school students, shall make special efforts to notify students and their parents of the availability of financial aid under this title and, in accordance with subsection (c), shall provide nondisabling estimates of the amounts of grant and loan aid an individual may be eligible for under this title.

(4) Adult learners.—The Secretary, in cooperation with States, institutions of higher education, other organizations involved in student access and student financial aid, employers, workforce investment boards and public libraries, shall make special efforts to provide individuals who would qualify as independent students, as defined in section 428(b)(1), with nonbinding estimates of grant and loan aid an individual may be eligible for under this title upon completion of an application form under section 483(a). The Secretary shall ensure that such information is as accurate as possible.

(c) Availability of Nonbinding Estimates of Federal Financial Aid Eligibility.—

(1) In general.—The Secretary, in cooperation with States, institutions of higher education, and other agencies and organizations involved in student financial aid, shall provide, via a printed form and the Internet or other electronic means, the capability for individuals to determine easily, by entering relevant data, nonbinding estimates of amounts of grant and loan aid an individual may be eligible for under this title upon completion and processing of an application and enrollment in an institution of higher education.

(2) Data elements.—The Secretary, in cooperation with States, institutions of higher education, and other agencies and organizations involved in student financial aid, shall determine the data elements that are necessary to create a simplified form that individuals can use to obtain easily nonbinding estimates of the amounts of grant and loan aid an individual may be eligible for under this title.

(3) Simplified application form.—The capability provided under this paragraph shall include the capability to determine whether the individual is eligible to submit a simplified application form under paragraph (2)(B) or (3)(B) of section 483(a)."

SEC. 7440. COLLEGE ACCESS INITIATIVE.

Part G of title IV (20 U.S.C. 1088 et seq.) is further amended by inserting after section 485D (as added by section 7439) the following:

"SEC. 485E. COLLEGE ACCESS INITIATIVE.

(a) State-by-state information.—The Secretary shall direct each guaranty agency with which the Secretary has an agreement under section 485C to disseminate such information to the Secretary the information necessary for the development of Internet Web links and access for students and families to a comprehensive list of the postsecondary education opportunities programs, publications, Internet Web sites, and other services available in the States for which such agency serves as the designated guarantor.

(b) Guanty agency activities.—

(1) Plan and activity required.—Each guaranty agency with which the Secretary has an agreement under section 485C shall develop a plan, and undertake the activity, necessary to gather the information required under subsection (a) and to make such information available to the public and to the Secretary in a form and manner prescribed by the Secretary.

(2) Activities.—Each guaranty agency shall undertake such activities as are necessary to promote access to postsecondary education for students through providing information on college planning, career preparation, and paying for college. The guaranty agency shall publicize such information and coordinate such activities with other entities that provide or distribute such information in the States for which such guaranty agency serves as the designated guarantor.

(3) Funding.—The activities required by this section may be funded from the guaranty agency’s Operating Fund established pursuant to section 422(b)(4) of the Higher Education Act of 2006.

(4) Rule of construction.—Nothing in this subsection shall require a guaranty agency to duplicate any efforts currently underway that meet the requirements of this subsection.

"(c) Access to information.—

(1) Secretary’s responsibility.—The Secretary shall ensure the availability of the information provided, by the guaranty agencies, to students, parents, and other individuals, through Web links or other methods prescribed by the Secretary.

(2) Guaranty agency responsibility.—The guaranty agencies shall ensure that the information required by this section is available without charge in printed format for students and parents requesting such information.

(3) Publicity.—Not later than 270 days after the date of enactment of the Higher Education Amendments of 2005, the Secretary and guaranty agencies shall publicize the availability of the information required
by this section, with special emphasis on ensuring that populations that are traditionally underrepresented in postsecondary education are made aware of the availability of such funds and the eligibility for funds provided under this title, or will be subject to the sanctions described in subsection (g)(1), have not less than 10 percent of its revenues from sources other than funds provided under this title, or (2) in subsection (c)(1)(A), by inserting ‘‘, except that the Secretary may modify the requirements of this clause with regard to an institution outside the United States’’ before the semicolon at the end; (3) by redesignating subsections (d) and (e) as subsection (e) and (f), respectively; (4) by inserting after subsection (c) the following: ‘‘(d) INSTITUTIONAL REQUIREMENTS FOR TEACH-OUTS.— (1) In general.—In the event the Secretary determines that the institution or, to the institution for an educational program which fails to meet the requirements of subsection (b) of section 131, any institution fails to meet the requirements of subsection (a)(24) in any year, the Secretary may impose 1 or both of the following sanctions: (I) Place the institution on provisional certification in accordance with section 498(c)(4), the Secretary’s regulations on test of the standards of the institution’s accrediting agency or association in compliance with section 496(c)(4), the Secretary’s regulations on test of the standards of the institution’s accrediting agency or association. ‘‘(2) TEACH-OUT PLAN DEFINED.—In this subsection, the term ‘teach-out plan’ means a written plan that provides for the equitable treatment of students if an institution of higher education ceases to operate before all students have completed their programs of study, and may include, if required by the institution’s accrediting agency or association, an agreement between institutions for such a teach-out plan; and (5) by adding at the end the following: ‘‘(g) IMPLEMENTATION OF NONTITHE IV REVENUE REQUIREMENT.— (1) In general.—In carrying out subsection (a)(24), an institution shall use the cash basis of accounting and count the following funds as from sources of funds other than funds provided under this title: ‘‘(A) Funds used by students from sources other than funds received under this title to pay tuition, fees, and other institutional charges to the institution, provided the institution can reasonably demonstrate that such funds were used for such purposes. ‘‘(B) Funds used by the institution to satisfy the requirements for programs under this title. ‘‘(C) Funds used by a student from savings plans for educational expenses established by the student in which and which qualify for special tax treatment under the Internal Revenue Code of 1986.”

SEC. 7441. PROGRAM PARTICIPATION AGREEMENTS.
Section 487 (20 U.S.C. 1094) is amended— (1) in subsection (a), by adding after subsection (a)(1) the following: ‘‘(C) Funds used by an institution from institutional activities that are necessary for the education and training of the institution’s students, if such activities are: ‘‘(i) conducted on campus or at a facility under the control of the institution; ‘‘(ii) performed under the supervision of a member of the institution’s faculty; and ‘‘(iii) required to be performed by all students in a specific educational program at the institution. ‘‘(D) Institutional aid, as follows: ‘‘(i) In the case of loans made by the institution, only the amount of loan repayments received by the institution during the fiscal year for which the determination is made. ‘‘(ii) In the case of scholarships provided by the institution, only those scholarship funds provided by the institution that are— ‘‘(I) in the form of monetary aid based upon the academic achievements or financial need of students; ‘‘(II) disbursed during the fiscal year for which the determination is made from an established restricted account and only to the extent that the account represents designated funds from an outside source or income earned on those funds. ‘‘(iii) In the case of tuition discounts, only those tuition discounts based upon the academic achievement or financial need of students. ‘‘(2) SANCTIONS.— ‘‘(A) FAILURE TO MEET REQUIREMENT FOR 1 YEAR.—In addition to such other means of enforcing the requirements of this title as may be available to the Secretary, if an institution fails to meet the requirements of subsection (a)(24) in any year, the Secretary may impose 1 or both of the following sanctions on the institution: ‘‘(I) Place the institution on provisional certification in accordance with section 498(b) until the institution demonstrates, to the satisfaction of the Secretary, that it is in compliance with subsection (a)(24). ‘‘(II) Require such other increased monitoring and reporting requirements as the Secretary determines necessary un- til the institution demonstrates, to the satisfaction of the Secretary, that it is in compliance with subsection (a)(24). ‘‘(B) FAILURE TO MEET REQUIREMENT FOR 2 YEARS.—An institution that fails to meet the requirements of subsection (a)(24) for 2 consecutive years shall be ineligible to participate in the programs authorized under this title. ‘‘(3) PUBLIC AVAILABILITY OF INFORMATION.— (I) The Secretary shall make publicly available, through the means described in subsection (b) of section 131, any information that fails to meet the requirements of subsection (a)(24) in any year as an institution that is failing to meet the minimum non-Federal source of revenue requirements of such subsection (a)(24).’’.

SEC. 7442. RELIEF AND IMPROVEMENT.
Section 487(a)(2) (20 U.S.C. 1094(a)(2)) is amended— (1) in paragraph (1)— (A) by striking ‘‘1998’’ and inserting ‘‘2005’’; and (B) by striking ‘‘1999’’ and inserting ‘‘2006’’; and (2) by striking the matter preceding paragraph (2)(A) and inserting the following: ‘‘(2) REPORT.—The Secretary shall review and evaluate the experience of institutions participating as experimental sites and shall, on a biennial basis, submit a report regarding the results of the study to the authorizing committees. Such report shall include—’’; and (3) in paragraph (3)— (A) by striking paragraph (A)— (i) by striking ‘‘Upon the submission of the report required by paragraph (2), the’’ and inserting ‘‘The’’; and (ii) by inserting ‘‘periodically’’ after ‘‘authorized to’’; (B) by striking subparagraph (B); (C) by redesigning subparagraph (C) as subparagraph (B); and (D) in subparagraph (B) (as redesignated by subparagraph (C))— (i) by inserting ‘‘other than an award rule related to an experiment in modular or compressed schedules’’ after ‘‘award rules’’; and (ii) by inserting ‘‘unless the waiver of such provisions is authorized by another provision under this title’’ before the period at the end. SEC. 7443. TRANSFER OF ALLOTMENTS.
Section 488 (20 U.S.C. 1095) is amended in the following— (1) in paragraph (1), by striking ‘‘and’’ after the semicolon; (2) in paragraph (2), by striking ‘‘413D.’’ and inserting ‘‘413D and’’; and (3) by adding at the end ‘‘(B) 25 percent of the institution’s allotment under section 413D to the institution’s allotment under section 413D.’’.

SEC. 7444. WAGE GARNISHMENT REQUIREMENT.
Section 488(a)(1) (20 U.S.C. 1095a(a)(1)) is amended by striking ‘‘10 percent’’ and inserting ‘‘15 percent’’.

SEC. 7445. PURPOSE OF ADMINISTRATIVE PAYMENTS.
Section 488(b) (20 U.S.C. 1095b) is amended by striking ‘‘administra- tive costs of’’ and inserting ‘‘admin- istering’’.

SEC. 7446. ADVISORY COMMITTEE ON STUDENT FINANCIAL ASSISTANCE.
Section 491 (20 U.S.C. 1098) is amended— (1) in subsection (a)– (A) in subparagraph (B), by striking ‘‘and’’ after the semicolon; (B) in subparagraph (C), by striking the period and inserting a semicolon; and (C) by adding at the end the following: ‘‘(ii) to the extent practicable, of their eligibility for other forms of State and institutional need-based student assistance; and (iii) to expand and improve partnerships among the Federal Government, States, institutions of higher education, and private entities to increase the awareness and the total amount of need-based student assistance available to low- and moderate-income students, and families.’’; and (2) in subsection (c), by adding at the end the following:
‘‘(3) The appointment of a member under subparagraph (A) or (B) of paragraph (1) shall be effective upon confirmation of the member by the Senate and publication of such appointment in the Congressional Record.’’.

(3) in subsection (d)(6), by striking ‘‘but nothing’’ and all that follows through ‘‘or analyses’’;

(4) in subsection (j)—

(A) in paragraph (1)—

(i) by inserting ‘‘and simplification’’ after ‘‘modernization’’ each time the term appears; and

(ii) by striking ‘‘including’’ and all that follows through ‘‘Department’’; and

(B) by striking paragraphs (4) and (5) and inserting the following:

‘‘(4) conduct a review and analysis of regulations in accordance with subsection (j); and

(5) conduct a study in accordance with subsection (m);’’;

(5) in subsection (k), by striking ‘‘2004’’ and inserting ‘‘2010’’; and

(6) by adding at the end the following:

‘‘(1) REVIEW AND ANALYSIS OF REGULATIONS.—

(1) RECOMMENDATIONS.—The Advisory Committee shall make recommendations to the Secretary and Congress for consideration of future action regarding redundant or outdated regulations under this title, consistent with the Secretary’s requirements under section 491B.

(2) SCOPE OF STUDY.—The Advisory Committee shall examine new and existing programs that promote baccalaureate degree attainment rates that are currently low, such as dual or concurrent enrollment programs, changes made to the Federal Pell Grant program through the reauthorization process, compressed or modular scheduling, articulation agreements, and programs that allow 2-year institutions of higher education to offer baccalaureate degrees.

(3) REQUIRED ASPECTS OF THE STUDY.—In performing the study described in this subsection, the Advisory Committee shall examine the following aspects of such innovative programs:

(A) The impact of such programs on baccalaureate attainment rates.

(B) The degree to which a student’s total cost of attaining a baccalaureate degree can be reduced by such programs.

(C) The ways in which low- and moderate-income students can be specifically targeted by such programs.

(D) The ways in which nontraditional students can be specifically targeted by such programs.

(E) The cost-effectiveness for the Federal Government, States, and institutions of higher education to implement such programs.

(4) CONSULTATION.—

(A) IN GENERAL.—In performing the study described in subsection (A) of section 497, the Advisory Committee shall provide to the Secretary, relevant representatives of institutions of higher education and individuals who have expertise and experience with the regulations issued under this title, in accordance with subparagraph (B).

(B) REVIEW PANELS.—The Advisory Committee shall convene not less than 2 review panels of representatives of the groups involved in student financial assistance programs, the institutional eligibility requirements for the financial assistance programs, regulations not directly related to the operations of the institutional eligibility requirements of the financial assistance programs, and regulations for disbursement of information to students about the financial assistance programs.

(5) REPORTS TO CONGRESS.—

(A) INTERIM REPORT.—The Advisory Committee shall prepare and submit to the authorizing committees and the Secretary a report on the progress made in carrying out the study required by this section.

(B) FINAL REPORT.—The Advisory Committee shall submit, not later than 2 years after the completion of the negotiated rulemaking process required under section 492 resulting from the amendments to this Act made by the Higher Education Amendments of 2005, a report to the authorizing committees and the Secretary detailing the expert panels’ findings and recommendations with respect to the review and analysis under paragraph (2).

(6) ADJOURNMENT.—The Secretary and the Inspector General of the Department shall provide such assistance and resources to the Advisory Committee as the Secretary and Inspector General determine are necessary to conduct the review required by this subsection.

(3) CONSULTATION.—

(A) IN GENERAL.—In conducting the review, the Advisory Committee shall convene not less than 2 review panels.

(B) REVIEW PANELS.—The Advisory Committee shall conduct a study of the feasibility of streamlining or eliminating baccalaureate degree attainment rates by reducing the costs and financial barriers to obtaining a baccalaureate degree through innovative programs.

(4) SCOPE OF STUDY.—The Advisory Committee shall examine new and existing programs that promote baccalaureate degree attainment rates that are currently low, such as dual or concurrent enrollment programs, changes made to the Federal Pell Grant program through the reauthorization process, compressed or modular scheduling, articulation agreements, and programs that allow 2-year institutions of higher education to offer baccalaureate degrees.

(5) REQUIRED ASPECTS OF THE STUDY.—In performing the study described in this subsection, the Advisory Committee shall examine the following aspects of such innovative programs:

(A) The impact of such programs on baccalaureate attainment rates.

(B) The degree to which a student’s total cost of attaining a baccalaureate degree can be reduced by such programs.

(C) The ways in which low- and moderate-income students can be specifically targeted by such programs.

(D) The ways in which nontraditional students can be specifically targeted by such programs.

(E) The cost-effectiveness for the Federal Government, States, and institutions of higher education to implement such programs.

(4) CONSULTATION.—

(A) IN GENERAL.—In performing the study described in subsection (A) of section 497, the Advisory Committee shall provide to the Secretary, relevant representatives of institutions of higher education and individuals who have expertise and experience with the regulations issued under this title, in accordance with subparagraph (B).

(B) REVIEW PANELS.—The Advisory Committee shall convene not less than 2 review panels of representatives of the groups involved in student financial assistance programs, the institutional eligibility requirements for the financial assistance programs, regulations not directly related to the operations of the institutional eligibility requirements of the financial assistance programs, and regulations for disbursement of information to students about the financial assistance programs.

(5) REPORTS TO CONGRESS.—

(A) INTERIM REPORT.—The Advisory Committee shall prepare and submit to the authorizing committees and the Secretary a report on the progress made in carrying out the study required by this section.

(B) FINAL REPORT.—The Advisory Committee shall submit, not later than 2 years after the completion of the negotiated rulemaking process required under section 492 resulting from the amendments to this Act made by the Higher Education Amendments of 2005, a report to the authorizing committees and the Secretary a final report on the study, including recommendations for legislative, regulatory, and administrative changes based on findings related to the topics identified under paragraph (2).
“(A) adequate specification of requirements and deficiencies at the institution of higher education or program examined;  

“(B) an opportunity for a written response to the accreditation or re-accreditation to be included, prior to final action, in the evaluation and withdrawal proceedings;  

“(C) upon the written request of an institution for the institution to appeal any adverse action, including denial, withdrawal, suspension, or termination of accreditation, or placement on probation of an institution, at a hearing prior to such action becoming final, before an appeals panel that—  

“(i) shall not include current members of the agency or association’s underlying decision-making body that made the adverse decision; and  

“(ii) is subject to a conflict of interest policy; and  

“(D) the right to representation by counsel for such an institution during an appeal of the adverse action;”; and  

(D) by striking paragraph (8) and inserting the following:  

“(8) such agency or association shall make available to the public and the State licensing or authorizing agency, and submit to the Secretary, a summary of agency or association actions, including—  

“(A) the award of accreditation or re-accreditation of an institution;  

“(B) final denial, withdrawal, suspension, or termination of accreditation, or placement on probation of an institution, and any findings made in connection with the action taken, together with the official comments of the affected institution; and  

“(C) any other adverse action taken with respect to an institution;” and  

(2) in subsection (c)—  

(A) in paragraph (1), by inserting “, including those regarding distance education” after “the following:”;  

(B) by redesignating paragraphs (2) through (6) as paragraphs (5) through (9);  

(C) by inserting after paragraph (1) (as amended by subparagraph (A)) the following:  

“(2) ensures that the agency or association’s on-site evaluation for accreditation or reaccreditation includes review of the Federally required information; the institution or program provides its current and prospective students;  

“(3) monitors the growth of programs at institutions experiencing significant enrollment growth;  

“(4) requires an institution to submit a teach-out plan for approval to the accrediting agency prior to the occurrence of any of the following events:  

“(A) The Department notifies the accrediting agency of an action against the institution pursuant to section 487(d).  

“(B) The accrediting agency acts to withdraw, terminate, or suspend the accreditation of an institution.  

“(C) The institution is notified by the accrediting agency that the institution intends to cease operations.”;  

(D) in paragraph (8) (as redesignated by subparagraph (B)), by striking “and” after the semicolon;  

(E) in subparagraph (9) (as redesignated by subparagraph (B)), by striking the period and inserting a semicolon; and  

(F) by adding at the end the following:  

“(10) confirms, as a part of the agency or association’s review for accreditation or reaccreditation, that the institution has transferred of credit policies—  

“(A) that are publicly disclosed;  

“(B) that do not deny transfer of credit based solely on the accreditation of the sending institution, if the agency or association accrediting the sending institution is recognized by the Secretary pursuant to this section; and  

“(C) in which acceptance or denial of transfer of credit is decided according to criteria established in guidelines developed by the institution’s admissions committee.”;  

SEC. 7542. ADMINISTRATIVE CAPACITY STANDARD.  

Section 498 (20 U.S.C. 1099c) is amended—  

(1) in subsection (d)(1)(B), by inserting “and” after the semicolon; and  

(2) by adding at the end the following:  

“(k) Teach-Outs at Additional Locations.—  

“(1) In General.—A location of an institution of higher education shall be eligible as an additional location of an eligible institution of higher education, as defined pursuant to regulations of the Secretary, for the purposes of paragraphs (8), (9), and (10), if such teach-out has been approved by the institution’s accrediting agency.  

“(2) Special Rule.—An institution of higher education that conducts a teach-out through the establishment of an additional location described in paragraph (1) shall be permitted to establish a permanent additional location at a closed institution and shall not be required—  

“(A) to meet the requirements of sections 102(b)(1)(E) and 102(c)(1)(C) for such additional location; and  

“(B) to assume the liabilities of the closed institution.”;  

SEC. 7453. PROGRAM REVIEW AND DATA.  

Section 498(a)(2) (20 U.S.C. 1099c–1(b)) is amended—  

(1) in paragraph (4), by striking “and” after the semicolon;  

(2) in paragraph (5) by striking the period and inserting a semicolon; and  

(3) by adding at the end the following:  

“(6) provide to an institution of higher education an opportunity to review and respond to any program review report and relevant materials related to the report before any final program review is reached;  

“(7) review and take into consideration an institution of higher education’s response in any final program review; and  

“(8) maintain and preserve at all times the confidentiality of any program review report until the requirements of paragraphs (6) and (7) are met, and until a final program review is issued, other than to the extent required to administer this title, except that the Secretary shall promptly disclose any and all program review reports to the institution of higher education under review.”;  

CHAPTER 6—DEVELOPING INSTITUTIONS  

SEC. 7501. DEFINITIONS.  

Section 502(a) (20 U.S.C. 1101a(a)) is amended—  

(1) in paragraph (5),—  

(A) in subparagraph (A), by inserting “and” after the semicolon;  

(B) in subparagraph (B), by striking “and” and inserting a period; and  

(C) by striking subparagraph (C) and (2) by striking paragraph (7).;  

SEC. 7502. AUTHORIZED ACTIVITIES.  

Section 503(b) (20 U.S.C. 1101b) is amended—  

(1) by redesignating paragraphs (6) through (14) as paragraphs (8) through (16), respectively;  

(2) in paragraph (5), by inserting “, including innovative, customized remedial education and English language instruction courses designed to help retain students and move them to degree completion courses and through program completion” before the period at the end; and  

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

“(6) Education or counseling services designed to improve the financial literacy and economic literacy of students or the students’ parents.  

“(7) Articulation agreements and student support programs designed to facilitate the transfer of 2-year to 4-year institutions.”;  

SEC. 7503. DURATION OF GRANT.  

Section 504(a) (20 U.S.C. 1101c(a)) is amended to read as follows:  

“(a) Award Program.—The Secretary may award a grant to a Hispanic-serving institution under this title for 5 years.”;  

SEC. 7504. POSTBACCALAUREATE OPPORTUNITIES FOR HISPANIC AMERICANS.  

(a) Establishment of Program.—Title V (20 U.S.C. 1101 et seq.) is amended—  

(1) by redesignating part B as part C;  

(2) by redesignating sections 511 through 513 as sections 521 through 528, respectively; and  

(3) by inserting after section 505 the following:  

“PART B—PROMOTING POSTBACCALAUREATE OPPORTUNITIES FOR HISPANIC AMERICANS  

SEC. 511. PROGRAM AUTHORITY AND ELIGIBILITY.  

“(a) PROGRAM AUTHORIZED.—Subject to the availability of funds appropriated to carry out this part, the Secretary shall award grants, on a competitive basis, to eligible institutions to enable the eligible institutions to carry out the authorized activities described in section 512.  

“(b) ELIGIBILITY.—For the purposes of this part, an eligible institution means an institution of higher education that—  

“(1) is a Hispanic-serving institution (as defined in section 502); and  

“(2) offers a postbaccalaureate certificate or degree granting program.  

SEC. 512. AUTHORIZED ACTIVITIES.  

“Grants awarded under this part shall be used for 1 or more of the following activities:  

“(A) Purchasing, renovation, or expansion of scientific or laboratory equipment for educational purposes, including instructional and research purposes.  

“(B) Construction, maintenance, renovation, and improvement in classroom, library, laboratory, and other instructional facilities, including purchase or rental of telecommunications technology equipment or services.  

“(C) Purchase of library books, periodicals, microfilm, microfiche, and other educational materials, including telecommunications program materials.  

“(D) Support for needy postbaccalaureate students, including outreach, academic support services, mentoring, scholarships, fellowships, and other financial assistance, to permit the enrollment of such students in postbaccalaureate certificate and degree granting programs.  

“(E) Support of faculty exchanges, faculty development, faculty research, curriculum development, and academic instruction.  

“(F) Creating or improving facilities for Internet or other distance learning academic instruction capabilities, including purchase or rental of telecommunications technology equipment or services.  

“(G) Collaboration with other institutions of higher education to expand postbaccalaureate certificate and degree offerings.  

“(H) Other activities proposed in the application submitted pursuant to section 513 that are approved by the Secretary as part of the review and acceptance of such application.”;  

SEC. 513. APPLICATION AND DURATION.  

“(a) APPLICATION.—Any eligible institution may apply for a grant under this part by
submitting an application to the Secretary at such time and in such manner as the Secretary may require. Such application shall demonstrate how the grant funds will be used to provide new educational opportunities for Hispanic and low-income students and will lead to such students’ greater financial independence.

"(c) Limitation.—The Secretary may not award more than one grant under this part in any fiscal year to any Hispanic-serving institution.".

SEC. 7505. APPLICATIONS.

Section 528(a) (as redesignated by section 750(a)(2)) (20 U.S.C. 1103(a)) is amended by striking "subsection (b)" and inserting "subsection (c)".

SEC. 7506. COOPERATIVE ARRANGEMENTS.

Section 528(a) (as redesignated by section 750(a)(2)) (20 U.S.C. 1103(a)) is amended—

(1) by striking "part A of" after "carry out";

(2) by striking "$62,500,000 for fiscal year 1999" and all that follows through the period and inserting "such sums as may be necessary for fiscal year 2006 and each of the 5 succeeding fiscal years"; and

(3) by striking "(a) Authorizations.—There are" and inserting the following:

"(a) Authorizations.—

There are:

(1) by adding at the end the following:

"(2) Part B.—There are authorized to be appropriated to carry out part B of this title such sums as may be necessary for fiscal year 2006 and each of the 5 succeeding fiscal years.

CHAPTER 7—INTERNATIONAL EDUCATION PROGRAMS

SEC. 7601. FINDINGS.

Section 601 (20 U.S.C. 1121) is amended—

(1) in the section heading, by striking "AND PURPOSES" and inserting "; PURPOSES; SURVEY";

(2) in subsection (a)(3), by striking "post-Cold War";

(3) in subsection (b)(1)(D), by inserting "; includes a description of how the applicant will encourage government service in areas of national need as identified by the Secretary;";

(4) by adding at the end the following:

"(c) Consultation.—The Secretary shall, prior to requesting applications for funding under this title during each grant cycle, consult with and receive recommendations regarding national need for expertise in foreign languages and world regions from the head official, or a designee of such head official, of the National Security Council, the Department of Homeland Security, the Department of State, the Federal Bureau of Investigation, the Department of Labor, and the Department of Commerce, the Director of National Intelligence, and other relevant agencies. These entities shall provide information to the Secretary regarding how the entities utilize expertise and resources provided by grants under this title. The Secretary shall take into account such recommendations and information when requesting applications for funding under this title, and shall make available to applicants a list of areas identified as areas of national need.

"(d) Survey.—The Secretary shall assist grantees in developing a survey to administer under this title to determine postparticipation placement. All grantees, where applicable, shall administer such survey not less often than annually and report such data to the Secretary.".

SEC. 7602. GRADUATE AND UNDERGRADUATE LANGUAGE AND AREA CENTERS AND PROGRAMS.

Section 602 (20 U.S.C. 1122) is amended—

(1) in subsection (a)—

(A) in paragraph (2)—

(i) in subparagraph (G), by striking "and" after the semicolon;

(ii) in subparagraph (M), by striking the period and inserting "; and";

and

(iii) by adding at the end the following:

"(1) support for instructors of the less commonly taught languages;";

and

(B) in paragraph (4)—

(i) by redesigning subparagraphs (C) through (E) as subparagraphs (D) through (F), respectively;

(ii) by inserting after subparagraph (B) the following:

"(C) Programs of linkage or outreach between or among—

(i) foreign language, area studies, or other international fields; and

(ii) State educational agencies or local educational agencies;";

and

(iii) in subparagraph (F) (as redesignated by clause (i)), by striking "(D) and (E)" and inserting "(D), (E)";

(2) in subparagraph (A)—

(ii) the intermediate or advanced level of the language;

and

(ii) by striking after subparagraph (B) the following:

"(D) an instructional program with stated performance goals for functional foreign language use or in a program developing such performance goals, in combination with the study of a less commonly taught language; or

(E) a program in a less commonly taught language;"

and

(B) in paragraph (10)—

(i) by striking "; or" after the semicolon;

(ii) by adding at the end the following:

"(1) by striking "and" after the semicolon;

(iii) by adding at the end the following:

"(C) a description of how the applicant will encourage government service in areas of national need as identified by the Secretary;";

and

(iv) by adding at the end the following:

"(D) a description of how the applicant will encourage participation of individuals who are members of Federal, State, or local government agencies.".

SEC. 7603. UNDERGRADUATE INTERNATIONAL STUDIES AND FOREIGN LANGUAGE PROGRAMS.

Section 604 (20 U.S.C. 1123) is amended—

(1) in subsection (a)—

(A) in paragraph (2)—

(i) by redesigning subparagraphs (I) through (M) as subparagraphs (J) through (N), respectively; and

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

"(I) providing subgrants to undergraduate students for educational programs abroad that—

(i) are closely linked to the overall goals of the program for which the grant is awarded; and

(ii) have the purpose of promoting foreign language fluency and knowledge of foreign cultures;";

and

(B) in paragraph (3)—

(i) in subparagraph (C), by striking "and" after the semicolon;

(ii) by inserting after subparagraph (B) the following:

"(E) an explanation of how the activities funded by the grant will reflect diverse perspectives and a wide range of views and generate debate on world regions and international affairs, where applicable;";

and

(iii) by adding at the end the following:

"(F) a description of how the applicant will address disputes regarding whether the activities funded under the application reflect diverse perspectives and a wide range of views; and

(G) a description of how the applicant will encourage government service in areas of national need as identified by the Secretary;";

and

(2) in subsection (c)—

(A) by striking "FUNDING SUPPORT.—The Secretary and inserting "FUNDING RULES.—")

"(i) the Secretary;—")

(B) by striking "10" and inserting "20"; and

(C) by adding at the end the following:

"(1) The grantee shall use a total amount of grant funds awarded to a grantee under this section, the grantee may use not more than 10 percent of such funds for the activity described in subsection (a)(2)(H)."

SEC. 7604. RESEARCH; STUDIES.

Section 605(a) (20 U.S.C. 1125(a)) is amended—

(1) in paragraph (8), by striking "and" after the semicolon;

(2) in paragraph (9), by striking the period and inserting a semicolon; and

(3) by adding at the end the following:

"(10) evaluation of the extent to which programs assisted under this title reflect diverse perspectives and a wide range of views and generate debate on world regions and international affairs;

(11) the systematic collection, analysis, and dissemination of data that contribute to achieving the purposes of this part; and

(12) support for programs or activities to maintain data collected and disseminated under this section publicly available and easy to understand.".

SEC. 7605. TECHNOLOGICAL INNOVATION AND COOPERATION FOR FOREIGN INFORMATION ACCESS.

Section 606 (20 U.S.C. 1126) is amended—

(1) in subsection (a)—
Section 615. AUTHORIZATION OF APPROPRIATIONS FOR BUSINESS AND INTERNATIONAL STUDIES.

Section 616. EDUCATION AND TRAINING PROGRAMS.

Section 617. AUTHORIZATION OF APPROPRIATIONS FOR BUSINESS AND INTERNATIONAL STUDIES PROGRAMS.

Section 618. MINORITY FOREIGN SERVICE PROFESSIONAL DEVELOPMENT PROGRAM.

Section 619. INSTITUTIONAL DEVELOPMENT.

Section 620. AMERICAN OVERSEAS RESEARCH CENTERS.

Section 621. MINORITY FOREIGN SERVICE PROFESSIONALS DEVELOPMENT PROGRAM.

Section 622. INSTITUTIONAL DEVELOPMENT.

Section 623. MINORITY FOREIGN SERVICE PROFESSIONALS DEVELOPMENT PROGRAM.

Section 624. INSTITUTIONAL DEVELOPMENT.

Section 625. MINORITY FOREIGN SERVICE PROFESSIONALS DEVELOPMENT PROGRAM.

Section 626. MINORITY FOREIGN SERVICE PROFESSIONALS DEVELOPMENT PROGRAM.

Section 627. MINORITY FOREIGN SERVICE PROFESSIONALS DEVELOPMENT PROGRAM.

Section 628. MINORITY FOREIGN SERVICE PROFESSIONALS DEVELOPMENT PROGRAM.

Section 629. MINORITY FOREIGN SERVICE PROFESSIONALS DEVELOPMENT PROGRAM.

Section 630. MINORITY FOREIGN SERVICE PROFESSIONALS DEVELOPMENT PROGRAM.

Section 631. MINORITY FOREIGN SERVICE PROFESSIONALS DEVELOPMENT PROGRAM.

Section 632. MINORITY FOREIGN SERVICE PROFESSIONALS DEVELOPMENT PROGRAM.
higher education in which the student is enrolled.

(2) AMOUNT AND DURATION.—A Ralph Bunche scholarship awarded to a student under this section shall not exceed $5,000 per academic year.

SEC. 7618. REPORT.

Section 627 (as redesignated by section 7617(a)) (20 U.S.C. 1135e) is amended by striking “annually” and inserting “biennially.”

SEC. 7619. GIFTS AND DONATIONS.

Section 628 (as redesignated by section 7617(a)) (20 U.S.C. 1135e) is amended by striking “and university” and inserting “or university” designated by paragraph (1), the following:

‘‘(6) in paragraph (4), as redesignated by paragraph (3), by striking ‘‘comprehensive foreign language and area center’’ and inserting ‘‘international studies center’’.”

This title shall be construed to authorize the Secretary to mandate, direct, or control an institution of higher education’s specific instructional content, curriculum, or program of instruction.

‘‘SEC. 7620. AUTORIZATION OF APPROPRIATIONS FOR THE INSTITUTE FOR INTERNATIONAL NATIONAL POLICY.

Section 629 (as redesignated by section 7617(a)) (20 U.S.C. 1135f) is amended by striking “$10,000,000 for fiscal year 1999” and all that follows through the period and inserting “such sums as may be necessary for fiscal year 2006 and each of the 5 succeeding fiscal years.”

SEC. 7621. DEFINITIONS.

Section 631 (20 U.S.C. 1132) is amended—
(1) by redesignating paragraphs (1), (2), (3), (4), (5), (6), (7), (8), and (9), as paragraphs (8), (9), (5), (9), (11), (13), (7), and (4), respectively;
(2) in paragraph (2), as redesignated by paragraph (1), by striking “comprehensive foreign language and area center” and inserting “international studies center”;
(3) in paragraph (3), as redesignated by paragraph (1), by striking “undergraduate language and area center” and inserting “undergraduate foreign language and area or international studies center”;
(4) in paragraph (3), as redesignated by paragraph (1), by striking the first occurrence of the term “critical languages” and inserting “international languages”;
(5) in paragraph (7), as redesignated by paragraph (1), by striking “and” after the semicolon;
(6) in paragraph (4), as redesignated by paragraph (1), by striking the period at the end and inserting a semicolon;
(7) by inserting after paragraph (5), as redesignated by paragraph (1), the following:

“(6) the term ‘historically Black college and university’ has the meaning given the term ‘part B institution’ in section 322(b);”;
and
(8) in paragraph (11), as redesignated by paragraph (1), the following:

“(10) the term ‘tribally controlled college or university’ has the meaning given the term ‘tribally controlled’ in section 319(c)(1) of the Tribally Controlled College or University Assistance Act of 1978 (25 U.S.C. 1801); and.”

SEC. 7622. ASSESSMENT AND ENFORCEMENT.

Part D of title VI (20 U.S.C. 1132) is amended by adding at the end the following:

“SEC. 7622. ASSESSMENT AND ENFORCEMENT: RULE OF CONSTRUCTION.

“(a) IN GENERAL.—The Secretary is authorized to assess and ensure compliance with all the conditions and terms of grants provided under this title. If a complaint regarding activities funded under this title is not resolved under the process outlined in the relevant grantee’s application, and such complaint is filed with the Department, the Secretary shall be notified, and is authorized, when circumstances warrant, to immediately suspend future funding for the grant pending resolution of such dispute. Such resolution shall be completed within 60 days. The Secretary shall take the outcomes of such complaints into account when determining the renewal of grants.

“(b) RULE OF CONSTRUCTION.—Nothing in this title shall be construed to authorize the Secretary to mandate, direct, or control an area designated by paragraph (1), by striking ‘‘comprehensive foreign language and area center’’ and inserting ‘‘international studies center’’;

(9) apply to student goals and help students progress toward meeting those goals and criteria.

SEC. 7701. PURPOSE.

Section 700(1)(B)(i) (20 U.S.C. 1134d) is amended—
(1) by striking “$30,000,000 for fiscal year 1999” and inserting “$5,000,000 for fiscal year 2006”;
(2) by striking “and all that follows through the period and inserting such sums as may be necessary for fiscal year 2006 and each of the 5 succeeding fiscal years.”

SEC. 7702. ALLOCATION OF JACOB K. JAVITS FELLOWSHIPS.

Section 702(a)(1) (20 U.S.C. 1134a(a)(1)) is amended to read as follows:

“(1) APPOINTMENT.—The Secretary shall appoint a Jacob K. Javits Fellows Program Fellowship Board (referred to in this subpart as the ‘Board’) consisting of 9 individuals representing both public and private institutions of higher education who are especially qualified to serve on the Board.

“(B) QUALIFICATIONS.—In making appointments under subparagraph (A), the Secretary shall—

“(i) give due consideration to the appointment of individuals who are highly respected in the academic community;

“(ii) assure that individuals appointed to the Board are broadly representative of a range of disciplines in graduate education in arts, humanities, and social sciences;

“(iii) appoint members to represent the various geographic regions of the United States; and

“(iv) include representatives from minority institutions, as defined in section 365.”

SEC. 7703. STIPENDS.

Section 703(a) (20 U.S.C. 1134a(b)) is amended by striking “graduate fellowships” and inserting “Graduate Research Fellowship Program”.

SEC. 7704. AUTHORIZATION OF APPROPRIATIONS FOR THE GRADUATE ASSISTANCE IN AREAS OF NATIONAL NEED PROGRAM.

Section 705 (20 U.S.C. 1134d) is amended by striking “$30,000,000 for fiscal year 1999” and inserting “$30,000,000 for fiscal year 2006” and all that follows through the period and inserting “such sums as may be necessary for fiscal year 2006 and each of the 5 succeeding fiscal years.”

SEC. 7705. INSTITUTIONAL ELIGIBILITY UNDER THE GRADUATE ASSISTANCE IN AREAS OF NATIONAL NEED PROGRAM.

Section 712(b) (20 U.S.C. 1135a(b)) is amended to read as follows:

“(b) DESIGNATION OF AREAS OF NATIONAL NEED.—After consultation with appropriate Federal and nonprofit agencies and organizations, including the National Science Foundation, the Department of Defense, the Department of Homeland Security, the National Academy of Sciences, and the Bureau of Labor Statistics, the Secretary shall designate critical foreign languages and security areas of national need. In making such designations, the Secretary shall take into consideration—

“(1) the extent to which the interest in the area is compelling;

“(2) the extent to which other Federal programs support postbaccalaureate study in the area concerned;

“(3) an assessment of how the program may achieve the most significant impact with available resources; and

“(4) an assessment of current and future professional workforce needs of the United States.”

SEC. 7706. AWARDS TO GRADUATE STUDENTS.

Section 714 (20 U.S.C. 1135c) is amended—
(1) in subsection (b)—
(A) by striking “1999–2000” and inserting “2006–2007”;
and
(B) by striking “Graduate fellowships” and inserting “Graduate Research Fellowship Program”;
and
(2) in subsection (c)—
(A) by striking “715(a)” and inserting “715(b)”;
and
(B) by striking “714(b)” and inserting “715(b)(2)”.

SEC. 7707. ADDITIONAL ASSISTANCE FOR COST OF EDUCATION.

Section 715(a)(1) (20 U.S.C. 1135d(a)(1)) is amended—
(1) by striking “1999–2000” and inserting “2006–2007”;
and

SEC. 7708. AUTHORIZATION OF APPROPRIATIONS FOR THE GRADUATE ASSISTANCE IN AREAS OF NATIONAL NEED PROGRAM.

Section 716 (20 U.S.C. 1135e) is amended by striking “$35,000,000 for fiscal year 1999” and all that follows through the period and inserting “such sums as may be necessary for fiscal year 2006 and each of the 5 succeeding fiscal years.”

SEC. 7709. AUTHORIZATION OF APPROPRIATIONS FOR THE THURGOOD MARshall LEGAL EDUCATIONAL OPPORTUNITY PROGRAM.

Section 721(h) (20 U.S.C. 1136(h)) is amended by striking “$5,000,000 for fiscal year 1999” and all that follows through the period and inserting “such sums as may be necessary for fiscal year 2006 and each of the 5 succeeding fiscal years.”

SEC. 7710. FUND FOR THE IMPROVEMENT OF SECONDARY EDUCATION.

Section 741(a) (20 U.S.C. 1137a(a)) is amended—
(1) by striking paragraph (3) and inserting the following:

“(3) the establishment and continuation of institutions, programs, consortia, collaboratives, and other arrangements that will advance the technology of communications, including those efforts that utilize distance education and technological advancements to educate and train postsecondary students (including health professionals serving medically underserved populations);”;
(2) in paragraph (7), by striking “and” after the semicolon;
(3) in paragraph (8), by striking the period at the end and inserting a semicolon; and
(4) by adding at the end the following:

“(9) the introduction of reforms in remedial education, including English language instruction, to customize remedial courses to student goals and help students progress rapidly from remedial courses into core courses and through program completion;

“(10) the creation of consortia that join diverse insitutions of higher education for the purpose of integrating curricular and co-curricular interdisciplinary study; and

“(11) providing support and assistance to programs implementing integrated education reform services in order to improve secondary school graduation and college attendance and completion rates for disadvantaged students.”

SEC. 7711. SPECIAL PROJECTS.

Section 744(c) (20 U.S.C. 1138c) is amended to read as follows:

“(c) AREAS OF NATIONAL NEED.—Areas of national need shall include, at a minimum, the following:

(1) areas of national need determined by the Department of Homeland Security;
“(1) Institutional restructuring to improve learning and promote productivity, efficiency, quality improvement, and cost and price control.

“(2) Improvements in academic instruction and student learning, including efforts designed to assess the learning gains made by postsecondary students.

“(3) Improvements in program and institutional effectiveness, including developing innovative methods for ensuring the successful transfer of students from 2- to 4-year institutions of higher education, including developing innovative methods for ensuring the successful transfer of students from 2- to 4-year institutions of higher education.

“(4) Development, evaluation and dissemination of model programs, including model core curricula that—

“(B) include, at a minimum, broad survey courses in English literature, American and world history, American political institutions, economics, philosophy, college-level mathematics, and the natural sciences; and

“(C) include sufficient study of a foreign language to lead to reading and writing competency in the foreign language.

“(5) International cooperation and student exchanges among postsecondary educational institutions designed to assess the learning gains made by postsecondary students.

“SEC. 7712. AUTHORIZATION OF APPROPRIATIONS FOR THE FUND FOR THE IMPROVEMENT OF POSTSECONDARY EDUCATION.

Section 765 (20 U.S.C. 1138b) is amended by striking "$30,000,000 for fiscal year 1999" and inserting "$10,000,000 for fiscal year 2000 and each of the 5 succeeding fiscal years.

“SEC. 7713. REPEAL OF THE URBAN COMMUNITY SERVICE PROGRAM.

Part C of title VII (20 U.S.C. 1139 et seq.) is repealed.

“SEC. 7714. GRANTS AUTHORIZED FOR DEMONSTRATION PROJECTS TO ENSURE STUDENTS WITH DISABILITIES RECEIVE A QUALITY HIGHER EDUCATION.

Section 762 (20 U.S.C. 1140a) is amended—

“(1) in subparagraph (A), by striking “to teach students with disabilities” and inserting “to teach and meet the academic and programmatic needs of students with disabilities in order to improve retention and completion of postsecondary education”;

“(2) in subparagraphs (B) and (C) as subparagraphs (C) and (F), respectively;

“(ii) by inserting after subparagraph (A) the following:

“(B) EFFECTIVE TRANSITION PRACTICES.—The development of innovative and effective teaching methods and strategies to ensure the successful transfer of students with disabilities from secondary school to post-secondary education;

“(iv) in subparagraph (C), as redesignated by clause (ii), the following, after the period at the end and inserting “including data on the postsecondary education of and impact on subsequent employment of students with disabilities. Such research, information, and data shall be made publicly available and accessible.”;

“(v) by inserting after subparagraph (C), as redesignated by clause (ii), the following:

“(D) DISTANCE LEARNING.—The development of innovative and effective teaching methods and strategies to provide faculty and administrative support to enable partnerships to provide accessible distance education programs or classes that would enhance access of students with disabilities to higher education, including support to publicize accessible curriculum and electronic communication for instruction and advisement.

“(E) DISABILITY CAREER PATHWAYS.—Training and providing support to secondary and postsecondary staff to encourage interest in, enhance awareness and understanding of, provide information on, and encourage students to study practical skills related to, and offer work-based opportunities in, disability related fields, among students, including students with disabilities; and inserting such sums as may be necessary for fiscal year 2006 and each of the 5 succeeding fiscal years.

“(f) MATCHING REQUIREMENT.—In order to receive a grant under this section, a State shall provide matching funds for the scholarships awarded under this section in an amount equal to 10 percent of the Federal funds received.

“(g) AUTHORIZATION.—There are authorized to be appropriated to carry out this section such sums as may be necessary for fiscal year 2006 and each of the 5 succeeding fiscal years.

“PART B—POSTSECONDARY EDUCATION ASSESSMENT.

“SEC. 831. POSTSECONDARY EDUCATION ASSESSMENT.

“(a) CONTRACT FOR ASSESSMENT.—The Secretary shall enter into a contract, with an independent, bipartisan organization with specific expertise in public administration and financial management, to carry out an independent assessment of the cost factors associated with the cost of tuition at institutions of higher education during academic year 2000 and succeeding academic years.

“(b) TIMEFRAME.—The Secretary shall enter into the contract described in subsection (a) not later than 90 days after the date of enactment of the Higher Education Amendments of 2005.

“(c) MATTERS ASSESSED.—The assessment described in subsection (a) shall—

“(1) examine the key elements driving the cost factors associated with the cost of tuition at institutions of higher education during academic year 2000 and succeeding academic years;

“(2) identify and evaluate measures being used to control postsecondary education costs;

“(3) identify and evaluate effective measures that may be utilized to control postsecondary education costs in the future; and

“(4) identify systemic approaches to monitor future postsecondary education cost trends and postsecondary education cost control mechanisms.

“PART C—JOB SKILL TRAINING IN HIGH-GROWTH OCCUPATIONS OR INDUSTRIES.

“SEC. 811. JOB SKILL TRAINING IN HIGH-GROWTH OCCUPATIONS OR INDUSTRIES.

“(a) GRANTS AUTHORIZED.—The Secretary is authorized to award grants to States, for the development of workforce training programs to meet the needs of the high-growth workforce.

“(b) ELIGIBLE PARTNERSHIPS.—The term ‘eligible partnership’ means a partnership—

“(1) that awards grant funds to States, for the development of workforce training programs to meet the needs of the high-growth workforce; and

“(2) that awards grant funds to States, for the development of workforce training programs to meet the needs of the high-growth workforce.

“(c) MATURED INITIATIVES.—Each participating State shall determine the requirements of the projects for training in mathematics and science described in subsection (b).
is defined in section 101 of the Workforce Investment Act of 1998).

(2) NONTRADITIONAL STUDENT.—The term ‘nontraditional student’ means a student who—

(A) is independent, as defined in section 480(d);

(B) attends an institution of higher education;

(i) on less than a full-time basis;

(ii) evening, weekend, modular, or compressed courses; or

(C) has delayed enrollment at an institution of higher education.

(3) INSTITUTION OF HIGHER EDUCATION.—The term ‘institution of higher education’ means an institution of higher education, as defined in section 101(b), that offers a 1- or 2-year program of study leading to a degree or certificate.

(c) APPLICATION.—

(1) In general.—Each eligible partnership that desires a grant under this section shall submit an application to the Secretary at such time, in such manner, and accompanied by such additional information as the Secretary may require.

(2) CONTENTS.—Each application submitted under paragraph (1) shall include a description of—

(A) how the eligible partnership, through the institution of higher education, will provide relevant job skill training for students to enter high-growth occupations or industries;

(B) local high-growth occupations or industries; and

(C) the need for qualified workers to meet the local demand of high-growth occupations or industries.

(d) AWARD BASIS.—In awarding grants under this subsection, the Secretary shall—

(1) ensure an equitable distribution of grant funds under this section among urban and rural areas of the United States; and

(2) take into consideration the capability of the institution of higher education—

(A) to offer relevant, high quality instruction and job skill training for students entering a high-growth occupation or industry;

(B) to involve the local business community and to place graduates in the community in employment in high-growth occupations or industries;

(C) to provide secondary students with dual-enrollment or concurrent enrollment options;

(D) to serve nontraditional or low-income students, or adult or displaced workers; and

(E) to serve students from rural or remote communities.

(e) USE OF FUNDS.—Grant funds provided under this section may be used—

(1) to expand or create academic programs or programs of training that provide relevant job skill training for high-growth occupations or industries;

(2) to purchase equipment which will facilitate or supplement academic programs or programs of training that provide training for high-growth occupations or industries;

(3) to support outreach efforts that enable students to attend institutions of higher education with academic programs or programs of training focused on high-growth occupations or industries;

(4) to expand or create programs for distance, evening, weekend, modular, or compressed learning opportunities that provide relevant job skill training in high-growth occupations or industries;

(5) to build partnerships with local businesses in high-growth occupations or industries; and

(6) to support curriculum development related to entrepreneurial training; and

(7) for other uses that the Secretary determines to be consistent with the intent of this section.

(f) REQUIREMENTS.—

(1) FISCAL AGENT.—For the purpose of this section, the institution of higher education in an eligible partnership shall serve as the fiscal agent and grant recipient for the eligible partnership.

(2) DURATION.—The Secretary shall award grants under this section for periods that may not exceed 5 years.

(3) SUPPLEMENT, NOT SUPPLANT.—Funds made available under this section shall be used to supplement and not supplant other Federal, State, and local funds available to the eligible partnership for carrying out the activities described in subsection (e).

(g) AUTHORIZATION OF APPROPRIATIONS.—

There is authorized to be appropriated to carry out this part such sums as may be necessary for fiscal year 2006 and each of the 5 succeeding fiscal years.

PART D—GRANT PROGRAM TO INCREASE STUDENT RETENTION AND PROMOTE ARTICULATION AGREEMENTS

SEC. 841. GRANT PROGRAM TO INCREASE STUDENT RETENTION AND PROMOTE ARTICULATION AGREEMENTS.

(a) AUTHORIZATION OF PROGRAM.—The Secretary shall award grants, on a competitive basis, to eligible institutions to enable the institutions to—

(1) focus on increasing traditional and nontraditional student retention at such institutions to baccalaureate degrees;

(2) promote articulation agreements among different institutions that will increase the likelihood of progression of students at such institutions to baccalaureate degrees.

(b) DEFINITION OF ELIGIBLE INSTITUTION.—

In this section, an ‘eligible institution’ means an institution of higher education as defined in section 101(a) where not less than 40 percent of such institution’s student body receives financial aid under subpart 1 of part A of title IV.

(c) APPLICATION.—An eligible institution that desires a grant under this section shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require, including the number of students proposed to be assisted by the provision of the services that will be provided.

(d) MANDATORY ACTIVITIES.—An eligible institution that receives a grant under this section shall use the grant funds to carry out each of the following:

(1) Offering counseling and advisement services to help students adapt to postsecondary education and select appropriate coursework.

(2) Making mentors available to students who are at risk for not completing a degree.

(3) Providing detailed assistance to students who request help in understanding—

(A) the options for financing their education, including information on grants, loans, and loan repayment programs;

(B) the process of applying for financial assistance;

(C) the outcome of their financial assistance application; and

(D) any unanticipated problems related to financing their education that arise.

(4) Offering tutoring to students at risk of dropping out of school with any course or subject.

(5) Designing and implementing innovative programs or policies to improve retention in and completion of courses, such as enrolling students in cohorts, providing counseling, or creating bridge programs that customize courses to the needs of students.

(6) Conducting outreach activities so that all students know that these services are available and are aware of how to access the services.

(7) Creating articulation agreements to promote smooth transition from two year to four year programs.

(b) MAKING SERVICES LISTED IN PARAGRAPH (1) AVAILABLE.—Making services listed in paragraphs (1) through (5) available in students’ native languages, if it is not English, if the percentage of students needing such services in a specific language exceeds 5 percent.

(c) PERMISSIBLE ACTIVITIES.—An eligible institution that receives a grant under this section may use grant funds to carry out any of the following activities:

(1) Designing innovative course schedules to meet the needs of working adults, such as modular, compressed, or other alternative methods.

(2) Offering child care during the hours when students have class or are studying.

(3) Providing transportation assistance to students that helps such students manage their schedules.

(4) Partnering with local businesses to create flexible work-hour programs so that students can balance work and school.

(5) Offering time management or financial literacy seminars to help students improve their management.

(6) Improving professional development to align instruction with innovative program designs.

(7) Any other activities the Secretary believes will promote retention of students attending eligible institutions.

(b) TECHNICAL ASSISTANCE.—The Secretary may enter into a contract with a private entity to provide such technical assistance to grantees under this section as the Secretary determines appropriate.

(c) EVALUATION.—The Secretary shall conduct an evaluation of program impacts under the demonstration program, and shall report to the public the findings from the evaluation and information on best practices.

(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this part such sums as may be necessary for fiscal year 2006 and each of the 5 succeeding fiscal years.

PART E—AMERICAN HISTORY FOR FREEDOM

SEC. 851. AMERICAN HISTORY FOR FREEDOM.

(a) GRANTS AUTHORIZED.—The Secretary is authorized to award grants on a competitive basis, consisting of funds to establish or strengthen postsecondary academic programs or centers that promote and impart knowledge of—

(1) traditional American history;

(2) the history and nature of, and threats to, free institutions; or

(3) the history and achievements of Western civilization.

(b) DEFINITIONS.—In this section:

(1) ELIGIBLE INSTITUTION.—The term ‘eligible institution’ means an institution of higher education as defined in section 101.

(2) FREE INSTITUTION.—The term ‘free institution’ means an institution that emerged out of Western civilization, such as democracy, constitutional rights, market economics, religious freedom and religious tolerance, and freedom of thought and inquiry.

(c) APPLICATION.—
PART F—TEACH FOR AMERICA

SEC. 861. TEACH FOR AMERICA.

(a) DEFINITIONS.—

(1) IN GENERAL.—The terms ‘‘highly qualified,’’ ‘‘local education agency,’’ and ‘‘Secretary’’ have the meanings given the terms in section 9101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7801).

(2) ALLOWABLE USES OF FUNDS.—

(A) IN GENERAL.—Allowable uses of funds provided under this part shall include the following activities:

(i) grants to eligible institutions to support activities related directly to the recruitment, selection, training, and support of teachers through a highly selective national process.

(ii) support for faculty teaching in underrepresented areas.

(iii) support for graduate and postgraduate fellowships, if applicable;

(iv) teacher preparation initiatives that stress content mastery regarding traditional American history, free institutions, or Western civilization;

(v) development, publication, and dissemination of instructional materials;

(vi) research;

(B) PROBATIONARY PERIOD.—An eligible institution may submit an application on behalf of an individual who is not yet nominated to a fellowship.

(c) REQUIREMENTS.—In carrying out the grant program under subsection (b), the Secretary may require that an eligible institution provide, through eligible institutions, that offers a program of postbaccalaureate study leading to a graduate or professional degree, that: (1) to pay the cost of recruiting, selecting, training, and supporting new teachers; and

(d) AUTHORIZED ACTIVITIES.—

(1) IN GENERAL.—Each eligible institution, that offers a program of postbaccalaureate study leading to a graduate or professional degree, that: (1) to pay the cost of recruiting, selecting, training, and supporting new teachers; and

(2) STUDY.—An eligible institution may seek reimbursement for funds provided under this part for conducting an independent study of the activities funded under this part.

(e) REPORTS AND EVALUATIONS.—

(1) IN GENERAL.—The grantee shall submit to the Secretary an annual report that includes—

A description of the activities conducted under this part during the previous fiscal year;

A description of the outcomes of the activities conducted under this part during the previous fiscal year;

The grantee and the recipient institution shall provide to the Secretary a report of progress that includes—

A description of the activities conducted under this part during the previous fiscal year;

The grantee and the recipient institution shall provide to the Secretary a report of progress that includes—

A description of the outcomes of the activities conducted under this part during the previous fiscal year;

A description of the outcomes of the activities conducted under this part during the previous fiscal year;
‘‘(i) A graduate school or department of such institution.

‘‘(ii) A graduate school or department of such institution in collaboration with an
undergraduate college or university of such institution.

‘‘(iii) An organizational unit within such institution that offers a program of
postbaccalaureate study leading to a grad-
uate degree, including an interdisciplinary
or an interdepartmental program.

‘‘(IV) A nonprofit organization with a dem-
onstrated ability to help minority and
women earn postbaccalaureate degrees.

‘‘(v) Individuals are traditionally underrepresented
in college and university faculties, such as

‘‘(A) Number of allowances.—In awarding
grants under this section, the Secretary
shall pay to each eligible institution award-

ed a grant, for each individual awarded a fel-
lowship by such institution under this sec-

tion, an institutional allowance.

‘‘(ii) Amount.—Except as provided in para-
graph (3), an institutional allowance shall be
in an amount equal to, for academic year

2006–2007 and succeeding academic years, the
amount of institutional allowance made to an
institution of higher education under sec-

tion 102(a)(1) of the Higher Education Act of
1965 for such academic year.

‘‘(B) Use of funds.—Institutional allow-
ances may be expended in the discretion
of the eligible institution and may be used to
provide stipends for fellows, to hire faculty
under paragraphs (4), academic support and career tran-
sition services for individuals awarded fel-

lowships by such institution.

‘‘(C) Reduciton.—The institutional allow-
ance paid under paragraph (1) shall be re-
duced by the amount the eligible institution
charges and collects from a fellowship recipi-

ent for tuition and other expenses as part of
the recipient’s instructional program.

‘‘(D) Use for overhead prohibited.—
Funds made available under this section may
not be used for general operational overhead
of the academic department or institution
receiving funds under this section.

‘‘(D) Fellowship recipients.—

‘‘(i) Institution of higher education (as the term is defined in section
102(a)(1)); or

‘‘(ii) an institution of higher education
outside the United States that is the


described in section 102(a)(2)); or

‘‘(D) Fellowship recipients.—

‘‘(i) Institution of higher education (as the term is defined in section
102(a)(1)); or

‘‘(ii) an institution of higher education
outside the United States that is the


described in section 102(a)(2)); or

‘‘(i) to begin employment at an institution
described in paragraph (1) not later than 3
years after earning the highest possible degree
available, which 3-year period may be extended
by the Secretary for extraordinary circumstances;
and

‘‘(ii) an institution that demonstrates an ability to
 achieve the purposes of this section;

‘‘(D) Number of fellowships.—An
eligible institution that receives a grant
under this section shall make not less than 15 fellowships
awarded.

‘‘(E) Relegation.—If the Secretary de-
termines that an eligible institution
awarded a grant under this section is unable to use
all of the grant funds awarded to the institution,
the Secretary shall reallocate, on such
date during each fiscal year as the Secretary may
prescribe, grant funds to other eligible
institutions that demonstrate that such
institutions can use any reallocated grant funds to make fellowship awards to individ-
uals under this section.

‘‘(5) Institutional allowance.—

‘‘(A) In general.—

‘‘(ii) deemed impossible because the indi-

vidual is permanently and totally disabled at
the time of the waiver request.

‘‘(4) Amount of fellowship awards.—Fel-
lowship awards under subsection (a)(1) con-

sist of a stipend in an amount equal to the
level of support provided to the National
Science Foundation graduate fellows, except that
the stipend shall not exceed the nec-

essary so as not to exceed the fellow’s tutor-

ship and fees or demonstrated need (as deter-
mmed by the institution of higher education
where the graduate student is enrolled), whichever
is greater.

‘‘(5) Academic progress required.—An
individual student shall not be eligible to re-
ceive fellowship awards under subsection (a).

‘‘(A) Except during periods in which such
student is enrolled, and such student is
maintaining satisfactory academic progress in,
and devoting essentially full time to, study or
research in the pursuit of the degree for

which the fellowship support was award-
ed;

and

‘‘(B) if the student is engaged in gainful
employment, other than part-time employ-
ment in teaching, research, or similar activ-
ity determined by the eligible institution to
be compatible with the student’s progress toward the
student’s progress toward the appropriate
degree.

‘‘(E) Rule of construction.—Nothing in
this section shall be construed to require
an eligible institution that receives a grant
under this section—

‘‘(A) to give a preference to or differen-
tially treat any applicant for a faculty posi-
tion as a result of the institution’s participa-
tion in the program under this section; or

‘‘(B) to hire a Patsy T. Mink Fellow who
completes this program and seeks employ-
ment at such institution.

‘‘(F) Authorization of Appropriations.—
The amount authorized to carry out this
section shall be increases for each of the 5
succeeding fiscal years.

‘‘PART H—STUDY ON COLLEGE
ENROLLMENT BY SECONDARY SCHOOLS

‘‘SEC. 881. STUDY ON COLLEGE ENROLLMENT BY
SECONDARY SCHOOLS.

The Secretary shall contract with a not-
for-profit organization with demonstrated
expertise in increasing college enrollment rates in
low-income communities nationwide.

The Secretary shall carry out this study such sums as may be
necessary for fiscal year 2006, 2007, and
2008.
“(A)(i) select challenging academic content standards, challenging student academic achievement standards, and academic assessments of a State, adopted and implemented as appropriate, pursuant to paragraphs (1) and (3) of section 1111(b) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6311(b)(1) and (3)) and approved by the Secretary;”

“(ii) implement such standards and assessments for such programs by not later than the beginning of the 2008-2009 academic year;”

“(B) determine whether such programs at the Clerc Center are making adequate yearly progress, as determined according to the assessment of adequate yearly progress defined (pursuant to section 1111(b)(2)(C) of such Act (20 U.S.C. 6311(b)(2)(C))) by the State that has adopted and implemented the standards and assessments selected under subparagraph (A)(i); and

“(C) publicly report the results of the academic assessment elements implemented under subparagraph (A) and whether the programs at the Clerc Center are making adequate yearly progress, as determined under subparagraph (B).”

SEC. 7902. AGREEMENT WITH GALLAUDET UNIVERSITY.

Section 120(b) of the Education of the Deaf Act of 1965 (20 U.S.C. 4305(b)(4)) is amended—

(1) by striking “the Act of March 3, 1931 (40 U.S.C. 276a) commonly referred to as the Davis-Bacon Act” and inserting “section 3145 of title 40, United States Code, commonly referred to as the Davis-Bacon Act”; and

(2) by striking “the Act of March 3, 1931 (40 U.S.C. 276c),” and inserting “part C—OTHER PROGRAMS”.

SEC. 7903. AUDIT.

Section 203 of the Education of the Deaf Act of 1965 (20 U.S.C. 4303) is amended—

(1) in subsection (a), by striking the second sentence and inserting the following:

“Notwithstanding the requirement under paragraph (1), if the Secretary or the Rochester Institute of Technology terminates the agreement under paragraph (1), the Secretary may require proposals from other institutions of higher education and enter into an agreement with 1 of such institutions for the establishment and operation of a National Technical Institute for the Deaf.”

(2) in subsection (b), by striking “(A) in paragraph (1), by striking the second sentence and inserting the following: “The institution of higher education that the Secretary designates under section 112 shall have an independent financial and compliance audit made of NTID programs and activities. The audit shall follow the cycle of the Federal fiscal year.”” and inserting “(A) by striking “section 112” and inserting “sections 112(h), 115(b)(4), 112(b)(5), 203(c), 207(h)(2), subsections (c) through (f) of section 207, and subsections (b) and (c) of section 209.””;

(B) in paragraph (2), by striking “the cycle of the Federal fiscal year” and inserting “the cycle of the Federal fiscal year for the period ending the following fiscal year”; and

(C) in paragraph (3), by striking “and the Committee on Education and the Workforce of the House of Representatives and the Committee on Labor, Health, Education, Labor, and Pensions of the Senate” after “Secretary”; and

(D) in paragraph (4), by striking “the Committee on Education and the Workforce of the House of Representatives and the Committee on Labor, Human Resources, and the Senate” after “Secretary” and inserting “the Committee on Education and Labor of the House of Representatives and the Committee on Labor and Human Resources of the Senate”.

SEC. 7904. CULTURAL EXPERIENCES GRANTS.

(a) Cultural Experiences Grants. Title I of the Education of the Deaf Act of 1965 (20 U.S.C. 4301 et seq.) is amended by adding at the end the following:

“PART C—OTHER PROGRAMS

SEC. 121. CULTURAL EXPERIENCES GRANTS.

The Secretary shall, on a competitive basis, make grants to, and enter into contracts and cooperative agreements with, eligible entities to support the activities described in subsection (b).

(b) ACTIVITIES. In carrying out this section, the Secretary shall support activities providing cultural experiences, through appropriate nonprofit organizations with a demonstrated proficiency in providing such activities, that—

(1) enrich the lives of deaf and hard-of-hearing children and adults;

(2) increase public awareness and understanding of deafness and of the artistic and intellectual achievements of deaf and hard-of-hearing persons;

(3) promote the integration of hearing, deaf, and hard-of-hearing persons through shared cultural, educational, and social experiences.

(c) APPLICATIONS. An eligible entity that desires to receive a grant, or enter into a contract or cooperative agreement, under this section shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require.

(d) AUTHORIZATION OF APPROPRIATIONS. There are authorized to be appropriated to carry out this section such sums as may be necessary for fiscal year 2006 and each of the 5 succeeding fiscal years.

SEC. 7905. REPORTS.

Section 204 of the Education of the Deaf Act of 1965 (20 U.S.C. 4304) is amended—

(1) in matter preceding paragraph (1), by striking “section 2 of the Act of June 13, 1931 (40 U.S.C. 276c)” and inserting “section 3145 of title 40, United States Code”; and

(2) in paragraph (1), by striking “section 2” and inserting “section 3145 of title 40, United States Code”.

SEC. 7906. REPORTS.

Section 206 of the Education of the Deaf Act of 1965 (20 U.S.C. 4305) is amended—

(1) in subsection (b), by striking “The Secretary, as part of the annual report required under section 426 of the Department of Education Organization Act, shall include a description of” and inserting “The Secretary shall annually transmit information to Congress on”; and

(2) in subsection (c), by striking “fiscal years 1998 through 2003” and inserting “fiscal years 2006 through 2010”.

SEC. 7907. MONITORING, EVALUATION, AND REPORTING.

Section 207 of the Education of the Deaf Act of 1965 (20 U.S.C. 4307) is amended—

(1) in subsection (b), by striking “The Secretary, as part of the annual report required under section 426 of the Department of Education Organization Act, shall include a description of” and inserting “The Secretary shall annually transmit information to Congress on”; and

(2) in subsection (c), by striking “fiscal years 1998 through 2003” and inserting “fiscal years 2006 through 2010”.

SEC. 7908. LISSIA FOR EDUCATIONAL PROGRAMS.

Section 206(a) of the Education of the Deaf Act of 1965 (20 U.S.C. 4306(a)) is amended by striking “Not later than 30 days after the date of enactment of this Act, the” and inserting “The”.

SEC. 7909. FEDERAL ENDOWMENT GRANTS FOR GALAUART UNIVERSITY AND THE NATIONAL TECHNICAL INSTITUTE FOR THE DEAF.

Section 207(h) of the Education of the Deaf Act of 1965 (20 U.S.C. 4307(h)) is amended by striking “fiscal years 2005 and 2006” and inserting “the fiscal years 2005 through 2009”.

SEC. 7910. OVERSIGHT AND EFFECT OF AGREEMENTS.

Section 208(a) of the Education of the Deaf Act of 1965 (20 U.S.C. 4309(a)) is amended by striking “Committee on Labor and Human Resources of the Senate and the Committee on Education and the Workforce of the House of Representatives” and inserting “Committee on Education and the Workforce of the House of Representatives and the Committee on Health, Education, Labor, and Pensions of the Senate”.

SEC. 7911. INTERNATIONAL STUDENTS.

Section 209 of the Education of the Deaf Act of 1965 (20 U.S.C. 4309) is amended—

(1) in subsection (a), by striking “preparatory, undergraduate,” and inserting “undergraduate”; and

(2) in paragraph (2), by striking “Effective” and inserting “the following:

(1) in general.—Except as provided in paragraph (2), effective for fiscal year 2006 and subsequent fiscal years, the cap on international students under paragraph (1), except that in any school year no United States citizen who applies to participate in distance learning courses that are at NTID or the University or NTID shall be denied participation in such courses because of the participation of an international student in such courses; and

(B) not be charged a tuition surcharge, as described in subsection (b).”;

and
(2) by striking subsections (b), (c), and (d), and inserting the following: 

"(b) Tuition Surcharge.—Except as provided in subsections (a)(2)(B) and (c), the tuition for postsecondary international students enrolled in the University (including undergraduate and graduate students) or NTID shall include, for academic year 2007-2008 and any succeeding academic year, a surcharge of—

(1) 100 percent for a postsecondary international student from a non-developing country;

(2) 50 percent for a postsecondary international student from a developing country."

(ii) Reduction of Surcharge.—(1) In general.—Beginning with the academic year 2007-2008, the University or NTID may reduce the surcharge—

(A) under subsection (b)(1) to 50 percent if—

(i) a student described under subsection (b)(1) demonstrates need; and

(ii) such student has made a good faith effort to secure aid through such student's government or other sources; and

(B) under subsection (b)(2) to 25 percent if—

(i) a student described under subsection (b)(2) demonstrates need; and

(ii) such student has made a good faith effort to secure aid through such student's government or other sources.

(2) Development of Sliding Scale.—The University and NTID shall develop a sliding scale that—

(A) will be used to determine the amount of a tuition surcharge reduction pursuant to paragraph (1); and

(B) shall be approved by the Secretary.

(d) Definition.—In this section, the term "developing country" means a country with a per-capita income of not more than $4,825, measured in 1999 United States dollars, as adjusted by the Secretary to reflect inflation since 1999."

SEC. 7912. RESEARCH PRIORITIES. Section 210(b) of the Education of the Deaf Act of 1986 (20 U.S.C. 4359b(b)) is amended by striking "Committee on Labor and Human Resources of the Senate" and inserting "Committee on Health, Education, Labor, and Pensions of the Senate".

SEC. 7913. AUTHORIZATION OF APPROPRIATIONS. Section 212 of the Education of the Deaf Act of 1986 (20 U.S.C. 4360a) is amended—

(1) in subsection (a), in the matter preceding paragraph (1), by striking "fiscal years 1998 through 2003" and inserting "fiscal years 2006 through 2011"; and

(2) in subsection (b), by striking "fiscal years 1998 through 2003" and inserting "fiscal years 2006 through 2011".

Subchapter B—United States Institute of Peace Act

SEC. 7921. UNITED STATES INSTITUTE OF PEACE ACT.

(a) Powers and Duties.—Section 1705(b)(3) of the United States Institute of Peace Act (22 U.S.C. 4694(b)(3)) is amended by striking "the Arms Control and Disarmament Agency."; and

(b) Board of Directors.—Section 1706 of the United States Institute of Peace Act (22 U.S.C. 4605) is amended—

(1) by striking "(b)(3)" each place the term appears and inserting "(b)(4)"; and

(2) in subsection (e), by adding at the end the following:

"(5) The term of a member of the Board shall be five years, or until the member is confirmed by the Senate and sworn in as a member of the Board.".

(c) Funding.—Section 1710 of the United States Institute of Peace Act (22 U.S.C. 4609) is amended by adding at the end the following:

"(d)(4)(A) is accredited by a nationally recognized accrediting agency or association determined by the Secretary of Education to be a reliable authority with regard to the quality of training offered; or

"(B) is, according to such an agency or association, making reasonable progress toward accreditation.

(e) Technical Assistance Contract Awards.—Section 105 of the Tribally Controlled College or University Assistance Act (25 U.S.C. 1800) is amended in the second sentence by striking "In the awarding of contracts for technical assistance, preference shall be given" and inserting "The Secretary shall direct that contracts for technical assistance be awarded."

(f) Title I Reauthorization.—Section 110(a) of the Tribally Controlled College or University Assistance Act of 1978 (25 U.S.C. 1810(a)) is amended—

(1) in paragraphs (1), (2), (3), and (4), by striking "1999" and inserting "2006";

(2) in paragraphs (1), (2), (3), and (4), by striking "7 succeeding" and inserting "5 succeeding";

(3) in paragraph (2), by striking "$40,000,000" and inserting "such sums as may be necessary";

(4) in paragraph (3), by striking "$10,000,000" and inserting "such sums as may be necessary"; and

(5) in paragraph (4), by striking "succeeding 4" and inserting "succeeding 5".

(g) Title IV Reauthorization.—Section 406 of the Tribai Economic Development and Technology Related Education Assistance Act of 1990 (25 U.S.C. 1852) is amended—

(1) by striking "$2.5 million" and inserting "$2 million";

(2) in paragraph (a), by striking "fiscal year 1999" and inserting "such sums as may be necessary for fiscal year 2006"; and

(3) by striking "succeeding 4" and inserting "succeeding 5".

PART II—NAVAJO HIGHER EDUCATION

SEC. 7943. SHORT TITLE. This part may be cited as the "Navajo Nation Higher Education Act of 2005".

SEC. 7944. REAUTHORIZATION OF NAVAJA COMMUNITY COLLEGE ACT.

(a) Purpose.—Section 2 of the Navajo Community College Act (25 U.S.C. 469b) is amended—

(1) by striking "Navajo Tribe of Indians" and inserting "Navajo Nation"; and

(2) by striking "the Navajo Community College" and inserting "Dine College".

(b) Grants.—Section 3 of the Navajo Community College Act (25 U.S.C. 469b) is amended—

(1) in the first sentence—

(A) by inserting "the" before "Interior";

(B) by striking "Navajo Tribe of Indians" and inserting "Navajo Nation"; and

(C) by striking "the Navajo Community College" and inserting "Dine College";

(2) in the second sentence—

(A) by striking "Navajo Tribe" and inserting "Navajo Nation";

(B) by striking "Navajo Indians" and inserting "Navajo people";

(c) Study of Facilities Needs.—Section 4 of the Navajo Community College Act (25 U.S.C. 469c) is amended—

(1) in subsection (a)—

(A) in the first sentence—

(i) by striking "the Navajo Community College" and inserting "Dine College"; and

(ii) by striking "August 1, 1979" and inserting "October 31, 2009"; and

(B) in the second sentence, by striking "Navajo Tribe" and inserting "Navajo Nation";
(2) in subsection (b), by striking “the date of enactment of the Tribally Controlled Community College Assistance Act of 1978” and inserting “October 1, 2006”; and

(b) repealing the last sentence, by striking “the Navajo Community College” and inserting “Dine’ College.”

(d) by striking “and” and inserting “; and”;

(2) information technology and telecommunications, infrastructure, classrooms, and external structures (such as walkways);”;

(2) in subsection (b)—

(A) in paragraph (1), by striking “$2,000,000” and all that follows through the end of the paragraph and inserting “such sums as are necessary for fiscal years 2006 through 2011 to pay the cost of”;—

(B) in paragraph (2), by striking “the Navajo Community College Act (25 U.S.C. 660c–1) is amended—” and inserting “each place it appears and inserting “Dine’ College”;

(1) to provide immediate and direct assistance to local educational agencies to the extent of the needs in each local educational agency in Louisiana, Mississippi, and Alabama to enable such agencies (as defined in section 9101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7801 et seq.)) in Louisiana, Mississippi, and Alabama to enable such agencies to re-start operations in elementary schools serving primarily Native American students at such time and in such manner as the President shall direct;—

SEC. 7947. FINDINGS.

(a) PURPOSE.—It is the purpose of this section—

(1) to provide immediate and direct assistance to local educational agencies in Louisiana, Mississippi, and Alabama that serve an area in which a major disaster was declared under section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5170), related to Hurricane Katrina—

(2) to assist state districts, schools, and persons of such agencies who are working to re-open operations in elementary schools and secondary schools served by such agencies; and

(3) to facilitate the re-opening of elementary schools and secondary schools served by such agencies and the re-enrollment of students in such schools as soon as possible.

(b) PAYMENTS AND GRANTS AUTHORIZED.—For purposes of this subtitle, the Secretary of Education is authorized to make payments, not later than November 17, 2005, to State educational agencies (as defined in section 9101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7801 et seq.)) in Louisiana, Mississippi, and Alabama to enable such educational agencies to serve an area in which a major disaster was declared in accordance with section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5170), related to Hurricane Katrina.

(c) ELIGIBILITY AND CONSIDERATION.—In determining whether to award a grant under this section, the State educational agency shall consider the following:

(1) TEACHERS.—(A) affected teachers and paraprofessionals;

(2) PROHIBITIONS.—In determining whether to award a grant under this section, the State educational agency shall consider the following:

(1) TEACHERS.—(A) affected teachers.

(b) financial assistance; and

(c) payment assistance for relocation to the extent of the needs in each local educational agency in Louisiana, Mississippi, and Alabama to enable such agencies to re-start operations in elementary schools and secondary schools served by such agencies; and

SEC. 7949. IMMEDIATE AID TO RESTART SCHOOL OPERATIONS.

(a) PURPOSE.—It is the purpose of this section—

(1) for fiscal year 2006 shall be not less than the amount made available under title II of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6333, 6334, 6335, and 6337) for fiscal year 2006 shall not be less than the amount made available for such local educational agency under each of such sections for fiscal year 2006.

(b) such agency may consider an affected teacher hired by such agency who is not highly qualified in the State in which such teacher resides or who is not highly qualified in the State in which such teacher is located to be highly qualified, for purposes of section 1118 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6118) and section 612(a)(14) of the Individuals with Disabilities

SEC. 7948. IMMEDIATE AID TO RESTART SCHOOL OPERATIONS.

(a) PURPOSE.—It is the purpose of this section—

(1) to provide immediate and direct assistance to local educational agencies in Louisiana, Mississippi, and Alabama that serve an area in which a major disaster has been declared under section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5170), related to Hurricane Katrina.

(b) PAYMENTS AND GRANTS AUTHORIZED.—For purposes of this section, the Secretary of Education is authorized to make payments, not later than November 30, 2005, to State educational agencies (as defined in section 9101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7801 et seq.)) in Louisiana, Mississippi, and Alabama to enable such agencies to re-start operations

(c) ELIGIBILITY AND CONSIDERATION.—In determining whether to award a grant under this section, the State educational agency shall consider the following:

(1) TEACHERS.—(A) affected teachers and paraprofessionals;

(2) PROHIBITIONS.—In determining whether to award a grant under this section, the State educational agency shall consider the following:

(1) TEACHERS.—(A) affected teachers.

(b) financial assistance; and

(c) payment assistance for relocation to the extent of the needs in each local educational agency in Louisiana, Mississippi, and Alabama to enable such agencies to re-start operations in elementary schools and secondary schools served by such agencies; and

SEC. 7949. HOLD HARMLESS FOR LOCAL EDUCATIONAL AGENCIES SERVING MAJOR DISASTER AREAS.

In the case of a local educational agency that serves an area in which the President has declared that a major disaster exists in accordance with section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5170), related to Hurricane Katrina, the amount made available for such local educational agency under each of sections 1121, 1121A, 1125, and 1125A of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6333, 6334, 6335, and 6337) for fiscal year 2006 shall not be less than the amount made available for such local educational agency under each of such sections for fiscal year 2006.
Education Act (20 U.S.C. 1412(a)(14)), for a period not to exceed 1 year, if such teacher was placed due to Hurricane Katrina and relocated to a State that is different from the State in which such teacher resided on August 22, 2005.

(2) PARAPROFESSIONAL.—
(A) AFFECTED PARAPROFESSIONAL.—In this subsection, the term “affected paraprofessional” means a paraprofessional who is displaced due to Hurricane Katrina and relocate to a State that is different from the State in which such paraprofessional resided on August 22, 2005.

(b) IN GENERAL.—A local educational agency may consider an affected paraprofessional hired by such agency who does not satisfy the requirements of section 1118(c) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6318(c)) in the State in which such agency is located to satisfy such requirements, for purposes of such section, for a period not to exceed 1 year, if such paraprofessional satisfied such requirements on or before August 22, 2005, in the State in which such paraprofessional resided on August 22, 2005.

(c) APPLICATION.—In this section:
(1) AID TO STATE EDUCATIONAL AGENCIES.—From amounts appropriated under this sub-title, the Secretary of Education shall provide emergency impact aid to State educational agencies to enable such educational agencies to make emergency impact aid payments to eligible local educational agencies and eligible BIA-funded schools to enable—
(A) such eligible local educational agencies and schools to provide for the instruction of displaced students served by such agencies and schools; or
(B) such eligible local educational agencies to make immediate impact aid payments to account for the educational needs of displaced students (referred to in this section as “accounts”) who are attending eligible non-public schools located in the areas served by the eligible local educational agencies.

(2) AID TO LOCAL EDUCATIONAL AGENCIES AND BIA-FUNDED SCHOOLS.—A State educational agency shall make emergency impact aid payments to eligible local educational agencies and eligible BIA-funded schools in accordance with subsection (d).

(3) STATE EDUCATIONAL AGENCIES IN CERTAIN STATES.—A State educational agency shall make emergency impact aid payments to eligible educational agencies in such States for which the State exercises the authority normally exercised by such local educational agencies,

(b) DEFINITIONS.—In this section:
(1) DISPLACED STUDENT.—The term “displaced student” means a student who enrolled in a school (other than the school that the student was enrolled in, or was eligible to be enrolled in, on August 22, 2005) because such student is homeless and accompanied by such information as the Secretary of Education at such time, in such manner, and with such form and content as the Secretary of Education determines, including documentation submitted quarterly for the 2005-2006 school year that indicates the following:
(A) In the case of an eligible local educational agency,
(1) the number of displaced students enrolled in the elementary schools and secondary schools (including charter schools and including the number of displaced students who are attending eligible non-public schools that accounts are used only for the eligible non-public schools that accounts are used only for the eligible local educational agencies in such States), if any such State or local educational agency demonstrates that a failure to comply with such requirements is due to exceptional or uncontrollable circumstances, such as a natural disaster or a precipitous and unforeseen decline in the financial resources of local educational agencies within the State.

SEC. 7951. ASSISTANCE FOR HOMELESS YOUTH.
(a) IN GENERAL.—The Secretary of Education shall make emergency impact aid payments to local educational agencies serving homeless children and youths displaced by Hurricane Katrina, consistent with section 723 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11433), including identification, enrollment assistance, assessment and school placement assistance, transportation, coordination of school services, and referrals for health, mental health, and other needs.

(b) EXCEPTION AND DISTRIBUTION OF FUNDS.—
(1) EXCEPTION.—For purposes of providing assistance under subsection (a), sections (c) and (e) of section 722 and subsections (b) and (c) of section 723 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11433(c)(2) and (3)) and section 612(a)(14)(C) of the Individuals with Disabilities Education Act (20 U.S.C. 1412(a)(14)(C)) with respect to the States of Alabama, Louisiana, and Mississippi (and local educational agencies within the jurisdiction of such States), if any such State or local educational agency demonstrates that a failure to comply with such requirements is due to exceptional or uncontrollable circumstances, such as a natural disaster or a precipitous and unforeseen decline in the financial resources of local educational agencies within the State, the eligible non-public school in which the student is enrolled.

(3) ELIGIBLE NON-PUBLIC SCHOOL.—The term “eligible non-public school” means a non-public school that—
(A) is accredited or licensed or otherwise eligible non-public school prior to the date of enactment of this Act.

(b) ELIGIBLE LOCAL EDUCATIONAL AGENCIES.—The term “eligible local educational agency” means a local educational agency that serves—
(I) a displaced student enrolled in an eligible BIA-funded school; or
(II) a displaced student who is attending an eligible BIA-funded school.

(c) APPLICATION.—A State educational agency that desires an emergency impact aid payment under this section shall submit an application to the State educational agency or eligible BIA-funded school that desires emergency impact aid payment under this section shall submit an application to the State educational agency for such quarter, and (ii) the number of displaced students for whom the eligible local educational agency expects to provide payments to accounts under subsection (e)(2) (including the number of displaced students who are served under part B of the Individuals with Disabilities Education Act) for such quarter who meet the following criteria:
(I) The displaced student enrolled in an eligible non-public school, or (II) The number of displaced students enrolled in the elementary schools and secondary schools (including charter schools and including the number of displaced students who are attending eligible non-public schools that accounts are used only for the eligible non-public schools that accounts are used only for the eligible local educational agencies in such States), and in the determination of the number of displaced students served during such quarter, the number of displaced students served during such quarter during the school year 2005-2006 is 12% of the number served in the school year 2004-2005.

(d) AMOUNT OF EMERGENCY IMPACT AID.—
(1) AID TO STATE EDUCATIONAL AGENCIES.—

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A) IN GENERAL.—The amount of emergency impact aid received by a State educational agency for the 2005–2006 school year shall equal the sum of—

(i) the product of the number of displaced students (who are not served under part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 et seq.), as determined by the eligible local educational agencies and eligible BIA-funded schools in the State under subsection (c)(2), times $6,000; and

(ii) the product of the number of displaced students who are served under part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 et seq.) reported by the eligible local educational agency or eligible BIA-funded school in the State under subsection (c)(2), times $7,500.

(B) INSUFFICIENT FUNDS.—If the amount available under this section to provide emergency impact aid under this subsection is insufficient to pay the full amount that a State educational agency is eligible to receive under this section, the Secretary of Education shall ratify reduce the amount of such emergency impact aid.

(2) AID TO ELIGIBLE LOCAL EDUCATIONAL AGENCIES AND ELIGIBLE BIA-FUNDED SCHOOLS.—

(A) QUARTERLY INSTALLMENTS.—

(i) IN GENERAL.—A State educational agency shall provide emergency impact aid payments under this section on a quarterly basis for the 2005–2006 school year by such terms and conditions determined by the Secretary of Education.

(ii) PAYMENT AMOUNT.—Each quarterly installment payment under clause (i) shall equal 25 percent of the sum of—

(I) the number of displaced students (who are not served under part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 et seq.)) reported by the eligible local educational agency or eligible BIA-funded school for such quarter (as determined under subsection (c)(2)) times $6,000; and

(II) the number of displaced students who are served under part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 et seq.) reported by the eligible local educational agency or eligible BIA-funded school for such quarter (as determined under subsection (c)(2)) times $7,500.

(iii) TIMELINE.—The Secretary of Education shall provide a timeline for quarterly reporting on the number of displaced students in order to make the appropriate disbursements in a timely manner.

(B) MAXIMUM PAYMENT TO ACCOUNT.—In providing quarterly payments to an account for the 2005–2006 school year on behalf of a displaced student for each quarter that such student is enrolled in a non-public school, the aggregate amount of such payments shall not exceed the lesser of—

1) in the case of a displaced student who is not served under part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 et seq.), $6,000; or

2) in the case of a displaced student who is served under part B of the Individuals with Disabilities Education Act, $7,500; or

(b) the cost of tuition and fees (and transportation expenses, if any, paid by the non-public school for the 2005–2006 school year).

(c) Use of Funds.—

(1) PLACEMENT STUDENTS IN PUBLIC SCHOOLS.—An eligible local educational agency or eligible BIA-funded school receiving emergency impact aid payments under this section shall use such payments to provide instructional opportunities for displaced students who enroll in elementary schools and secondary schools (including charter schools and schools of choice) in such a school, and for other expenses incurred as a result of the agency or school serving displaced students, which uses may include—

(A) paying the compensation of personnel, including teacher aides, in schools enrolling displaced students;

(B) acquiring instructional material, including the costs of providing additional classroom supplies, and mobile educational units and leasing sites or spaces;

(C) basic instructional services, including tutoring, mentoring, or academic counseling;

(D) transportation costs;

(E) health services (including counseling and mental health services); and

(F) education and support services.

(2) DISPLACED STUDENTS IN NON-PUBLIC SCHOOLS.—

(A) IN GENERAL.—An eligible local educational agency that receives emergency impact aid payments under this section and that serves an area in which there is located an eligible non-public school shall, at the request of the parent or guardian of a displaced student who meets the criteria described in subsection (c)(2)(A)(i) and who enrolled in a non-public school in an area served by the agency, use such emergency impact aid payments to provide payment on a quarterly basis (but not to exceed the total amount specified in subsection (d)(2)(B) for the 2005–2006 school year) to an account on behalf of such displaced student, which payment shall be used to assist in paying for any of the following:

(I) Paying the compensation of personnel, including teacher aides, in the non-public school, which funds shall not be used for religious instruction, proselytization, or worship.

(II) Identifying and acquiring curricular material, including the costs of providing additional classroom supplies (which shall be secular, neutral, and shall not have a religious component), and mobile educational units and leasing sites or spaces, which shall not be used for religious instruction, proselytization, or worship.

(III) Basic instructional services, including tutoring, mentoring, or academic counseling, which services shall be secular and neutral and shall not be used for religious instruction, proselytization, or worship.

(iv) Reasonable transportation costs.

(v) Health services (including counseling and mental health services), which services shall be secular and neutral and shall not be used for religious instruction, proselytization, or worship.

(vi) Education and support services, which services shall be secular and neutral and shall not be used for religious instruction, proselytization, or worship.

(B) PAYMENT AMOUNT.—Before providing a quarterly payment to an account under subparagraph (A), the eligible local educational agency shall verify with the parent or guardian of such a student that the student will not be enrolled in such non-public school.

(V) Provision of Special Education and Related Services.—

(A) IN GENERAL.—In the case of a displaced student who is served under part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 et seq.), any payment made on behalf of such student to an eligible local educational agency or any payment available in an account for such a student shall be used to pay the cost of providing the student with special education and related services consistent with the Individuals with Disabilities Education Act (20 U.S.C. 1400 et seq.).

(B) SPECIAL RULE.—

(1) RETENTION.—Notwithstanding any other provision of this section, an eligible local educational agency provides services to a displaced student attending an eligible non-public school under section 612(a)(10) of the Individuals with Disabilities Education Act (20 U.S.C. 1412(a)(10)), the eligible local educational agency may retain a portion of the assistance received under this section for such student to pay the cost of providing such services.

(II) DETERMINATION OF PORTION.—

(I) GUIDELINES.—Each State shall issue guidelines that specify the portion of the assistance that an eligible local educational agency in the State may retain under this subparagraph. Each State shall apply such guidelines in a consistent manner throughout the State.

(II) DETERMINATION OF PORTION.—The portion specified in the guidelines shall be determined before any of the emergency impact aid payments under section 612(a)(10) for the local educational agency.

(III) DEFINITIONS.—In this paragraph:

(A) SPECIAL EDUCATION; RELATED SERVICES.—The terms "special education" and "related services" have the meaning given such terms in section 602 of the Individuals with Disabilities Education Act (20 U.S.C. 1401).

(B) INDIVIDUALIZED EDUCATION PROGRAM.—The term "individualized education program" means the handmade given term in section 614(d)(2) of the Individuals with Disabilities Education Act (20 U.S.C. 1414(d)(2)).

(C) RETURN OF AID.—

(1) ELIGIBLE LOCAL EDUCATIONAL AGENCY OR ELIGIBLE BIA-FUNDED SCHOOL.—An eligible local educational agency or eligible BIA-funded school that receives an emergency impact aid payment under this section shall return the payment to the State educational agency any payment provided to the eligible local educational agency or school under this section shall only be used for expenses that an eligible local educational agency or school has not obligated by the end of the 2005–2006 school year in accordance with this section.

(2) STATE EDUCATIONAL AGENCY.—A State educational agency that receives emergency impact aid under this section, shall return to the Secretary of Education any aid provided to the agency under this section that the agency has not obligated by the end of the 2005–2006 school year in accordance with this section;

(D) LIMITATION ON USE OF AID AND PAYMENTS.—Aid and payments provided under this section shall only be used for educational expenses incurred during the 2005–2006 school year.

(E) NONADMINISTRATIVE EXPENSES.—An eligible local educational agency that receives emergency impact aid under this section may not use any of such payments for nonadministrative expenses. An eligible local educational agency or eligible BIA-funded school that receives emergency impact aid under this section may use any payments provided to such school for nonadminis-
(1) SPECIAL FUNDING RULE.—In calculating funding under section 8003 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7703) for an eligible local educational agency in the year in which an emergency impact aid payment under this section, the Secretary of Education shall not count displaced students attending for whom an emergency impact aid payment is received under this section, nor shall such students be counted for the purpose of calculating the total number of students in attendance at the schools served by such agency as provided in section 8003(b)(3)(B)(i) of such Act (20 U.S.C. 7703(b)(3)(B)(i)).

(2) BY-PASS.—If a State educational agency or eligible local educational agency is unable to carry out this section, the Secretary of Education may make such arrangements with such State agency as the Secretary determines appropriate to carry out this section on behalf of displaced students attending an eligible non-public school in the area served by such agency. The Secretary determines whether or not such an arrangement is in the public interest.

(k) NON-PUBLIC SCHOOL OR NON-PUBLIC SCHOOL ENROLLMENT.—Each State receiving emergency impact aid under this section shall provide for the nondiscrimination of educational rights and opportunities for students attending non-public schools and provide such services, the Secretary of Education shall make such arrangements with that entity.

(1) NON-DISCRIMINATION.—(I) In general.—A school that enrolls a displaced student under this section shall not discriminate against students on the basis of sex, race, color, national origin, religion, disability, or sex.

(2) APPLICABILITY AND SINGLE SEX SCHOOLS, CLASSES, OR ACTIVITIES.—(A) In general.—To the extent consistent with title IX of the Education Amendments of 1972 (20 U.S.C. 1681 et seq.), the prohibition of sex discrimination in paragraph (1) shall not apply to a non-public school that is controlled by a religious organization if the application of paragraph (1) would not be consistent with the religious tenets of such organization.

(B) SINGLE SEX SCHOOLS, CLASSES, OR ACTIVITIES.—Notwithstanding paragraph (1) and to the extent consistent with title IX of the Education Amendments of 1972, a parent or guardian may choose and a non-public school may offer a single sex school, class, or activity.

(C) ENROLLMENT.—The prohibition of religious discrimination in paragraph (1) shall not apply with regard to enrollment for a non-public school that is controlled by a religious organization, except in the case of the enrollment of displaced students assisted under this section.

(2) GENERAL PROVISION.—Nothing in this section may be construed to alter or modify the provisions of the Individuals with Disabilities Education Act (20 U.S.C. 1400 et seq.), the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.).

(3) OPT-IN.—A displaced student assisted under this section who is enrolled in a non-public school that is controlled by a religious organization or religious classes at such school unless such student's parent or guardian chooses to opt-in such student for such religious worship or religious classes.

(5) RULE OF CONSTRUCTION.—The amount of any payment (or other form of support provided on behalf of a displaced student) under this section shall not be treated as income of a parent or guardian of the student for purposes of Federal tax laws or for determining eligibility for Federal programs.

(m) TREATMENT OF STATE AID.—A State shall not take into consideration emergency impact aid payments received under this section in determining the eligibility of such local educational agency for State aid, or the amount of State aid, with respect to free public education of children.

SEC. 7953. ORIGINATION FEES FOR STUDENT LOANS.

(a) SPECIAL ALLOWANCES.—Notwithstanding section 438(c)(2) of the Higher Education Act of 1965 (as amended by this Act) (20 U.S.C. 1087(c)(2)), subparagraph (A) of section 438(c)(2) of such Act shall be applied by striking “3.0 percent” with respect to loans for which the first disbursement of principal is made on or after July 1, 2007.

(b) OTHER FEES FOR FEDERAL DIRECT LOANS.—Notwithstanding subsection (c) of section 455 of (3) $120,000,000 shall be available to carry out section 7956.

SEC. 7955. SUNSET PROVISION.

Except as otherwise provided in this sub-title, the provisions of this subtitle shall be in effect for fiscal years ending on the date of enactment of this Act and ending on August 1, 2006.

TITLE VIII—COMMITTEE ON THE HOUSE

SEC. 8001. RECAPTURE OF UNUSED VISA NUMBERS.

(a) RECAPTURE OF UNUSED EMPLOYMENT-BASED IMMIGRATION VISAS.—Section 201(d) of the Immigration and Nationality Act (8 U.S.C. 1531(d)) is amended—

(1) in paragraph (2)(C)—

(A) by striking “is the difference” and inserting “is the difference and”;

(B) by striking the period at the end and inserting the following:

‘‘(i) the number of immigrant visas that were available in any previous fiscal year to employment-based immigrants (and their family members accompanying or following to join the principal beneficiary) and that were not issued for that fiscal year or for any subsequent fiscal year, excluding those immigrant visas issued to immediate family members of employment-based immigrants for an occupation listed in schedule A of section 656.5 of title 20, Code of Federal Regulations; and

(ii) $500.’’;

and

(2) by adding at the end the following:

‘‘(3) Immigrant visas issued on or after October 1, 2004, to spouses and children of employment-based immigrants (and their family members accompanying or following to join under section 206(d) and that were not issued for that fiscal year or for any subsequent fiscal year, excluding those immigrant visas issued to immediate family members of employment-based immigrants for an occupation listed in schedule A of section 656.5 of title 20, Code of Federal Regulations; and

‘‘(4) $500.’’.

(b) SUPPLEMENTATION FEE.—Section 204(a)(1) of the Immigration and Nationality Act (8 U.S.C. 1154(a)(1)) is amended—

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

‘‘(9) RULE OF CONSTRUCTION .—To the extent consistent with section 656.5 of title 20, Code of Federal Regulations, in calculating the amount of $500.’’;

and

(2) by adding at the end the following:

‘‘(F) by striking the period at the end and inserting the following:

‘‘(9)(B) Any petition filed after the numerical limitation has been reached for that fiscal year, and seek- ing an H-1B visa number recaptured under subparagraph (A) of this paragraph, shall be accompanied by an H-1B recapture fee in the amount of $500.’’.

(e) CONFORMING AMENDMENT.—Section 286(m) of the Immigration and Nationality Act (8 U.S.C. 1356(m)) is amended by inserting ‘‘, including those fees provided for in subparagraphs (E) and (F) of section 204(a)(1) and subparagraphs (c)(15) and (g)(9)(B) of section 214, after “all and related fees”’’.

(f) EXPENDITURE LIMITATION.—Amounts collected under subparagraphs (E) and (F) of section 204(a)(1) and subparagraphs (c)(15) and (g)(9)(B) of section 214 of the Immigration and Nationality Act, as amended by this Act, may not be expended unless specifically appropriated by an Act of Congress.

SEC. 8002. FEES WITH RESPECT TO IMMIGRATION SERVICES FOR INTRACOMPANY TRANSFEREES.

Section 214(e) of the Immigration and Nationality Act (8 U.S.C. 1184(e)) is amended by adding at the end the following:
The Attorney General shall—
(1) receive funds under this section for fiscal years 2006 through 2010; and
(2) accept such funds in the amounts provided which shall be obligated for the purposes stated in this section by March 1 of each fiscal year.

SEC. 8004. COPYRIGHT PROGRAM.

(a) In General.—The Secretary of the Treasury shall—
(1) modify the extent or nature of any provisions required under this division for fiscal years 2006 through 2010; and
(2) for each subsequent fiscal year provided in subsection (b) out of funds in the Treasury not otherwise appropriated, pay to the Librarian of Congress the amounts listed in section 1462 of the Victims of Crime Act of 1984 (42 U.S.C. 10653).

(b) Obligation of funds.—The Attorney General shall—
(1) receive funds under this section for fiscal years 2006 through 2010; and
(2) accept such funds in the amounts provided which shall be obligated for the purposes stated in this section by March 1 of each fiscal year.

DIVISION A—AMTRAK REAUTHORIZATION

SECTION 1. SHORT TITLE.

This division may be cited as the "Passenger Rail Investment and Improvement Act of 2005."
existence of the date of enactment of this Act;
(b) change the private nature of Amtrak’s or its successors’ liabilities; or
(C) insert any Federal guarantee or commitment to amortize Amtrak’s outstanding indebtedness.

**SEC. 104. EXCESS RAILROAD RETIREMENT.**

There are authorized to be appropriated to the Secretary of Transportation, beginning with fiscal year 2006, such sums as may be necessary to pay to the Railroad Retirement Account an amount equal to the amount Amtrak pays under section 3222 of the Internal Revenue Code of 1986 in such fiscal years that is more than the amount needed for benefits for individuals who retire from Amtrak and its beneficiaries. For each fiscal year in which the Secretary may make such a payment, the amounts authorized by section 101(a) shall be reduced by an amount equal to such payment.

**SEC. 105. OTHER AUTHORIZATIONS.**

There are authorized to be appropriated to the Secretary of Transportation—
(1) $5,000,000 for each of fiscal years 2006 through 2011 to carry out the rail cooperative research program under section 24910 of title 49, United States Code;
(2) for fiscal year 2006, to remain available until expended, for grants to Amtrak and States participating in the Next Generation Corridor Train Equipment Pool Committee established under section 363 of this division for the purpose of designing, developing specifications for, and initiating the procurement of an initial order of 1 or more generation of standardized next-generation corridor train equipment and establishing a jointly-owned corporation to manage that equipment; and
(3) for each fiscal year 2007, for the use of Amtrak in conducting the evaluation required by section 216 of this division.

**TITLE II—AMTRAK REFORM AND OPERATIONAL IMPROVEMENTS**

**SEC. 201. NATIONAL RAILROAD PASSENGER TRANSPORTATION SYSTEM DEFINED.**

(a) In General.—Section 24102 is amended to read as follows:

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§ 24302. Board of directors

(a) Composition and terms.—
(1) The Board of Directors is composed of the following 10 directors, each of whom must be a citizen of the United States:
(A) The Secretary of Transportation.
(B) The President of Amtrak, who shall serve ex officio, as a non-voting member.
(C) Individuals appointed by the President of the United States, by and with the advice and consent of the Senate, with general business and financial experience, experience or qualifications in transportation, freight and passenger rail transportation, airline transportation, or a State government.

(b) Discontinuance.

(c) Amtrak to Continue to Provide Non-High-Speed Services.—Nothing in this division is intended to preclude Amtrak from storing, improving, or developing non-high-speed intercity passenger rail service.

(d) Applicability of Section 24706.—Sections 24706 amended by adding at the end the following:

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**SEC. 202. AMTRAK BOARD OF DIRECTORS.**

(a) In General.—Section 24302 is amended to read as follows:

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§ 24302. Board of directors

(a) Composition and terms.—
(1) The Board of Directors is composed of the following 10 directors, each of whom must be a citizen of the United States:
(A) The Secretary of Transportation.
(B) The President of Amtrak, who shall serve ex officio, as a non-voting member.
(C) Individuals appointed by the President of the United States, by and with the advice and consent of the Senate, with general business and financial experience, experience or qualifications in transportation, freight and passenger rail transportation, airline transportation, or a State government.

(b) Discontinuance.

(c) Amtrak to Continue to Provide Non-High-Speed Services.—Nothing in this division is intended to preclude Amtrak from storing, improving, or developing non-high-speed intercity passenger rail service.

(d) Applicability of Section 24706.—Sections 24706 amended by adding at the end the following:

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The Inspector General of Amtrak, the Department of Transportation, and the Senate Committee on Transportation and Infrastructure, and the Senate Appropriations Committee on Transportation and Infrastructure, and the House Committee on Transportation and Infrastructure, shall consider the recommendations developed under subsection (c), whether a level of intercity passenger demand exists that would warrant the development of a new route or segment of an existing route to be included in the 5-year financial plan; and the Inspector General shall transmit a report to the Senate Committee on Commerce, Science, and Transportation and the House of Representatives Committee on Transportation and Infrastructure explaining its action in adopting or failing to adopt any of the recommendations.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be made available to the Secretary, out of any money in the Treasury not otherwise appropriated or expended, certain sums as may be necessary to carry out this section.

SEC. 206. STATE-SUPPORTED ROUTES.

(a) GRANT REQUESTS.—Amtrak shall submit grant requests including a schedule for the disbursement of funds, consistent with the requirements of this division, to the Secretary of Transportation for funding under this section.

(b) PROCEDURES FOR GRANT REQUESTS.—The Secretary shall establish substantive and procedural requirements, including procedures for grant requests under this section, and shall submit any changes to them to the Senate Committee on Commerce, Science, and Transportation and the House Committee on Transportation and Infrastructure. As part of those requirements, the Secretary shall require, at a minimum, that Amtrak deposit grant requests, together with the appropriated amounts for each area of expenditure in a given fiscal year, within the following 3 accounts:

1. The Amtrak Operating account.
2. The Amtrak Capital account.
3. The Northeast Corridor Improvement funds account.

Amtrak may not transfer such funds to another account or expend such funds for any purpose other than the purposes covered by the account in which the funds are deposited without approval by the Secretary.

(c) REVIEW AND APPROVAL.—

(1) 30-DAY APPROVAL PROCESS.—The Secretary shall complete the review of a grant request (as defined in subsection (a)) within 30 days after the date of notification. If the Secretary determines that the request is incomplete or defective, the Secretary shall include the reason for disapproval or the incomplete items or deficiencies in the notice to Amtrak.

(2) 15-DAY MODIFICATION PERIOD.—Within 15 days after receiving notification from the Secretary that the grant request is complete, Amtrak shall submit a modified request for the Secretary’s review.

(d) REVISED REQUESTS.—Within 15 days after receiving a modified request from Amtrak, the Secretary shall either approve the modified request, or, if the Secretary finds that the request is still incomplete or deficient, the Secretary shall identify in writing to the Senate Committee on Commerce, Science, and Transportation and the House of Representatives Committee on Transportation and Infrastructure the information required to complete the request.

SEC. 207. INDEPENDENT AUDITOR TO ESTABLISH METHODOLOGIES FOR AMTRAK ROUTE AND SERVICE PLANNING DECISIONS.

(a) METHODOLOGY DEVELOPMENT.—The Federal Railroad Administration shall obtain the services of an independent auditor or consultant to develop and recommend objective methodologies for determining intercity passenger routes and services, including the establishment of new routes, the elimination of existing routes, and the contraction or expansion of existing routes.

(b) REVIEW.—The auditor or consultant shall consider:

1. the current or expected performance and financial condition of intercity passenger routes
2. the current or expected performance and financial condition of other account or expend such funds for any purpose other than the purposes covered by the account in which the funds are deposited without approval by the Secretary.

(c) USE OF CHAPTER 244 FUNDS.—Funds provided to a State under chapter 244 of title 49, United States Code, may be used, as provided in the chapter, to pay the costs incurred only for the benefit of that route and not for the benefit of any other account or expend such funds for any purpose other than the purposes covered by the account in which the funds are deposited without approval by the Secretary.

(d) PIONEER ROUTE.

Within 2 years after the enactment of this Act, Amtrak shall conduct a 3-year evaluation of the 5-year financial plan, and make recommendations to the Secretary, in consultation with the Amtrak Board of Directors, on the recommendation of any of the recommendations. The Board shall transmit a report to the Senate Committee on Commerce, Science, and Transportation and the House of Representatives Committee on Transportation and Infrastructure explaining its action in adopting or failing to adopt any of the recommendations.

(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be made available to the Secretary of Transportation, out of any money in the Treasury not otherwise obligated or expended, certain sums as may be necessary to carry out this section.

(f) PIONEER ROUTE.—Within 2 years after the date of enactment of this Act, Amtrak shall conduct a 3-year evaluation of the 5-year financial plan, and make recommendations to the Secretary, in consultation with the Amtrak Board of Directors, on the recommendation of any of the recommendations. The Board shall transmit a report to the Senate Committee on Commerce, Science, and Transportation and the House of Representatives Committee on Transportation and Infrastructure explaining its action in adopting or failing to adopt any of the recommendations.
SEC. 208. METRICS AND STANDARDS. (a) IN GENERAL.—Within 180 days after the date of enactment of this Act, the Administrator of the Federal Railroad Administration shall, jointly, in consultation with the Surface Transportation Board, rail carriers over whose rail lines Amtrak trains operate, Amtrak employees, and groups representing Amtrak passengers, as appropriate, develop new or improve existing metrics and minimum standards for measuring performance and service quality of intercity passenger train operations, including cost recovery, on-time performance and minutes of delay, ridership, on-board services, facilities, equipment, and other services. Such metrics, at a minimum, shall include the percentage of available and fully allocated operating costs covered by passenger revenues on each route, ridership per train mile operated, measures of on-time performance and delays incurred by intercity passenger trains on the rail lines of each rail carrier and, for long distance routes, measures of connectivity with other routes in all regions currently receiving Amtrak service and the transportation needs of communities and populations that are not well-served by other forms of public transportation. Amtrak shall provide reasonable access to the Federal Railroad Administration to enable the Administrator to carry out its duty under this section.

(b) QUARTERLY REPORTS.—The Administrator shall require each Amtrak Railroad Association to collect the necessary data and publish a quarterly report on the performance and service quality of intercity passenger train operations, including cost recovery, ridership, on-time performance and minutes of delay, causes of delay, on-board services, stations, facilities, equipment, and other services.

(c) CONTRACT WITH HOST RAIL CARRIERS.—To the extent practicable, Amtrak and its host rail carriers shall incorporate the metrics and standards developed under subsection (a) into their access and service agreements.

(d) ARBITRATION.—If the development of the metrics and standards is not completed within the 180-day period required by subsection (a), any party involved in the development of such standards may petition the Surface Transportation Board to appoint an arbitrator to assist the parties in resolving their disputes through binding arbitration.

SEC. 210. LONG DISTANCE ROUTES. (a) IN GENERAL.—Chapter 247 is amended by adding at the end thereof the following: "§ 24710. Long distance routes (a) ANNUAL EVALUATION.—Using the financial and performance metrics developed under section 208 of the Passenger Rail Investment and Improvement Act of 2005, Amtrak shall—

(1) evaluate annually the financial and operating performance of each long distance passenger rail route operated by Amtrak; and

(2) rank the overall performance of such routes for 2006 and identify each long distance passenger rail route operated by Amtrak in 2006 according to its overall performance; and

(b) PENALTIES.—The Board may assess penalties against any long distance passenger rail carrier delays or failure to achieve minimum standards; and

(c) PROBLEMS CAUSED BY HOST RAIL CARRIERS.—If the petition relates to a problem resulting from one or more host rail carriers, Amtrak shall file the petition with, and the Board shall investigate under paragraph (1) are attributed to the actions of one or more host rail carriers, Amtrak shall enforce its recommendations for relief under this section.

SEC. 209. PASSENGER TRAIN PERFORMANCE. (a) DEFINITION.—As used in this section, the term "passenger train" means any train operated by Amtrak in the service of passenger transportation. Amtrak shall provide reasonable access to the Federal Railroad Administration to enable the Administrator to carry out its duty under this section.

(b) CONTRACT WITH HOST RAIL CARRIERS.—To the extent practicable, Amtrak and its host rail carriers shall incorporate the metrics and standards developed under subsection (a) into their access and service agreements.

(c) CONTRACT WITH HOST RAIL CARRIERS.—To the extent practicable, Amtrak and its host rail carriers shall incorporate the metrics and standards developed under subsection (a) into their access and service agreements.

(d) PENALTIES.—The Board may assess penalties against any long distance passenger rail carrier delays or failure to achieve minimum standards; and

(e) PROBLEMS CAUSED BY HOST RAIL CARRIERS.—If the petition relates to a problem resulting from one or more host rail carriers, Amtrak shall file the petition with, and the Board shall investigate under paragraph (1) are attributed to the actions of one or more host rail carriers, Amtrak shall enforce its recommendations for relief under this section.

SEC. 211. ALTERNATE PASSENGER RAIL SERVICE PROGRAM. (a) IN GENERAL.—Chapter 217, as amended by section 209, is amended by adding at the end thereof the following: "§ 24711. Alternate passenger rail service program (a) IN GENERAL.—Within 1 year after the date of enactment of the Passenger Rail Investment and Improvement Act of 2005, the Federal Railroad Administration shall initiate a rulemaking proceeding to develop a program under which—

(1) a rail carrier or rail carriers that own infrastructure over which Amtrak operates a passenger rail service route described in subsection (b) may petition the Federal Railroad Administration to be considered as a passenger rail service provider over that route in lieu of Amtrak;

(2) the Administration would notify Amtrak within 30 days after receiving a petition under paragraph (1) and establish a deadline by which both the petitioner and Amtrak would be required to submit a bid to provide passenger rail service over the route to which the petition relates;

(3) each bid would describe how the bidder would operate the route, what Amtrak passenger equipment would be needed, if any, what sources of non-Federal funding the bidder would use, including any State subsidy, among other things;

(4) the Administration would make a decision and execute a contract within a specified, limited time after that deadline awarding the winning bidder;

(5) the Administration would make a decision and execute a contract within a specified, limited time after that deadline awarding the winning bidder;

(6) State or other non-Federal financial contributions;

(7) improving financial performance; and

(8) other aspects of Amtrak's long distance passenger rail routes that affect the financial, competitive, and performance of service on Amtrak's long distance passenger rail routes.

(b) IMPLEMENTATION.—Amtrak shall implement the performance improvement plan developed under subsection (b)—

(1) beginning in fiscal year 2007 for those routes identified as being in the worst performing third under subsection (a)(2); (2) beginning in fiscal year 2008 for those routes identified as being in the second worst performing third under subsection (a)(2); and (3) beginning in fiscal year 2009 for those routes identified as being in the best performing third under subsection (a)(2).
“(ii) for any subsequent years at such level, adjusted for inflation; and
“(iii) each bid would contain a staffing plan describing the number of employees needed to operate the service, the job assignments and requirements, and the terms of work for prospective and current employees of the bidder for the service outlined in the bid, and such plans shall be maintained by the winning bidder by the public after the bid award.

“(b) IMPLEMENTATION.—
“(1) INITIAL PETITIONS.—Pursuant to any rules or regulations promulgated under subsection (A), the Administration shall establish a deadline for the submission of a petition under sub-subsection (A).
“(A) during fiscal year 2007 for operations commencing in fiscal year 2008; and
“(B) during the immediately preceding fiscal year for operations commencing in subsequent fiscal years.

“(2) ROUTE LIMITATIONS.—The Administration may not make the program available—
“(A) until Amtrak has awarded a contract for rail passenger service on a route before the award; and
“(B) during the immediately preceding fiscal year for operations commencing in subsequent fiscal years.

“(3) PRIORITY FOR EMPLOYEES OF NATIONAL RAILROAD PASSENGER CORPORATION.—The Chapter may provide the Secretary with funds authorized by section 24710 the following:

“(A) where there is a successful petition under subsection (A) of subsection (B), the Administration shall establish a program under which the Secretary may, in the Secretary’s discretion, provide grants for financial incentives to provide employees of the National Railroad Passenger Corporation who voluntarily terminate their employment with the Corporation and relinquish any legal rights to receive termination-related payments under any contractual agreement with the Corporation.

“(B) CONDITIONS FOR FINANCIAL INCENTIVES.—As a condition for receiving financial incentives authorized under this section, the Corporation must certify that—

“(1) a reasonable attempt was made to reassign an employee adversely affected under section 24711 of title 49, United States Code, previously operated by Amtrak, the Secretary shall develop a program under which the Secretary may, in the Secretary’s discretion, provide grants for financial incentives to provide employees of the National Railroad Passenger Corporation who voluntarily terminate their employment with the Corporation and relinquish any legal rights to receive termination-related payments under any contractual agreement with the Corporation.

“(2) the financial assistance results in a net reduction in the total number of employees equal to the number receiving financial incentives.

“(3) the financial assistance results in a net reduction in total employment expense equivalent to the total employment expenses associated with the employees receiving financial incentives; and

“(4) the total number of employees eligible for termination-related payments will not be increased with any written consent of the Secretary.

“(C) AMOUNT OF FINANCIAL INCENTIVES.—The financial incentives authorized under this section may be no greater than $50,000 per employee.

“(d) AUTHORIZATION OF APPROPRIATIONS.—There are hereby authorized to be appropriated to the Secretary such sums as may be necessary to make grants to the National Railroad Passenger Corporation to provide financial incentives under subsection (a).

“(e) TERMINATION-RELATED PAYMENTS.—If Amtrak employees adversely affected by the cessation of Amtrak service resulting from the awarding of a grant to an operator other than Amtrak for the operation of a route under section 24711 of title 49, United States Code, or any other route, previously operated by Amtrak do not receive financial incentives under the Act or the Secretary shall make grants to the National Railroad Passenger Corporation from funds authorized by section 102(a) of this division for termination-related payments to employees under existing contractual agreements.

“SEC. 213. NORTHEAST CORRIDOR STATE-OFF GOOD-REPAIR PLAN.

“(a) IN GENERAL.—The date of enactment of this Act, the National Railroad Passenger Corporation, in consultation with the Secretary and the States (including the District of Columbia) that make up the Northeast Corridor (as defined in section 24102 of title 49, United States Code), shall prepare a capital spending plan for capital projects required to return the Northeast Corridor to a state of good repair by the end of fiscal year 2011, consistent with the fiscal year 2008 budget no less than four times per fiscal year, and the commission shall submit the plan to the Secretary.

“(b) APPROVAL BY THE SECRETARY.—

“(1) The Corporation shall submit the capital spending plan prepared under this section to the Secretary for transportation for review and approval pursuant to the procedures developed under section 205 of this division.

“(2) The Secretary of Transportation shall require that the plan be updated at least annually and shall review and approve such updates by the following schedule:

“(A) non-voting representatives of freight railroad users;

“(B) the service provider continuing to provide passenger rail service on the route that is no less frequent, nor over a shorter distance, than Amtrak provided on that route at the time of the award; and

“(C) the employees of any person used by a rail carrier other than Amtrak, require Amtrak to provide access to its reservation system, stations, and facilities to any rail carrier or rail carrier defined in section 24102 of the Passenger Rail Investment and Improvement Act of 2005 and such additional performance standards as the Administration may establish;

“(2) It shall, if the award is made to a rail carrier other than Amtrak, require Amtrak to provide access to its reservation system, stations, and facilities to any rail carrier or rail carrier continuing to provide passenger rail service on a route under the program to a rail carrier or rail carrier carriers;

“(A) the service provider continuing to provide passenger rail service on the route that is no less frequent, nor over a shorter distance, than Amtrak provided on that route at the time of the award; and

“(B) the service provider’s compliance with the minimum standards established under section 208 of the Passenger Rail Investment and Improvement Act of 2005 and such additional performance standards as the Administration may establish;

“(b) If a railroad carrier or rail carriers for rail passenger service, the job assignments and requirements, and the terms of work for prospective and current employees of the bidder for the service outlined in the bid, and such plans shall be maintained by the winning bidder by the public after the bid award.

“(C) PERFORMANCE STANDARDS; ACCESS TO FACILITIES; EMPLOYEES.—If the Administration and obligating accounts provide passenger rail service over a route under the program to a rail carrier or rail carriers;

“(1) it shall execute a contract with the rail carrier or rail carriers for rail passenger operations on that route that conditions the operating and subsidy rights upon—

“(A) the service provider continuing to provide passenger rail service on the route that is no less frequent, nor over a shorter distance, than Amtrak provided on that route at the time of the award; and

“(B) the service provider’s compliance with the minimum standards established under section 208 of the Passenger Rail Investment and Improvement Act of 2005 and such additional performance standards as the Administration may establish;

“(2) It shall, if the award is made to a rail carrier other than Amtrak, require Amtrak to provide access to its reservation system, stations, and facilities to any rail carrier or rail carrier defined in section 24102 of the Passenger Rail Investment and Improvement Act of 2005 and such additional performance standards as the Administration may establish;

“(3) the employees of any person used by a rail carrier or rail carriers (as defined in section 10102(5) of this title) in the operation of a route under this section shall be considered an employee of that carrier or carriers and subject to the applicable Federal laws and regulations governing similar crafts or classes of employees of Amtrak, including provi- sions under section 121 of the Accrual Reform and Accountability Act of 1997 relating to employees that provide food and beverage service; and

“(4) the winning bidder shall provide prefer- ence in hiring to qualified Amtrak employ- ees displaced by the award of the bid, con- sistent with the staffing plan submitted by the bidder.

“(d) CESSATION OF SERVICE.—If a rail car- rier or rail carriers awarded a route under this section cease to operate the service or fail to meet arrangements under the con- tract required under subsection (c), the Ad- ministrator, in collaboration with the Surface Transportation Board shall, take any necessary action consistent with this title to enforce the contract and ensure the continuing provision of service, including the in- stalling of a successor service provider and re-bidding the contract to operate the serv- ice.

“(e) DEGRADED RESOURCES.—Before taking any action allowed under this section, the Secretary shall certify that the Administration has sufficient resources that are ade- quate to undertake the program established under this section.

“(f) COMFORMING AMENDMENT.—The chapter analysis for chapter 247, as amended by section 206, is amended by inserting after the item relating to section 24710 the following: “24711. Attack passenger rail service pro- gram.”

“SEC. 212. EMPLOYEE TRANSITION ASSISTANCE.

“(a) PROVISION OF FINANCIAL INCENTIVES.—For Amtrak employees who are adversely af- fected by the operation of a long distance route or any other route under section 24711 of title 49, United States Code, previously operated by Amtrak, the Sec- retary shall develop a program under which the Secretary may, in the Secretary’s discretion, provide grants for financial incentives to provide employees of the National Railroad Passenger Corporation who voluntarily terminate their employment with the Corporation and relinquish any legal rights to receive termination-related payments under any contractual agreement with the Corporation.

“(b) CONDITIONS FOR FINANCIAL INCEN- TIVES.—As a condition for receiving financial assistance authorized under this section, the Cor- poration must certify that—

“(1) a reasonable attempt was made to reassign an employee adversely affected under section 24711 of title 49, United States Code, or by the elimination of any route, to other positions within the Corporation in accord- ance with any contractual agreements;

“(2) the financial assistance results in a net reduction in the total number of employees equal to the number receiving financial incentives;

“(3) the financial assistance results in a net reduction in total employment expense equivalent to the total employment expenses associated with the employees receiving financial incentives; and

“(4) the total number of employees eligible for termination-related payments will not be increased with any written consent of the Secretary.

“(C) AMOUNT OF FINANCIAL INCENTIVES.—The financial incentives authorized under this section may be no greater than $50,000 per employee.

“(d) AUTHORIZATION OF APPROPRIATIONS.—There are hereby authorized to be appro- priated to the Secretary such sums as may be necessary to make grants to the National Railroad Passenger Corporation to provide financial incentives under subsection (a).

“(e) TERMINATION-RELATED PAYMENTS.—If Amtrak employees adversely affected by the cessation of Amtrak service resulting from the awarding of a grant to an operator other than Amtrak for the operation of a route under section 24711 of title 49, United States Code, or any other route, previously operated by Amtrak do not receive financial incentives under the Act or the Secretary shall make grants to the National Railroad Passenger Corporation from funds authorized by section 102(a) of this division for termination-related payments to employees under existing contractual agreements.

“SEC. 214. NORTHEAST CORRIDOR INFRASTRUC- TURE AND OPERATIONS IMPROVE- MENTS.

“(a) IN GENERAL.—Section 24905 is amended to read as follows:


“(a) NORTHEAST CORRIDOR INFRASTRUCTURE AND OPERATIONS ADVISORY COMMISSION.—

“(1) Within 180 days after the date of en- actment of the Passenger Rail Investment and Improvement Act of 2005, the Secretary of Transportation shall establish a Northeast Corridor Infrastructure and Operations Advi- sory Commission (hereinafter referred to in this section as the ‘Commission’) to promote mutual cooperation and planning pertaining to the railroad operations and activities of the Northeast Corridor. The Commission shall be made up of—

“(A) representatives of freight railroad carriers using the Northeast Corridor; and

“(B) representatives of the Secretary of Transportation and the Federal Railroad Administration;

“(2) A member from each of the States (includ- ing the District of Columbia) that constitute the Northeast Corridor as defined in section 24102, designated by, and serving at the pleasure of, the chief executive officer thereof; and

“(D) non-voting representatives of freight railroad carriers using the Northeast Cor- ridor selected by the Secretary.

“(2) The Secretary shall ensure that the membership belonging to any of the groups enumerated under subparagraph (1) shall not constitute a majority of the commission’s memberships.

“(3) The commission shall establish a schedule and location for convening meet- ings, which shall meet not less than four times per fiscal year, and the commission shall develop rules and procedures to govern the commission’s proceedings.

“(4) A majority of the members of the Commission shall be filled in the manner in which the original ap- pointment was made.
(5) Members shall serve without pay but shall receive travel expenses, including per diem in lieu of subsistence, in accordance with sections 5702 and 5703 of title 5, United States Code.

(6) The Chairman of the Commission shall be elected by the members.

(7) The Commission may appoint and fix the pay of such personnel as it considers appropriate.

(8) Upon request of the Commission, the head of any department or agency of the United States may, in detail, on a reimbursable basis, any of the personnel of that department or agency to the Commission to assist it in carrying out its duties under this section.

(9) Upon the request of the Commission, the Administrator of General Services shall provide to the Commission, on a reimbursable basis, the administrative support services necessary for the Commission to carry out its responsibilities under this section.

(10) The Commission shall consult with other entities as appropriate.

(b) General Recommendations.—The Commission shall develop recommendations concerning the Northeast Corridor rail structure and operations including proposals addressing, as appropriate:

(1) the long-term and long-term capital investment needs beyond the state-of-good-repair under section 213;

(2) future funding requirements for capital improvements and maintenance;

(3) operational improvements of intercity passenger rail, commuter rail, and freight rail services;

(4) opportunities for additional non-rail uses of the Northeast Corridor;

(5) scheduling and dispatching;

(6) safety and security enhancements;

(7) equipment design;

(8) marketing of rail services; and

(9) future capacity requirements.

(c) Noise Control

(1) Development of Formulas.—Within 1 year after verification of Amtrak’s new financial accounting system pursuant to section 24904(c)(2) is amended by subsection (e), the Secretary of Transportation and Amtrak, may make agreements to restructure Amtrak’s indebtedness, the corresponding amounts authorized under subsection (d), with the payment of interest on secured debt, other than debt assumed under subsection (d), with the proceeds of grants under subsection (e) shall not be used for the purpose of restructuring Amtrak’s indebtedness.

(2) Payment of Renegotiated Debt.—If the criteria under subsection (c) are met, the Secretary of Treasury shall assume or repay the restructured debt, as appropriate.

(3) Secrecy Approval.—Amtrak may not incur more debt after the date of enactment of this Act without the express advance approval of the Secretary of Transportation.

(4) Final Report.—The report of the Secretary of Treasury shall transmit a report to the Senate Committee on Commerce, Science, and Transportation, the Senate Committee on Appropriations, the House of Representatives Committee on Transportation and Infrastructure and the Senate of Representatives Committee on Appropriations by June 1, 2007.

(a) In General.—The Secretary of Treasury, in consultation with the Secretary of Transportation and Amtrak, may make agreements to restructure Amtrak’s indebtedness as of the date of enactment of this Act. This authorization expires on January 1, 2007.

(b) Debt Restructuring.—The Secretary of Treasury, in consultation with the Secretary of Transportation and Amtrak, shall enter into agreements with the holders of Amtrak debt, including leases, outstanding on the date of enactment of this Act for the purpose of restructing (including repayment) the debt. The Secretary of the Treasury may secure agreements for restructuring or repayment on such terms as the Secretary of the Treasury deems favorable to the interests of the Government.

(c) Criteria.—In restructing Amtrak’s indebtedness, the Secretary and Amtrak—

(1) shall take into consideration repayment costs, the term of any loan or loans, and market conditions; and

(2) shall ensure that the restructuring results in significant savings to Amtrak and the United States Government.

(d) Payment of Renegotiated Debt.—If the criteria under subsection (c) are met, the Secretary of Treasury shall assume or repay the restructured debt, as appropriate.

(e) Amtrak Principal and Interest Payments.—

(1) Principal on Debt Service.—Unless the Secretary of Treasury makes sufficient payments to creditors under subsection (d) so that Amtrak is required to make no payments to creditors in a fiscal year, the Secretary of Transportation shall authorize by section 103(a)(1) for the use of Amtrak for the payment of interest on loans for capital equipment, or capital leases.

(2) Payment of Interest.—Unless the Secretary of Treasury makes sufficient payments to creditors under subsection (d) so that Amtrak is required to make no payments to creditors in a fiscal year, the Secretary of Transportation shall authorize by section 103(a)(2) for the use of Amtrak for the payment of interest on loans for capital equipment, or capital leases.

(3) Reductions in Authorization Levels.—Whenever action taken by the Secretary of the Treasury under subsection (a) results in restructuring in amounts that are less than the Secretary decides have a significant interest in rail safety or security.

(4) Legal Effect of Payments Under This Section.—The payment of principal and interest on secured debt, other than debt assumed under subsection (d), with the proceeds of grants under subsection (e) shall not—

(1) modify the extent or nature of any indebtedness of the National Railroad Passenger Corporation; or

(2) impair any Federal guarantee or commitment to Amtrak’s outstanding indebtedness.

(f) Secretory Approval.—Amtrak may not incur more debt after the date of enactment of this Act without the express advance approval of the Secretary of Transportation.

(g) Transfer of Funds.—The report of the Secretary of Treasury shall transmit a report to the Senate Committee on Commerce, Science, and Transportation, the Senate Committee on Appropriations, the House of Representatives Committee on Transportation and Infrastructure, and the Senate of Representatives Committee on Appropriations by June 1, 2007.

(h) Report.—The report of the Secretary of Treasury shall transmit a report to the Senate Committee on Commerce, Science, and Transportation, the Senate Committee on Appropriations, the House of Representatives Committee on Transportation and Infrastructure, and the Senate of Representatives Committee on Appropriations by June 1, 2007.

(1) describing in detail any agreements to restructure the Amtrak debt; and

(2) providing an estimate of the savings to Amtrak and the United States Government.

SEC. 216. Study of Compliance Requirement at Existing Intercity Rail Stations.

Amtrak, in consultation with station owners, shall evaluate the improvements necessary for Amtrak’s existing stations to serve all stations it serves readily accessible to and usable by individuals with disabilities, as required by section 202(e)(2) of the Americans with Disabilities Act of 1990 (42 U.S.C. 12182(e)(2)). The evaluation shall include the estimated cost of the improvements necessary, the identification of the responsible person (as defined in section 202(e)(3) of that Act), and the earliest practicable date when such improvements can be made. Amtrak shall
submit the evaluation to the Senate Committee on Commerce, Science, and Transportation, the House of Representatives Committee on Transportation and Infrastructure, and the National Council on Disability by September 30, 2007, along with recommendations for funding the necessary improvements.

SEC. 221. INCENTIVE PAY.

The Amtrak Board of Directors is encouraged to develop an incentive pay program for Amtrak management employees.

SEC. 218. ACCESS TO AMTRAK EQUIPMENT AND SERVICES.

If a State desires to select or selects an entity other than Amtrak to provide services required for operation of an intercity passenger train route described in section 24102(5)(D) or 24702 of title 49, United States Code, the State may make an agreement with Amtrak to use facilities and equipment of, or have services provided by, Amtrak under terms agreed to by the State and Amtrak to enable the State to utilize an entity other than Amtrak to provide services required for operation of the route. If the parties cannot agree upon terms, and the Surface Transportation Board finds that access to Amtrak facilities and equipment, the provision of services by Amtrak, is necessary to carry out this provision and that the operation of Amtrak’s other services will not be impaired thereby, then the Surface Transportation Board shall, within 120 days after submission of the dispute, issue an order that the facilities and equipment be made available, and the services be provided, by Amtrak, and shall determine reasonable compensation, liability and other terms for the use of the facilities and equipment and provision of the services, which shall be determined in accord with the methodology established pursuant to section 206 of this division.

SEC. 219. GENERAL AMTRAK PROVISIONS.

(a) REPEAL OF SELF-SUFFICIENCY REQUIREMENTS.

(1) TITLE 49 AMENDMENTS.—Chapter 241 is amended by striking the last sentence of section 24101(d); and

(b) by striking the last sentence of section 24104.

(2) AMTRAK REFORM AND ACCOUNTABILITY ACT AMENDMENTS.—Title II of the Amtrak Reform and Accountability Act of 1997 (49 U.S.C. 24101 et seq.) is amended by striking sections 204 and 205.

(3) COMMON STOCK REDEMPTION.—Section 415 of the Amtrak Reform and Accountability Act (49 U.S.C. 24104 et seq.) is amended by striking subsection (b).

(b) LEASE ARRANGEMENTS.—Amtrak may obtain services from the Administrator of General Services, and the Administrator may provide services to Amtrak, under section 201(b) and 211(b) of the Federal Property and Administrative Service Act of 1949 (40 U.S.C. 251 et seq.) for each of fiscal years 2006 through 2011.

SEC. 220. PRIVATE SECTOR FUNDING OF PASSENGER RAIL SERVICE.

Amtrak is encouraged to increase its operation of trains funded by the private sector in order to minimize its need for Federal subsidies. Amtrak shall utilize the provisions of section 24308 of title 49, United States Code, when necessary to obtain access to facilities, train and engine crews, or services of a rail carrier or regional transportation authority that are required to operate such trains.

SEC. 221. ON-BORD SERVICE IMPROVEMENTS.

(a) IN GENERAL.—Within 1 year after metrics are established under section 208 of this division, Amtrak shall develop and implement a plan to improve on-board service pursuant to the metrics and standards for such service developed under such section.

(b) REPORT.—Amtrak shall provide a report to the Senate Committee on Commerce, Science, and Transportation and the House of Representatives Committee on Transportation and Infrastructure on the on-board improvements prescribed in the plan and the timeline for implementing such improvements.

SEC. 222. AMTRAK MANAGEMENT ACCOUNTABILITY.

(a) IN GENERAL.—Chapter 243 is amended by inserting after section 24309 the following:

"§ 24310. Management accountability

"(a) IN GENERAL.—Three years after the date of enactment of the Rail Rehabilitation, Investment, and Improvement Act of 2005, and two years thereafter, the Inspector General of the Department of Transportation shall complete an overall assessment of the progress made by Amtrak management and the Department of Transportation in implementing the provisions of that Act.

"(b) ASSESSMENT.—The management assessment undertaken by the Inspector General may include a review of:

"(1) effectiveness improving annual financial planning;

"(2) effectiveness in implementing improved financial accounting;

"(3) efforts to implement minimum train performance standards;

"(4) progress maximizing revenues and minimizing Federal subsidies; and

"(5) any other aspect of Amtrak operations the Inspector General finds appropriate to review.".

(b) CONFORMING AMENDMENT.—The chapter analysis for chapter 243 is amended by inserting after section 24309 the following:

"§ 24310. Management accountability."

TITLE III—INTERCITY PASSENGER RAIL POLICY

SEC. 301. CAPITAL ASSISTANCE FOR INTERCITY PASSENGER RAIL SERVICE.

(a) IN GENERAL.—Part C of subtitle V is amended by inserting after section 24307:

"CHAPTER 24. INTERCITY PASSENGER RAIL SERVICE CORRIDOR CAPITAL ASSISTANCE

"(Sec.

"24401. Definitions.

"24402. Capital investment grants to support intercity passenger rail service.

"24403. Project management oversight.

"24404. Use of capital grants to finance first-dollar liability of grant project.

"24405. Grant conditions.

"24404. Definitions.

"In this subchapter:

"(1) APPLICANT.—The term 'applicant' means a State (including the District of Columbia) or group of States, an Interstate Compact, or a public agency established by one or more States and having responsibility for providing intercity passenger rail service.

"(2) CAPITAL PROJECT.—The term 'capital project' means a project or program in a State rail plan developed under chapter 225 of this title.

"(A) acquiring, constructing, improving, or inspecting equipment, track and track structures, or a facility for use in or for the primary benefit of intercity passenger rail service, expenses incidental to the acquisition or construction (including designing, engineering, location surveying, mapping, environmental studies and permits), and payments for the capital portions of rail track rights agreements, highway-rail grade crossing improvements related to intercity passenger rail service, security, mitigating environmental impacts, communication and signalization improvements, right of way, operations, maintenance of way, lighting, police, fire protection, housing sites, and acquiring, constructing, relocating, and rehabilitating replacement housing;

"(B) rehabilitating, remanufacturing or overhauling rail rolling stock and facilities used primarily in intercity passenger rail service;

"(C) costs associated with developing State rail plans; and

"(D) the first-dollar liability costs for insurance related to the provision of intercity passenger rail service.

"(3) INTERCITY PASSENGER RAIL SERVICE.—The term 'intercity passenger rail service' means transportation services with the primary purpose of passenger service between towns, cities and metropolitan areas by rail, including high-speed rail, as defined in section 24102 of title 49, United States Code.

"§ 24402. Capital investment grants to support intercity passenger rail service.

"(a) GENERAL AUTHORITY.

"(1) The Secretary of Transportation may make grants under this section to an applicant to assist in financing the capital costs of facilities and equipment necessary to provide or improve intercity passenger rail service.

"(2) The Secretary shall require that a grant under this section be subject to the terms, conditions, requirements, and provisions the Secretary decides are necessary or appropriate for the purposes of this section, including requirements for the disbursement of net increases in value of real property resulting from the project and any award of grants under this title, including application and qualification procedures, and a record of decision on applicant eligibility. The Secretary shall issue a final rule establishing such procedures not later than 90 days after the date of enactment of the Passenger Rail Investment and Improvement Act of 2005.

"(b) PROJECT AS PART OF STATE RAIL PLAN.

"(1) The Secretary may not approve a grant for a project under this section unless the Secretary finds that the project is part of a State rail plan developed under chapter 225 of this title, or under the plan required by section 203 of the Passenger Rail Investment and Improvement Act of 2005, and that the applicant or recipient has demonstrated to the satisfaction of the Secretary, in selecting the recipients of financial assistance to be provided under such section, that the applicant or recipient has the legal, financial, and technical capacity to carry out the project, satisfactory continuing control over the use of the equipment or facilities, and the capability and willingness to maintain the equipment or facilities.

"(2) An applicant shall provide sufficient information upon which the Secretary can make the findings required by this subsection.

"(3) If an applicant has not selected the proposed operator of its service competitively, the applicant shall provide written justification to the Secretary showing why the proposed operator is the best, taking into account price and other factors, and that use of the proposed operator will not unnecessarily increase the cost of the project.

"(c) PROJECT SELECTION CRITERIA.—The Secretary, in selecting the recipients of financial assistance to be provided under such section, shall:

"(1) give priority to projects that provide projects that provide the best a plan that meets all safety and security requirements that are applicable to the project under law;
(2) give preference to projects with high levels of estimated ridership, increased on-time performance, reduced trip time, additional service frequency to meet anticipated or existing passenger demand, significant service enhancements as measured against minimum standards developed under section 208 of the Passenger Rail Investment and Improvement Act of 2005;

(3) encourage intermodal connectivity through projects that provide direct connections between train stations, airports, bus terminals, ferry stations, ferry ports, and other modes of transportation;

(4) ensure that each project is compatible with, and is operated in conformance with—

(A) plans developed pursuant to the requirements of section 135 of title 23, United States Code; and

(B) the national rail plan (if it is available);

(5) favor the following kinds of projects:

(A) Projects that are expected to have a significant favorable impact on air or highway traffic congestion, capacity, or safety;

(B) Projects that also improve freight or commuter rail operations;

(C) Projects that have significant environmental benefits;

(D) Projects that are—

(i) at a stage of preparation that all pre-commencement compliance with environmental protection requirements has already been completed; and

(ii) ready to be commenced.

(E) Projects with positive economic and employment impacts;

(F) Projects that encourage the use of positive train control technologies.

(G) Projects that have commitments of funding from Federal, State, or local government sources in a total amount that exceeds the minimum amount of the non-Federal contribution required for the project.

(H) Projects that involve donated property interests or services.

(I) Projects that are identified by the Surface Transportation Board as necessary to improve the on time performance and reliability of intercity passenger rail service under section 24303(b).

(d) AMTRAK ELIGIBILITY.—To receive a grant under this Act, the National Railroad Passenger Corporation may enter into a cooperative agreement with 1 or more States to carry out 1 or more projects on a State rail line for the purpose of improving rail capital investments made under section 22504(a)(5) of this title.

(e) LETTERS OF INTENT, FULL FUNDING GRANT AGREEMENTS, AND EARLY SYSTEMS WORK AGREEMENTS.—

(1)(A) The Secretary may issue a letter of intent to an applicant announcing an intention to obligate, for a major capital project under this section, an amount from future available budget authority specified in law that is not more than the amount stipulated as the financial participation of the Secretary in the project.

(B) At least 30 days before issuing a letter under subparagraph (A) of this paragraph or entering into a full funding grant agreement, the Secretary shall notify in writing the Committee on Transportation and Infrastructure of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate and the House and Senate Committees on Appropriations of the proposed letter or agreement. The Secretary shall include with the notification a copy of the proposed letter or agreement as well as the evaluations and ratings for the project.

(C)(i) This subsection or administrative committee may be made only when amounts are appropriated.

(2)(A) The Secretary may make a full funding grant agreement with an applicant. The agreement shall—

(i) establish the terms of participation by the United States Government in a project under this section;

(ii) establish the maximum amount of Government financial assistance for the project under this section;

(iii) cover the period of time for completing the project, including a period extending beyond the period of an authorization, if any;

(iv) make timely and efficient management of the project easier according to the law of the United States;

(B) An agreement under this paragraph obligates an amount of available budget authority specified in law and may include a commitment, contingent on amounts to be specified in law in advance for commitments under this paragraph, to obligate an additional amount from future available budget authority specified in law. The agreement shall state that the contingent commitment is not an obligation of the Government and is subject to the availability of appropriated funds.

(C) The Secretary shall notify in writing the Committee on Appropriations of the proposed letter or agreement plus reasonable interest and penalty charges the Secretary establishes in the agreement.

(D) The total estimated amount of future obligations of the Government and contingent commitments to incur obligations covered by all outstanding letters of intent, full funding grant agreements, and early systems work agreements may not be more than the amount authorized under section 101(c) of the National Railroad Passenger Corporation Act of 2005, less an amount the Secretary reasonably estimates is necessary for grants under this section not covered by a letter or an agreement plus reasonable interest and penalty charges the Secretary establishes in the agreement.

(E) The total estimated amount of future obligations of the Government and contingent commitments to incur obligations covered by all outstanding letters of intent, full funding grant agreements, and early systems work agreements may be not more than a limitation specified in section 208(a)(2) of this Act.

(F) A grant for the project shall not exceed 80 percent of the project net capital cost.

(G) The Secretary shall give priority in allocating future obligations and contingent commitments to incur obligations to grant requests seeking a lower Federal share of the project net capital cost.

(2) Up to an additional 20 percent of the required non-Federal funds may be funded from amounts appropriated to or made available to a department or agency of the Federal Government that are eligible to be expended for transportation.

(3) Amounts of the average amounts expended by a State or group of States (including the District of Columbia) for capital projects to benefit intercity passenger rail service in fiscal years 2003, 2004, and 2005 shall be credited towards the matching requirements for grants awarded under this section. The Secretary may require such information as necessary to verify such expenditures.

(4) Up to 50 percent of the average amounts expended by a State or group of States (including the District of Columbia) in a fiscal year beginning in 2006 for capital projects to benefit intercity passenger rail service or for the operating costs of such service above the average of expenditures made for such service in fiscal years 2003, 2004, and 2005 shall be credited towards the matching requirements for grants awarded under this section. The matching requirements shall be adjusted as necessary to verify such expenditures.

(5) Undertaking Projects in Advance.—The Federal share of the net capital project cost in an applicant that carries out any part of a project described in this section according to all applicable procedures and requirements if—

(A) the applicant applies for the payment;

(B) the Secretary approves the payment; and

(C) before carrying out the part of the project, the Secretary approves the plans and specifications for the part in the same way as other projects under this section.

(6) Capital project or other agreements or plans for projects for which the total cost of carrying out part of a project includes the interest earned and payable on bonds issued by the applicant to the extent proceeds of the bonds are expended in carrying out the part. However, the amount of interest under this paragraph may not be more than the most favorable interest rates reasonably available for the period at the time of borrowing. If an applicant does not carry out the project for reasons within the control of the applicant, the applicant shall repay all interest included under the work agreement plus reasonable interest and penalty charges the Secretary establishes in the agreement.

(7) The Secretary shall consider changes in capital project cost indices when determining the estimated cost under paragraph (2) of this subsection.

(2) 2-YEAR AVAILABILITY.—Funds appropriated under this section shall remain
available until expended. If any amount provided as a grant under this section is not obligated or expended for the purposes described in subsection (a) within 2 years after the date on which the Secretary receives the grant, such sums shall be returned to the Secretary for other intercity passenger rail development projects under this section at the direction of the Secretary.

"(1) PUBLIC-PRIVATE PARTNERSHIPS.—

"(1) In general.—A metropolitan planning organization, State transportation department, or other entity (including a grantee) that receives a grant under this section due to the unique characteristics of the geography of that State or other factors may enter into an agreement with any public, private, or nonprofit entity to cooperatively implement any project funded with a grant under this title.

"(2) FORMS OF PARTICIPATION.—Participation by an entity under paragraph (1) may consist of—

"(A) ownership or operation of any land, facility, locomotive, rail car, vehicle, or other physical asset associated with the project;

"(B) cost-sharing of any project expense;

"(C) carrying out administration, construction management, project management, project operation, or any other management or other duty associated with the project; and

"(D) any other form of participation approved by the Secretary.

"(1) IN GENERAL.—A State may allocate funds under this section to any entity described in paragraph (1).

"(2) TRANSFERENCE CIRCUMSTANCES.—In carrying out this section, the Secretary shall allocate an appropriate portion of the amounts available under this section to provide grants to States in—

"(1) in which there is no intercity passenger rail service for the purpose of funding freight rail capital projects that are on a State transportation development under chapter 225 of this title that provide public benefits (as defined in chapter 225) as determined by the Secretary; or

"(2) in which the rail transportation system is not physically connected to rail systems in the continental United States or may not otherwise qualify for a grant under this section due to the unique characteristics of the geography of that State or other relevant considerations, for the purpose of funding transportation-related capital projects.

"(k) SMALL CAPITAL PROJECTS.—The Secretary shall make available $10,000,000 annually from the amounts authorized under section 10102(5) of this title for small capital projects. The Secretary shall provide grants under this subsection to a State on a competitive basis to fund eligible projects that meet the requirements of this subsection. Projects funded under this subsection shall be carried out under an agreement made under section 24308(a) of this title, as such section was in effect on September 30, 2005.

"(2) E XEMPTIONS.—In carrying out a project funded in whole or in part by a grant under this title, a recipient of assistance under this subchapter may—

"(1) a document control procedure and record-keeping system;

"(2) a change order procedure that includes a documented, systematic approach to handling change orders and changes in the project budget and project schedule; and

"(3) a construction schedule for the project;

"(4) any other grants, contributions, or loans provided under this subchapter or other Federal, State, or local assistance provided under this title.

"(1) a written agreement exist between the Secretary and a contractor for the performance of a project, including—

"(A) any compensation for such services;

"(B) the protective arrangements established in this section for rail passenger service associated with the capital assistance grant, but the coverage may not exceed $20,000,000 per occurrence or $20,000,000 in the aggregate for any fiscal year.

"(A) a written agreement between the Secretary and a contractor for the performance of a project, including—

"(A) any compensation for such services;

"(B) the protective arrangements established in this section for rail passenger service associated with the capital assistance grant, but the coverage may not exceed $20,000,000 per occurrence or $20,000,000 in the aggregate for any fiscal year.

"* Paragraph 84405. Grant conditions

Notwithstanding the requirements of section 24402 of this subchapter, the Secretary may use no more than $20,000,000 in aggregate per year.

"(A) a written agreement between the Secretary and a contractor for the performance of a project, including—

"(A) any compensation for such services;

"(B) the protective arrangements established in this section for rail passenger service associated with the capital assistance grant, but the coverage may not exceed $20,000,000 per occurrence or $20,000,000 in the aggregate for any fiscal year.

"(A) a written agreement between the Secretary and a contractor for the performance of a project, including—

"(A) any compensation for such services;

"(B) the protective arrangements established in this section for rail passenger service associated with the capital assistance grant, but the coverage may not exceed $20,000,000 per occurrence or $20,000,000 in the aggregate for any fiscal year.

"(A) a written agreement between the Secretary and a contractor for the performance of a project, including—

"(A) any compensation for such services;

"(B) the protective arrangements established in this section for rail passenger service associated with the capital assistance grant, but the coverage may not exceed $20,000,000 per occurrence or $20,000,000 in the aggregate for any fiscal year.

"(A) a written agreement between the Secretary and a contractor for the performance of a project, including—

"(A) any compensation for such services;

"(B) the protective arrangements established in this section for rail passenger service associated with the capital assistance grant, but the coverage may not exceed $20,000,000 per occurrence or $20,000,000 in the aggregate for any fiscal year.
...
(5) A long-range rail investment program for current and future freight and passenger infrastructure in the State that meets the requirements of subsection (b).

(6) By striking the public financing issues for rail projects and service in the State, including a list of current and prospective public capital and operating funding resources, public and State taxation, and other financial policies relating to rail infrastructure development.

(7) An identification of rail infrastructure issues within the State that reflects consultation with all relevant stake holders.

(8) A review of major passenger and freight intermodal rail connections and facilities within the State, including seaports, and prioritized options to maximize service integration and efficiency between rail and other modes of transportation within the State.

(9) A review of publicly funded projects within the State to improve rail transportation safety and security, including all major projects funded under section 190 of title 23.

(10) A performance evaluation of passenger rail services operating in the State, including system improvements in those services, and a description of strategies to achieve those improvements.

(11) A compilation of studies and reports on how corridor development within the State not included in a previous plan under this subchapter, and a plan for funding any recommended development of such corridors in the State.

(12) A statement that the State is in compliance with the requirements of section 22102.

(13) A long-range service and investment program.

(1) PROGRAM CONTENT.—A long-range rail investment program included in a State rail plan under subsection (a)(5) shall include the following matters:

(A) A list of any rail capital projects expected to be undertaken or supported in whole or in part by the State;

(B) A detailed funding plan for those projects;

(C) PROJECT LIST CONTENT.—The list of rail capital projects shall contain—

(i) a description of the anticipated public and private benefits of each such project; and

(ii) a statement of the correlation between—

(C) public funding contributions for the projects; and

(C) the public benefits.

(D) CONSIDERATIONS FOR PROJECT LIST.—In preparing the list of freight and intercity passenger rail capital projects, a State rail transportation authority should take into consideration the following matters:

(A) Contributions made by non-Federal and non-State sources through user fees, matching funds, or other private capital involvement.

(B) Rail capacity and congestion effects.

(C) Effects on highway, aviation, and maritime capacity, congestion, or safety.

(D) Regional balance.

(E) Environmental impact.

(F) Economic and employment impacts.

(G) Projected ridership and other service measures for passenger rail projects.

**§ 22506. Review**

The Secretary shall prescribe procedures for States to submit State rail plans for review under this title, including standardized format and data requirements. State rail plans completed before the date of enactment of the Passenger Rail Investment and Improvement Act of 2005 that substantially meet the requirements of this chapter, as determined by the Secretary, shall be deemed by the Secretary to have met the requirements of this chapter.

**CONFORMING AMENDMENTS.—**

(1) The table of chapters for the title is amended by inserting after the item relating to chapter 223:

"225. State rail plans ... 22501."

"225. State rail plans ... 24401."

SEC. 303. NEXT GENERATION CORRIDOR TRAIN EQUIPMENT POOL.

(a) In General.—Not later than 180 days after the date of enactment of this Act, Amtrak shall establish a Next Generation Corridor Equipment Pool Committee, comprised of representatives of the Federal Railroad Administration, and interested States. The purpose of the Committee shall be to design, develop specifications for, and procure standardized next-generation corridor equipment.

(b) FUNCTIONS.—The Committee may—

(1) determine the number of different types of equipment required to meet the needs of the rail industry, taking into account variations in operational needs and corridor infrastructure;

(2) establish a pool of equipment to be used on corridor routes funded by participating States; and

(3) subject to agreements between Amtrak and States, utilize services provided by Amtrak to design, maintain and remanufacture equipment.

(c) COOPERATIVE AGREEMENTS.—Amtrak and States participating in the Committee may enter into agreements for the funding, procurement, remanufacture, ownership and management of corridor equipment, including equipment currently owned or leased by Amtrak and next-generation corridor equipment acquired as a result of the Committee’s actions, and may establish a corporation, which shall be wholly owned by Amtrak, participating States or other entities, to perform these functions.

(d) FUNDING.—In addition to the authorization provided in section 105 of this division, capital projects to carry out the purposes of this section shall be eligible for grants made pursuant to chapter 244 of title 49, United States Code.

SEC. 304. FEDERAL RAIL POLICY.

Section 103 is amended—

(1) by inserting "In General.—" before "The Federal " in subsection (a);

(2) by striking the second and third sentence of subsection (a);

(3) by inserting "In General.—" before "The head" in subsection (b);

(4) by redesignating subsections (c), (d), and (e) as subsections (d), (e), and (f), respectively, and by inserting after subsection (b) the following:

(c) SAFETY.—To carry out all railroad safety laws of the United States, the Administration shall—

(1) establish and carry out a rail cooperative research program. The program shall

(2) develop a long range national rail plan that is consistent with approved State rail plans through the rail laws as determined by the Secretary in order to promote an integrated, cohesive, efficient, and optimized national rail system for the movement of goods and people; and

(3) develop a preliminary national rail plan within a year after the date of enactment of the Passenger Rail Investment and Improvement Act of 2005, and review all State rail plans submitted under that section;

(2) develop a long range national rail plan that is consistent with approved State rail plans through the rail laws as determined by the Secretary in order to promote an integrated, cohesive, efficient, and optimized national rail system for the movement of goods and people; and

(3) develop a preliminary national rail plan within a year after the date of enactment of the Passenger Rail Investment and Improvement Act of 2005, and review all State rail plans submitted under that section;

(4) develop and enhance partnerships with the freight and passenger railroad industry, States, and the public concerning rail development;

(5) support rail intermodal development and high-speed rail development, including high-speed rail planning;

(6) ensure that programs and initiatives developed under this section benefit the public and work toward achieving regional and national transportation goals; and

(7) facilitate and coordinate efforts to assist freight and passenger rail carriers, transmit agencies and authorities, municipalities, and States in passenger-freight service integration on shared rights of way by providing neutral assistance at the joint request of affected rail service providers and infrastructure owners relating to operational and capacity analysis, capital requirements, operating costs, and other research and planning related to corridors shared by passenger or commuter rail service and freight rail operations.

(8) by inserting "In conjunction with the objectives established and activities undertaken under section 183(e) of this title, the Administrator shall develop a schedule for achieving specific, measurable performance goals."

(9) by inserting "In conjunction with the objectives established and activities undertaken under section 183(e) of this title, the Secretary shall develop a schedule for achieving specific, measurable performance goals."

(10) by striking the last sentence in subsection (a).

(11) to section 213(b), as redesignated;

(12) to section 213(c), as redesignated; and

(13) to section 213(e), as redesignated.

SEC. 305. RAIL COOPERATIVE RESEARCH PROGRAM.

(a) ESTABLISHMENT AND CONTENT.—Chapter 249 is amended by adding at the end the following:

"§ 24910. Rail cooperative research program

(a) In General.—The Secretary shall establish and carry out rail cooperative research program. The program shall—

(1) address, among other matters, intercity rail passenger and freight rail services, including existing rail passenger and freight technologies and speeds, incrementally enhanced rail systems and infrastructure, and new high-speed wheel-on-rail systems and rail technology;

(2) address ways to expand the transportation of international trade traffic by rail,
enhance the efficiency of intermodal inter- change at ports and other intermodal termi- nals, and increase capacity and availability of rail service for seasonal freight needs;

(b) order research on the interconnected- ness of commuter rail, passenger rail, freight rail, and other rail networks; and

(4) give consideration to regional con- cerns of connecting passenger and freight transportation, including meeting research needs common to designated high-speed cor- ridors, long-distance rail services, and reg- ional intercity rail corridors, projects, and entities.

(b) CONTENT.—The program to be carried out under this section shall include research designed—

(1) to identify the unique aspects and at- tributes of rail passenger and freight service;

(2) to develop accurate models for evalu- ating the impact of rail passenger and freight service, including the effects on high- way and airport and airway congestion, envi- ronmental quality, and energy consumption;

(3) to develop a better understanding of modal choice as it affects rail passenger and freight transportation, including development of better models to predict utilization;

(4) to recommend priorities for tech- nology demonstration and development;

(5) to recommend priority areas determined by the advisory board established under subsection (c), including any rec- ommendations made by the National Re- search Council;

(6) to explore improvements in manage- ment, financing, and institutional struc- tures;

(7) to address rail capacity constraints that affect passenger and freight rail service through a wide variety of options, ranging from operating improvements to dedicated new infrastructure that will account for the impact of such options on operations;

(8) to improve maintenance, operations, customer service, or other aspects of inter- city rail passenger and freight service;

(9) to recommend objective methodologies for determining intercity passenger rail routes and services, including the establish- ment of new routes, the elimination of exist- ing routes, and the contraction or expansion of services or frequencies on such routes;

(10) to review the impact of equipment and operational standards on the fur- ther development of high speed passenger rail operations connected to or integrated with non-high speed freight or passenger rail operations; and

(11) to recommend any legislative or reg- ulatory changes necessary to foster further development and implementation of high speed passenger rail operations while ensuring the safety of such operations that are connected to or integrated with non-high speed freight or passenger rail operations.

(c) ADVISORY BOARD.-(1) ESTABLISHMENT.—In consultation with the heads of appropriate Federal depart- ments and agencies, the Secretary shall es- tablish, in furtherance of the purposes of this section, an advisory board to recommend research, technology, and technology transfer activities related to rail passenger and freight transportation.

(2) MEMBERSHIP.—The advisory board shall include—

(A) representatives of State transporta- tion agencies;

(B) transportation and environmental economists, scientists, and engineers; and

(C) representatives of Amtrak, the Alaska Railroad, major intercity railroads, transit operating agencies, intercity rail passenger agencies, railroad labor organizations, and environ- mental organizations.

(3) NATIONAL ACADEMY OF SCIENCES.—The Secretary may make grants to, and enter into cooperative agreements with, the Na- tional Academy of Sciences to carry out such activities relating to the research, tech- nology, and technology transfer activities described in subsection (b) as the Secretary deems appropriate.

(b) CLERICAL AMENDMENT.—The chapter analysis for chapter 249 is amended by add- ing at the end the following:

"249. Rail high-speed passenger service program.—"
§24316. Plans to address needs of families of passengers involved in rail passenger accidents

(a) Submission of plan.—Not later than 6 months after the date of the enactment of the Passenger, Baggage, and Cargo on Passenger Trains Pilot Program Act of 2005, Amtrak shall submit to the Chairman of the National Transportation Safety Board and the Secretary of Transportation a plan to address the needs of the families of passengers involved in any rail passenger accident involving an Amtrak intercity train and resulting in a loss of life.

(b) Contents of plan.—The plan shall include, at a minimum, the following:

(1) A process by which Amtrak will maintain a list of the names of passengers aboard the train (whether or not such names have been verified), and will periodically update the list. The plan shall include a procedure, with respect to unclaimed and baggage passengers, for providing notice of the names of the passengers aboard the train (whether or not such names have been verified), and will periodically update the list. The plan shall include a procedure, with respect to unclaimed and baggage passengers, for providing notice of the names of the passengers aboard the train (whether or not such names have been verified), and will periodically update the list.

(2) A plan for creating and publicizing a reliable, toll-free telephone number within 4 hours after such an accident occurs, and for providing staff, to handle calls from the families of the passengers.

(3) A process by which the family of each passenger will be consulted about the disposition of all remains and personal effects of the passenger within Amtrak’s control; that any possession of the passenger within Amtrak’s control will be returned to the family as soon as possible, and that no information is necessary for the accident investigation or any criminal investigation; and that any unclaimed possession of a passenger within Amtrak’s control will be returned to the family as soon as possible, and that no information is necessary for the accident investigation or any criminal investigation.

(4) A process for providing the notice described in paragraph (2) to the family of a passenger as soon as Amtrak has identified the family and the names of all the passengers.

(5) A process by which the family of each passenger will be consulted about the disposition of all remains and personal effects of the passenger within Amtrak’s control; that any possession of the passenger within Amtrak’s control will be returned to the family as soon as possible, and that no information is necessary for the accident investigation or any criminal investigation; and that any unclaimed possession of a passenger within Amtrak’s control will be returned to the family as soon as possible, and that no information is necessary for the accident investigation or any criminal investigation.

(6) A process for notifying the families of the passengers, before providing any public notice of the names of the passengers, by suitably trained individuals.

(7) A description of the current system for screening passengers and baggage on passenger rail service between the United States and Canada;

(8) An assessment of the current program to provide clearance of airline passengers between the United States and Canada as outlined in the Agreement on Transportation Preclearance between the Government of Canada and the Government of the United States of America, dated January 18, 2001;

(9) An assessment of the current program to provide clearance of freight railroad traffic between the United States and Canada as outlined in the “Declaration of Principle for the Improved Security of Rail Shipments between the United States and Canada” dated April 2, 2003;

(10) An assessment of the Department of Homeland Security and other Federal agencies towards finalizing a bilateral protocol with Canada that would provide for pre-screening of railroad passengers traveling between the United States and Canada; and

(11) A description of the position of the Government of Canada and relevant Canadian agencies with respect to pre-clearance of such passengers traveling between the United States and Canada.

(b) Authorization of Appropriations.—There are authorized to be appropriated to the Secretary of Homeland Security $1,000,000 for fiscal year 2006 to carry out this section.
For acquisition, construction, installation, and equipment of temporary or permanent public works, naval installations, facilities, and real property for the Army as currently authorized by law, $1,157,141,000, to remain available until September 30, 2010: Provided, That of the amount appropriated for “Military Construction, Army,” under Public Law 107–249, $1,288,500,000 are hereby rescinded: Provided further, That of the funds appropriated for “Military Construction, Army” under Public Law 108–324, $16,700,000 are hereby rescinded.

**MILITARY CONSTRUCTION, NAVY AND MARINE CORPS**

**(INCLUDING RESCISIONS OF FUNDS)**

For acquisition, construction, installation, and equipment of temporary or permanent public works, naval installations, facilities, and real property for the Navy and Marine Corps as currently authorized by law, including personnel in the Naval Facilities Engineering Command and other personal services necessary for the purposes and for the work of the Department of the Navy as determined by the Secretary of the Navy, and for the work of the Corps of Engineers and other personal services, as authorized by law, unless the Secretary of Defense determines that additional obligations are necessary for such purposes and notifies the Committees on Appropriations of both Houses of Congress of the determination and the reasons therefor: Provided further, That of the funds appropriated for “Military Construction, Navy and Marine Corps” under Public Law 108–132, $5,767,000 are hereby rescinded: Provided further, That of the funds appropriated for “Military Construction, Navy and Marine Corps” under Public Law 108–132, $44,270,000 are hereby rescinded.

**MILITARY CONSTRUCTION, AIR FORCE**

**(INCLUDING RESCISIONS OF FUNDS)**

For acquisition, construction, installation, and equipment of temporary or permanent public works, military installations, facilities, and real property for the Air Force as currently authorized by law, $1,288,500,000, to remain available until September 30, 2010: Provided, That of this amount, not to exceed $54,893,000 shall be available for study, planning, design, and architectural and engineering services, as authorized by law, unless the Secretary of Defense determines that additional obligations are necessary for such purposes and notifies the Committees on Appropriations of both Houses of Congress of the determination and the reasons therefor: Provided further, That of the funds appropriated for “Military Construction, Air Force” under Public Law 108–132, $5,767,000 are hereby rescinded: Provided further, That of the funds appropriated for “Military Construction, Air Force” under Public Law 108–132, $44,270,000 are hereby rescinded.

**MILITARY CONSTRUCTION, DEFENSE-WIDE**

**(INCLUDING TRANSFER AND RESCISION OF FUNDS)**

For acquisition, construction, installation, and equipment of temporary or permanent public works, installations, facilities, and real property for the activation of the Department of Defense (other than the military departments), as currently authorized by law, $1,008,855,000, to remain available until September 30, 2010: Provided, That of such amount, not to exceed $34,893,000 shall be available for study, planning, design, and architectural and engineering services, as authorized by law, unless the Secretary of Defense determines that additional obligations are necessary for such purposes and notifies the Committees on Appropriations of both Houses of Congress of the determination and the reasons therefor: Provided further, That of the amount appropriated, not to exceed $136,406,000 shall be available for study, planning, design, and architectural and engineering services, as authorized by law, unless the Secretary of Defense determines that additional obligations are necessary for such purposes and notifies the Committees on Appropriations of both Houses of Congress of the determination and the reasons therefor: Provided further, That of the funds appropriated for “Military Construction, Defense-Wide” under Public Law 108–324, $30,000,000 are hereby rescinded.

**MILITARY CONSTRUCTION, ARM NATIONAL GUARD**

For construction, acquisition, expansion, rehabilitation, and conversion of facilities for the training and administration of the Army National Guard, and contributions therefor, as authorized by chapter 103 of title 10, United States Code, and Military Construction Authorization Acts, $523,151,000, to remain available until September 30, 2010: Provided, That of the funds appropriated for “Military Construction, Air National Guard” under Public Law 108–324, $13,700,000 are hereby rescinded.

**MILITARY CONSTRUCTION, AIR NATIONAL GUARD**

**(INCLUDING RESCISIONS OF FUNDS)**

For construction, acquisition, expansion, rehabilitation, and conversion of facilities for the training and administration of the Air National Guard, and contributions therefor, as authorized by chapter 103 of title 10, United States Code, and Military Construction Authorization Acts, $218,942,000, to remain available until September 30, 2010: Provided, That of the funds appropriated for “Military Construction, Air National Guard” under Public Law 108–324, $13,700,000 are hereby rescinded.

**MILITARY CONSTRUCTION, ARMY RESERVE**

For construction, acquisition, expansion, rehabilitation, and conversion of facilities for the training and administration of the Army Reserve, as authorized by chapter 103 of title 10, United States Code, and Military Construction Authorization Acts, $152,569,000, to remain available until September 30, 2010: Provided, That of the funds appropriated for “Military Construction, Army Reserve” under Public Law 108–324, $31,700,000 are hereby rescinded.

**MILITARY CONSTRUCTION, NAVAL RESERVE**

**(INCLUDING RESCISIONS OF FUNDS)**

For construction, acquisition, expansion, rehabilitation, and conversion of facilities for the training and administration of the Navy Reserve, as authorized by chapter 103 of title 10, United States Code, and Military Construction Authorization Acts, $46,864,000, to remain available until September 30, 2010: Provided, That of the funds appropriated for “Military Construction, Naval Reserve” under Public Law 108–132, $5,568,000 are hereby rescinded: Provided further, That of the funds appropriated for “Military Construction, Naval Reserve” under Public Law 108–132, $4,500,000 are hereby rescinded: Provided further, That of the funds appropriated for “Family Housing Construction, Air Force” under Public Law 108–132, $4,500,000 are hereby rescinded: Provided further, That of the funds appropriated for “Family Housing Construction, Air Force” under Public Law 108–324, $31,700,000 are hereby rescinded.

**MILITARY CONSTRUCTION, AIR FORCE RESERVE**

**(INCLUDING RESCISIONS OF FUNDS)**

For construction, acquisition, expansion, rehabilitation, and conversion of facilities for the training and administration of the Air Force Reserve as authorized by chapter 103 of title 10, United States Code, and Military Construction Authorization Acts, $101,887,000, to remain available until September 30, 2010: Provided, That of the funds appropriated for “Family Housing Construction, Air Force” under Public Law 108–324, $7,700,000 are hereby rescinded.

**FAMILY HOUSING OPERATION AND MAINTENANCE, NAVY AND MARINE CORPS**

For expenses of family housing for the Navy and Marine Corps for operation and maintenance, including debt payment, leasing, minor construction, principal and interest charges, and insurance premiums, as authorized by law, $903,993,000.

**FAMILY HOUSING CONSTRUCTION, NAVY AND MARINE CORPS**

For expenses of family housing for the Navy and Marine Corps for construction, including acquisition, replacement, addition, expansion, extension, and alteration, as authorized by law, $591,636,000, to remain available until September 30, 2010.

**FAMILY HOUSING OPERATION AND MAINTENANCE, NAVY AND MARINE CORPS**

For expenses of family housing for the Navy and Marine Corps for operation and maintenance, including debt payment, leasing, minor construction, principal and interest charges, and insurance premiums, as authorized by law, $588,680,000.

**FAMILY HOUSING CONSTRUCTION, AIR FORCE**

**(INCLUDING RESCISIONS OF FUNDS)**

For expenses of family housing for the Air Force for construction, including acquisition, replacement, addition, expansion, extension, and alteration, as authorized by law, $1,101,887,000, to remain available until September 30, 2010: Provided, That of the funds appropriated for “Family Housing Construction, Air Force” under Public Law 108–249, $7,700,000 are hereby rescinded: Provided further, That of the funds appropriated for “Family Housing Construction, Air Force” under Public Law 108–324, $31,700,000 are hereby rescinded.

**FAMILY HOUSING OPERATION AND MAINTENANCE, AIR FORCE**

For expenses of family housing for the Air Force for construction, including acquisition, replacement, addition, expansion, extension, and alteration, as authorized by law, $766,939,000.

**FAMILY HOUSING CONSTRUCTION, DEFENSE-WIDE**

**(INCLUDING RESCISIONS OF FUNDS)**

For expenses of family housing for the Army for construction, including acquisition, replacement, addition, expansion, extension, and alteration, as authorized by law, $591,636,000, to remain available until September 30, 2010: Provided, That of the funds appropriated for “Family Housing Construction, Air Force” under Public Law 108–249, $7,700,000 are hereby rescinded: Provided further, That of the funds appropriated for “Family Housing Construction, Air Force” under Public Law 108–324, $31,700,000 are hereby rescinded.

**FAMILY HOUSING OPERATION AND MAINTENANCE, AIR FORCE**

For expenses of family housing for the Air Force for construction, including acquisition, replacement, addition, expansion, extension, and alteration, as authorized by law, $766,939,000.
(other than the military departments) for operation and maintenance, leasing, and minor construction, as authorized by law, $46,391,000.

DEPARTMENT OF DEFENSE FAMILY HOUSING IMPROVEMENT FUNDS

For the Department of Defense Family Housing Improvement Fund, $2,500,000, to remain available until expended, for family housing initiatives undertaken pursuant to section 2802 of title 10, United States Code, providing for innovative means of acquiring and improving military family housing and supporting facilities.

DEPARTMENT OF DEFENSE BASE CLOSURE AND REALIGNMENT ACCOUNT 2005

For deposit into the Department of Defense Base Closure Account 1990, established by section 2906(a)(1) of the Defense Base Closure and Realignment Act of 1990 (10 U.S.C. 2687 note), $1,504,466,000, to remain available until expended, that these funds shall not be obligated or expended until the Secretary of Defense submits to the congressional defense committees and receives approval of a report describing the Secretary of Defense setting forth the reasons thereof.

SEC. 102. Funds made available in this title for construction may be used for advances to the hire of passenger motor vehicles.

SEC. 103. Funds made available in this title for construction may be used for advances to the hire of passenger motor vehicles.

SEC. 104. None of the funds made available in this title may be used for construction of new bases in the United States for which specific appropriations have not been made.

SEC. 105. None of the funds made available in this title may be used for purchase of land or land easements in excess of 10 percent of the value as determined by the Army Corps of Engineers or the Naval Facilities Engineering Command, except: (1) where there is a determination of value by a Federal court; (2) purchases negotiated by the Attorney General or the designee of the Attorney General; (3) where the estimated value is less than $25,000; or (4) otherwise determined by the Secretary of Defense to be in the public interest.

SEC. 106. None of the funds made available in this title shall be used to: (1) acquire land; (2) provide for site preparation; or (3) install utilities for any family housing, except housing for which funds have been made available in an annual defense authorization for military construction.

SEC. 107. None of the funds made available in this title may be used for the procurement of steel for any construction project or activity for which funds have been made available in an annual defense authorization for military construction.

SEC. 108. None of the funds made available in this title may be used for the procurement of steel for any construction project or activity for which funds have been made available in an annual defense authorization for military construction.

SEC. 109. None of the funds made available to the Department of Defense for military construction or family housing during the current fiscal year may be used to pay real property taxes in any foreign nation.

SEC. 110. None of the funds made available in this title may be used to initiate a new installation overseas without prior notification to the Committees on Appropriations of both Houses of Congress.

SEC. 111. None of the funds made available in this title may be obligated for architect and engineer contracts in excess of $500,000 for projects to be accomplished in Japan, in any North Atlantic Treaty Organization member country, or in countries bordering the Arabian Sea, where such contracts are awarded to United States firms or United States firms in joint venture with host nation firms.

SEC. 112. None of the funds made available in this title for military construction in the United States territories and possessions in the Pacific and on Kwajalein Atoll, or in countries bordering the Arabian Sea, may be used to award any contract estimated by the Government to exceed $1,000,000 to a foreign contractor: Provided, That this section shall not be applicable to contracts awarded on a cost-reimbursable basis.

SEC. 113. The Secretary of Defense is to inform the appropriate committees of both Houses of Congress, including the Committees on Appropriations, of the estimated amounts of any future military exercise involving United States personnel 30 days prior to its occurring, if amounts expended for construction, either temporary or permanent, are anticipated to exceed $100,000.

SEC. 114. Not more than 20 percent of the funds made available in this title which are limited for obligation during the current fiscal year shall be obligated during the last two months of the fiscal year.

(TRANSFER OF FUNDS)

SEC. 115. Funds appropriated to the Department of Defense for construction in prior years shall be available for construction authorized for such military department by the authorizations enacted into law during the current session of Congress.

SEC. 116. For military construction or family housing projects that are being completed with funds otherwise made available for obligation, expired or lapsed funds may be used to pay the cost of associated supervision, inspection, overhead, engineering and design on those projects and on subsequent claims, if any.

SEC. 117. Notwithstanding any other provision of law, any funds made available to a military department or defense agency for the construction of military construction projects may be obligated for a military construction project or contract, or for any portion of such a project or contract, at any time before the end of the fourth fiscal year after the fiscal year for which funds for such project were made available, if the funds obligated for such project: (1) are obligated from funds available for military construction projects; and (2) do not exceed the amount appropriated for such project, plus any amount by which the cost of such project is increased pursuant to law.

SEC. 118. The Secretary of Defense is to provide the Committees on Appropriations of both Houses of Congress with an annual report by February 15, containing details of the specific military construction projects funded by the Department of Defense during the current fiscal year to encourage other member nations of the North Atlantic Treaty Organization, Japan, Korea, and United States allies bordering the Arabian Sea to assume a greater share of the common defense burden of such nations and the United States.

TCP, $254,827,000, to remain available until expended, for family housing improvement fund from amounts appropriated for construction in “Families” accounts, to be available for the same purposes and for the same period of time as amounts appropriated directly to the Fund: Provided, That appropriations made available to the Fund shall be available to the Secretary of Defense to obligate or expend until the Secretary of Defense submits to the congressional defense committees and receives approval of a report describing the Secretary of Defense setting forth the reasons thereof.

SEC. 119. In addition to any other transfer authority available to the Department of Defense, proceeds deposited to the Department of Defense Base Closure Account established by section 2906(a)(1) of the Defense Base Closure and Realignment Act of 1990 (10 U.S.C. 2687 note) pursuant to section 2906(a)(2) of such Act, may be transferred to the Fund established by section 2906(a)(1) of the Defense Base Closure and Realignment Act of 1990 (10 U.S.C. 2687 note), to be merged with, and to be available for the same purposes and the same time period as amounts made available by virtue of transfers to the Fund, for amounts appropriated for construction of military unaccompanied housing in Military Construction accounts, to be merged with, and to be available for the same purposes and the same period of time as amounts appropriated directly to the Fund: Provided, That appropriations made available to the Fund shall be available to the Secretary of Defense to obligate or expend until the Secretary of Defense submits to the congressional defense committees and receives approval of a report describing the Secretary of Defense setting forth the reasons thereof.
transferred shall be merged with and be available for the same purposes and for the same time period as the fund to which transferred.

Sec. 124. Notwithstanding this or any other provisions, Section 112, of the Act entitled "An Act to make appropriations for military construction and for defense-related facilities, for the year before fiscal year 2006 for that program under the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101-169, 103 Stat. 1678 note) that is derived from the disposal of Department of the Navy property under that Act, not less than $300,000,000 shall be available exclusively to the Secretary of the Navy, or if the Secretary of the Navy determines that subsection until expended.

(b) The amount available under subsection (a) shall remain available for the costs specified in that subsection until expended.

Sec. 125. None of the funds made available in this title under the heading "North Atlantic Treaty Organization Response Fund" or "Index pursuant to subsection (i)(3) of such section or until 30 days of the date on which the request is transmitted to the Committees on Appropriations of both Houses of Congress, except that an after-the-fact notification shall be submitted if the limitation is exceeded solely due to costs associated with environmental remediation that could not be reasonably anticipated at the time of the budget submission: Provided, That the Under Secretary of Defense (Comptroller) is to report annually to the Committees on Appropriations of both Houses of Congress all operation and maintenance expenditures for each individual general or flag officer quarters for the prior fiscal year.

Sec. 126. Whenever the Secretary of Defense or any other official of the Department of Defense is requested by the subcommittee on Military Quality of Life and Veterans Affairs, and Related Agencies of the Committee on Appropriations of the House of Representatives or the subcommittee on Military Construction and Veterans Affairs, and Related Agencies of the Committee on Appropriations of the Senate to respond to a question or inquiry submitted by the chairperson or a member of that subcommittee pursuant to a subcommittee hearing or other activity, the Secretary (or other official) shall respond to the request, in writing, within 21 days of the date on which the request is transmitted to the Secretary (or other official).

Sec. 127. Amounts contained in the Ford Island Improvement Account established by subsection (p) of section 718 of title 10, United States Code, are appropriated and shall be available until expended for the purposes specified in section 1(j)(1) of such section until transferred pursuant to subsection (i)(1) of such section.

TRANSFER OF FUNDS

Sec. 128. None of the funds made available in this title for making appropriations for military construction which remain available for obligation, may be obligated or expended to carry out a military construction, land acquisition, or family housing project at or for a military installation approved for closure, or at a military installation for the purposes of supporting a function that has been approved for realignment and reallocation in 2005 under the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–169; 103 Stat. 1678 note) unless such a project at a military installation approved for realignment will support a new mission or function that is planned for that installation, or unless the Secretary of Defense certifies that the cost in the United States of cancelling such project, or if the project is at an active component base that shall be established or in the case of projects having multi-agency use, that another Government agency has indicated it will assume ownership of the completed project. The Secretary not to carry forward funds not available as a result of this limitation from any military construction project, land acquisition, or family housing project to another account or use such funds for another purpose or project without the prior approval of the Committees on Appropriations of both Houses of Congress.

Sec. 129. Section 209(c)(11) of the Act entitled "An Act to make appropriations for the Department of Defense Base Closure Account 1990 under section 2906(a)(1) of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–169; 103 Stat. 1678 note) that is derived from the disposal of Department of the Navy property under that Act, not less than $300,000,000 shall be available exclusively to the Department of the Navy for environmental restoration and property management and disposal of property at installations of the Department of the Navy closed or realigned under that Act.

VETERANS INSURANCE AND INDEMNITIES

For military and naval insurance, national service life insurance, servicemen's indemnities, non-service disabled veterans mortgage life insurance as authorized by title 38, United States Code, chapter 19, 70 Stat. 687, 72 Stat. 487, $45,907,000, to remain available until expended.

Veterans Housing Benefit Program Fund Program Account

(INCLUDING TRANSFER OF FUNDS)

For the cost of direct and guaranteed loans, such sums as may be necessary to carry out the program, as authorized by chapter 37 of title 38, United States Code: Provided, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: Provided further, That during fiscal year 2005, within the resources available, not to exceed $500,000 in gross obligations for direct loans are authorized for specialty adapted housing loans.

In addition, for administrative expenses to carry out the direct and guaranteed loan program, $1,535,575,000, which may be transferred to and merged with the appropriation for "General operating expenses".

Vocational Rehabilitation Loans Program Account

(INCLUDING TRANSFER OF FUNDS)

For the cost of direct loans, $53,000, as authorized by chapter 31 of title 38, United States Code: Provided, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: Provided further, That funds made available under this heading are available to subsidize gross obligations for the principal of direct loans not to exceed $4,242,000.

In addition, for administrative expenses necessary to carry out the direct loan program, $305,000, which may be transferred to and merged with the appropriation for "General operating expenses".

Native American Veteran Housing Loan Program Account

(INCLUDING TRANSFER OF FUNDS)

For administrative expenses to carry out the direct loan program authorized by subchapter V of chapter 37 of title 38, United States Code, $80,000, which may be transferred to and merged with the appropriation for "General operating expenses".

Guaranteed Transitional Housing Loans for Homeless Veterans Program Account

For the administrative expenses to carry out the guaranteed transitional housing loan program authorized by subchapter VI of chapter 37 of title 38, United States Code, not to exceed $343,000, of which $305,000 is for administrative expenses and up to $38,000 for "General administrative expenses".

Veterans Health Administration Medical Services

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses for furnishing, as authorized by law, medical care and treatment to beneficiaries of the Department of Veterans Affairs and veterans described...
in section 1705(a) of title 38, United States Code, including care and treatment in facilities not under the jurisdiction of the Department, and including medical supplies and equipment and salary of health-care personnel hired under title 38, United States Code, and aid to State homes as authorized by section 1741 of title 38, United States Code; $22,547,141,000, plus reimbursements, of which not less than $2,200,000,000 shall be expended for specialty mental health care: Provided, That $1,225,000,000 of the amount provided under this heading shall be available only if an official budget request is transmitted by the President to the Congress that revises the President’s budget amendment of July 14, 2005, to designate the entire $1,225,000,000 as an emergency requirement: Provided further, That of the funds made available under this heading, not to exceed $1,100,000,000 shall be available until September 30, 2007: Provided further, That notwithstanding any other provision of law, the Secretary of Veterans Affairs shall establish a priority for treatment of veterans with lower income, or have special needs: Provided further, That the Veterans Benefits Administration shall be charged to this account: Provided further, That the funds made available under this heading, not to exceed $70,000,000 shall be available for obligation until September 30, 2007: Provided further, That from the funds made available under this heading, $412,000,000, plus reimbursements, of which not less than $15,000,000 shall be available until September 30, 2007, $3,297,669,000, plus reimbursements, of which $250,000,000 shall be available until September 30, 2007.

MEDICAL AND PROSTHETIC RESEARCH
For necessary expenses in carrying out programs of medical and prosthetic research and education, and as authorized by section 73 of title 38, United States Code, to remain available until September 30, 2007, $412,000,000, plus reimbursements, of which not less than $15,000,000 shall be used for Gulf War veterans.

DEPARTMENTAL ADMINISTRATION
GENERAL OPERATING EXPENSES
For necessary operating expenses of the Department of Veterans Affairs, not otherwise provided for, including reimbursement in support of Department-Wide capital planning, management and policy activities, uniforms or allowances thereof; not to exceed $25,000,000 for official reception and representation expenses; hire of passenger motor vehicles; and reimbursement of the General Services Administration for security guard services, and the Department of Defense for housing veterans in Department of Veterans Affairs facilities.

INFORMATION TECHNOLOGY SYSTEMS
For necessary expenses for information technology systems and telecommunications support, including the cost of data center operations and operational information systems; for the capital asset acquisition of information technology systems, including management and reengineering contracts, including contractual costs associated with operations authorized by chapter 3109 of title 5, United States Code, $1,410,520,000: Provided, That expenses for services and assistance authorized under paragraphs (1), (2), (5), and (11) of section 103(a) of H. Con. Res. 95 (109th Congress), the concurrent resolution on the budget for fiscal year 2006; Provided, That expenses for services and assistance authorized by section 721 of Public Law 109-1, to remain available until September 30, 2007; Provided, That expenses for services and assistance authorized by section 721 of Public Law 109-36, to remain available until September 30, 2007; Provided, That expenses for services and assistance authorized by section 721 of Public Law 109-405, to remain available until September 30, 2007; Provided, That expenses for services and assistance authorized by section 721 of Public Law 109-410, to remain available until September 30, 2007; Provided, That expenses for services and assistance authorized by section 721 of Public Law 109-424, to remain available until September 30, 2007; Provided, That expenses for services and assistance authorized by section 721 of Public Law 109-462, to remain available until September 30, 2007.

OFFICE OF INSPECTOR GENERAL

CONSTRUCTION, MINOR PROJECTS
For constructing, altering, extending, and improving any of the facilities including parking projects under the jurisdiction of the Department of Veterans Affairs, or for any purposes set forth in sections 315, 2004, 2406, 8102, 8103, 8106, 8109, 8110, and 8122 of title 38, United States Code, or where funds for a project were made available in a previous major project appropriation, $907,100,000, to remain available until expended, of which $532,010,000 shall be for Capital Asset Realignment for Enhanced Services (CARES) activities; and of which $2,500,000 shall be to make reimbursements as provided in section 13 of the Contract Disputes Act of 1978 (41 U.S.C. 612).

OFFICE OF INSPECTOR GENERAL

CONSTRUCTION, MAJOR PROJECTS
For constructing, altering, extending, and improving any of the facilities including parking projects under the jurisdiction of the Department of Veterans Affairs, or for any purposes set forth in sections 315, 2004, 2406, 8102, 8103, 8106, 8109, 8110, and 8122 of title 38, United States Code, or where funds for a project were made available in a previous major project appropriation, $907,100,000, to remain available until expended, of which $532,010,000 shall be for Capital Asset Realignment for Enhanced Services (CARES) activities; and of which $2,500,000 shall be to make reimbursements as provided in section 13 of the Contract Disputes Act of 1978 (41 U.S.C. 612).

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For constructing, altering, extending, and improving any of the facilities including parking projects under the jurisdiction of the Department of Veterans Affairs, or for any purposes set forth in sections 315, 2004, 2406, 8102, 8103, 8106, 8109, 8110, and 8122 of title 38, United States Code, or where funds for a project were made available in a previous major project appropriation, $907,100,000, to remain available until expended, of which $532,010,000 shall be for Capital Asset Realignment for Enhanced Services (CARES) activities; and of which $2,500,000 shall be to make reimbursements as provided in section 13 of the Contract Disputes Act of 1978 (41 U.S.C. 612).

CONSTRUCTION, MAJOR PROJECTS
For constructing, altering, extending, and improving any of the facilities including parking projects under the jurisdiction of the Department of Veterans Affairs, or for any purposes set forth in sections 315, 2004, 2406, 8102, 8103, 8106, 8109, 8110, and 8122 of title 38, United States Code, or where funds for a project were made available in a previous major project appropriation, $907,100,000, to remain available until expended, of which $532,010,000 shall be for Capital Asset Realignment for Enhanced Services (CARES) activities; and of which $2,500,000 shall be to make reimbursements as provided in section 13 of the Contract Disputes Act of 1978 (41 U.S.C. 612).

CONSTRUCTION, MINOR PROJECTS
For constructing, altering, extending, and improving any of the facilities including parking projects under the jurisdiction of the Department of Veterans Affairs, or for any purposes set forth in sections 315, 2004, 2406, 8102, 8103, 8106, 8109, 8110, and 8122 of title 38, United States Code, or where funds for a project were made available in a previous major project appropriation, $907,100,000, to remain available until expended, of which $532,010,000 shall be for Capital Asset Realignment for Enhanced Services (CARES) activities; and of which $2,500,000 shall be to make reimbursements as provided in section 13 of the Contract Disputes Act of 1978 (41 U.S.C. 612).

CONSTRUCTION, MAJOR PROJECTS
For constructing, altering, extending, and improving any of the facilities including parking projects under the jurisdiction of the Department of Veterans Affairs, or for any purposes set forth in sections 315, 2004, 2406, 8102, 8103, 8106, 8109, 8110, and 8122 of title 38, United States Code, or where funds for a project were made available in a previous major project appropriation, $907,100,000, to remain available until expended, of which $532,010,000 shall be for Capital Asset Realignment for Enhanced Services (CARES) activities; and of which $2,500,000 shall be to make reimbursements as provided in section 13 of the Contract Disputes Act of 1978 (41 U.S.C. 612).
States Code, $198,937,000, to remain available until expended, along with unobligated balances of previous ‘Construction, minor projects’ appropriations which are hereby made available for the construction of facilities and the provision of equipment acquired or services performed in the fiscal year to which the funds are transferred, and, in addition to the amount provided, any amounts realized are in addition to the amount provided for in ‘Construction, major projects’ and ‘Construction, minor projects’.

Amounts made available under ‘Medical services’ are available—

(1) for furnishing recreational facilities, supplies, or equipment; and

(2) for funeral expenses, burial expenses, and other expenses incidental to funerals and burials for beneficiaries receiving care in the Department.

(INCLUDING TRANSFER OF FUNDS)

SEC. 215. That such sums as may be deposited to the Medical Care Collections Fund pursuant to section 1729A of title 38, United States Code, may be transferred to ‘Medical services’, to remain available until expended for the purposes of this account.

(INCLUDING TRANSFER OF FUNDS)

SEC. 216. That such sums as may be deposited to the Medical Care Collections Fund pursuant to section 1729A of title 38, United States Code, may be transferred to ‘Medical services’, to remain available until expended for the purposes of this account.

(INCLUDING TRANSFER OF FUNDS)

SEC. 217. None of the funds available for fiscal year 2006 for the Veterans Benefits Administration made available under the heading ‘General operating expenses’ may be transferred to the ‘Veterans Housing Benefit Program Fund Program Account’ for the purpose of providing funds for the nationwide property management contract if the administrative costs of such contract exceed $8,800,000 in the fiscal year.

(INCLUDING TRANSFER OF FUNDS)

SEC. 218. That such sums as may be deposited to the Medical Care Collections Fund pursuant to section 1729A of title 38, United States Code, may be transferred to the ‘Veterans Housing Benefit Program Fund Program Account’ for the purpose of providing funds for the nationwide property management contract if the administrative costs of such contract exceed $8,800,000 in the fiscal year.

(INCLUDING TRANSFER OF FUNDS)

SEC. 218. That such sums as may be deposited to the Medical Care Collections Fund pursuant to section 1729A of title 38, United States Code, may be transferred to the ‘Veterans Housing Benefit Program Fund Program Account’ for the purpose of providing funds for the nationwide property management contract if the administrative costs of such contract exceed $8,800,000 in the fiscal year.

(INCLUDING TRANSFER OF FUNDS)

SEC. 219. That such sums as may be deposited to the Department of Veterans Affairs Capital Asset Fund pursuant to section 4118 of title 38, United States Code, may be transferred to the ‘Construction, major projects’ and ‘Construction, minor projects’ accounts, to remain available until expended for the purposes of these accounts.

(INCLUDING TRANSFER OF FUNDS)

SEC. 220. None of the funds available to the Department of Veterans Affairs Capital Asset Fund pursuant to section 4118 of title 38, United States Code, may be transferred to the ‘Construction, major projects’ and ‘Construction, minor projects’ accounts, to remain available until expended for the purposes of these accounts.

(INCLUDING TRANSFER OF FUNDS)

SEC. 221. None of the funds made available in this Act may be used to implement any policy...
prohibiting the Directors of the Veterans Integrated Service Networks from conducting outreach or marketing to enroll new veterans within their respective Networks.

SEC. 224. The Secretary of Veterans Affairs shall submit to the Committees on Appropriations of both Houses of Congress a quarterly report on the financial status of the Veterans Health Administration.

SEC. 225. None of the funds made available in this Act or any other Act may be used—

(1) with respect to the 2,100 case management and support teams—

(A) to develop or implement a scope and methodology description in VA Inspector General Report No. 05-00765-137 as having been reviewed by the Office of Inspector General;

(B) to prospectively revoke or reduce a veteran’s disability compensation payments for post traumatic stress disorder based on a finding that the Department of Veterans Affairs failed to collect justifying documentation, effective before the date on which the veteran’s time to exhaust all available administrative and judicial appeals has expired or such administrative and judicial issues were finally decided or

(2) for the implementation of Recommendation 3 of VA Inspector General Report No. 05-00765-137 or any related review and investigation of post traumatic stress disorder based on a finding that the Department of Veterans Affairs failed to collect justifying documentation, effective before the date on which the veteran’s time to exhaust all available administrative and judicial appeals has expired or such administrative and judicial issues were finally decided.

SEC. 226. For purposes of perfecting the funding sources of the Department of Veterans Affairs for purposes authorized by law, if more than $1,000,000 is paid in claims, the Secretary of Veterans Affairs shall request from the Committees on Appropriations of both Houses of Congress the authority to make the transfer and an approval is issued.

(INCLUDING TRANSFER OF FUNDS)

SEC. 227. VA projects made available for the “Information technology systems” account may be transferred between projects: Provided, That no project may be increased or decreased by more than $1,000,000 and upon a request to the Committees on Appropriations of both Houses of Congress the authority to make the transfer and an approval is issued.

(INCLUDING TRANSFER OF FUNDS)

SEC. 228. The Secretary of Veterans Affairs shall conduct an information campaign in States with an average annual disability compensation payment of less than $7,200 (according to the report issued by the Department of Veterans Affairs Office of Inspector General on May 19, 2005) to inform all veterans receiving disability compensation, by direct mail, of the automated process for making payments to veterans in such States, and to provide all veterans in each such State, through broadcast or print advertising, with the information and instructions for submitting new claims and requesting review of past disability claims and ratings.

SEC. 229. Of the funds available to the Department of Veterans Affairs for any Act or any other Act, no more than $50,000,000 shall be available for the HealthVetVista project, for fiscal year 2006: Provided, That none of the funds made available for the HealthVetVista project may be obligated until the Committees on Appropriations of both Houses of Congress approve a financial expenditure plan for the entire project.

SEC. 230. The authority provided by section 211 of title 38, United States Code, shall continue in effect through September 30, 2006.

TITLE III

RELATED AGENCIES

AMERICAN BATTLE MONUMENTS COMMISSION

SEC. 401. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 402. Such sums as may be necessary for fiscal year 2006 pay raises for programs funded by this Act shall be absorbed within the levels appropriated in this Act.

SEC. 403. None of the funds made available in this Act may be used for any program, project, or activity, when it is made known to the Federal entity or official to which the funds are transferred that the program, project, or activity is not in compliance with any Federal law relating to risk assessment, the protection of private property rights, or unfunded mandates.

SEC. 404. No part of any funds appropriated in this Act shall be used by an agency of the executive branch, other than for normal and recognized executive-legislative relationships, for publicity or propaganda purposes, and for the preparation, distribution or use of any kit, pamphlet, booklet, publication, radio, television or film presentation designed to support or defeat legislation pending before Congress, except in presentation to Congress itself.

SEC. 405. All departments and agencies funded under this Act are encouraged, within the limits of the existing statutory authorities and funding, to expand their use of “E-Commerce” technologies and procedures in the conduct of their business practices and public service responsibilities.

SEC. 406. None of the funds made available in this Act may be transferred to any department, agency, or instrumentality of the United States except pursuant to authority made by, or transfer authority provided in, this Act or any other appropriations Act.

SEC. 407. Unless stated otherwise, all reports and notifications required by this Act shall be submitted to the Committee on Military Quality of Life and Veterans Affairs and Related Agencies of the Committee on Appropriations of the House of Representatives and the Subcommittee on Military Construction and Veterans Affairs, and Related Agencies of the Committee on Appropriations of the Senate.


SEC. 7298 of title 38, United States Code, is amended by striking “the United States-China Economic and Security Re- lationships” and inserting in lieu thereof “a grant for the Trade Lawyers Advisory Group”.

DEPARTMENT OF DEFENSE—CIVIL

CEMETARY EXPENSES, ARMY

SEC. 229. For necessary expenses, as authorized by law, for maintenance, operation, and improvement of United States National Cemeteries and Airmen’s Home National Cemetery, including the purchase of two passenger motor vehicles for replacement only, and not to exceed $1,000,000 for equipment, supplies, and services, $29,050,000, to remain available until expended. In addition, such sums as may be necessary for parking maintenance, repairs and replacement, to be derived from the Lease of Department of Defense Real Property for Defense Agencies account.

ARMED FORCES RETIREMENT HOME

For expenses necessary for the Armed Forces Retirement Home to operate and maintain the Armed Forces Retirement Home, District of Columbia and the Armed Forces Retirement Home—Gulfport, Mississippi, to be paid from funds available in the Armed Forces Retirement Home Trust Fund, $58,241,000, of which $1,248,000 shall remain available until expended for construction and renovation of the physical plant

FOREIGN CURRENCY FLUCTUATIONS ACCOUNT

For necessary expenses, not otherwise provided for, of the American Battle Memorials Commission, $15,250,000, to remain available until expended, for purposes authorized by section 2109 of title 36, United States Code.

UNITED STATES COURT OF APPEALS FOR VETERANS CLAIMS

SEC. 229. For necessary expenses, as authorized by law, for operations for the United States Court of Appeals for Veterans Claims as authorized by sections 7281–7298 of title 38, United States Code, $18,798,000, of which $12,600,000 shall be available for the purpose of providing financial assistance as described in title 20, United States Code, and $6,198,000, to remain available until expended. For the purpose of providing financial assistance, such sums as may be necessary may be expended for the purpose of providing financial assistance as described in title 20, United States Code.
(b) The amendment made by paragraph (1) shall take effect on the date of enactment of the Science, State, Justice, Commerce, and Related Agencies Appropriations Act, 2006.

This title as the "Military Construction, Military Quality of Life and Veterans Affairs Appropriations Act, 2006'.

And the Senate agree to the same.

That the Senate recede from its amendment to the title of the bill.

JAMES T. WALSH,
ROBERT B. ADERHOLT,
ALAN M. NORTHRUP,
MICHAEL K. SIMPSON,
ANDER Crenshaw,
CRAIG DESI ALBRIGHT,
BILL YOUNG,
MARK STEVEN KIRK,
DENNIS R. RHEIFFER,
JON CARTER,
JAMES MARSHALL,
CHEST EDWARDS,
SAM FARR,
ALLEN BOYD,
SANFORD D. BISHOP, Jr.,
DAVID E. PRICE,
ROBERT E. CRAZER, Jr.,
DAVID R. OBEY.

Managers on the Part of the House.

JOHN CARTER,
ALLEN BOYD,
C.W. BILL YOUNG,
MICHAEL K. SIMPSON,
SAM BROWNBACK,
MARY L. LANDRIEU,
DIANNE FEINSTEIN,
THAD COCHRAN,
MITCH MCCONNELL,
ROBERT E. CRAMER, JR.,
MARY L. LANDRIEU,
CONRAD BURNS,
SAM FARR,
ROBERT B. ADERHOLT,
PATTY MURRAY,
KAY BAILEY Hutchison,
CONRAD BURNS,
LARRY CRAIG,
MIKE DEWINE,
SHERWOOD BROWN,
WAYNE ALLARD,
MITCH MCCONNELL,
THAD COCHRAN,
DALE LEAF,
DANIEL K. INOUYE,
TIM JOHNSON,
MARY L. LANDRIEU,
ROBERT C. BYRD,
PATTY MURRAY,
PATRICK LEAHY.

Managers on the Part of the Senate.

The conference agreement adopts the following joint statement to the House of Representatives and the Senate:

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 2528) making appropriations for military quality of life functions of the Department of Defense, military construction, the Department of Veterans Affairs, and related agencies for the fiscal year ending September 30, 2006, and for other purposes, submit the following joint statement to the House of Representatives and the Senate in explanation of the effect of the provisions agreed upon by the managers and recommended in the accompanying conference report.

The Senate amended the House bill with two amendments. The Senate amendment to the text deleted the entire House bill after the enacting clause and inserted the Senate bill. The conference agreement includes a reversion.

The Senate amended the title of the House bill. The conference agreement adopts the title of the bill as proposed by the House.

DEPARTMENT OF DEFENSE

Matters Addressed by Only One Committee.—The language and allocations set forth in House Report 109-95 and Senate Report 109-108 should be complied with unless specifically addressed herein. Contrary to the conference report and statement of the managers, Report language included by the House, which is not changed by the report of the Senate or the conference, and Senate report language, which is not changed by the conference is approved by the committee of conference. The statement of the managers, while repeating the report language for emphasis, does not intend to negate the language referred to above unless expressly provided herein. In cases where the House or the Senate have directed the submission of a report, such report is to be submitted to both Houses of Congress.

The conference agreement does not include the Veterans Affairs Appropriations Act, 2006.

132. The conference agreement rescinds $3,046,000 from Public Law 107-107 and $193,000 from Public Law 107-276.

Military Construction and Global Rebasining.—The conference agreement rescinds $5,767,000 from Public Law 108-132. The agreement also rescinds $44,270,000 from Public Law 108-28. The conference agreement appropriates $77,000,000 for military construction.

Military Construction, Army (Including Rescissions)

The conference agreement appropriates $1,775,260,000 for Military Construction, Army, instead of $1,652,552,000 as proposed by the House and $1,640,641,000 as proposed by the Senate. Within this amount, the conference agreement provides $170,021,000 for study, planning, design, architect and engineer services, and host nation support instead of $168,804,000 as proposed by the House and $179,343,000 as proposed by the Senate. The agreement also includes $50,000,000 for force protection activities in Iraq as proposed by the House. The Senate bill contained no similar provision.

The conference agreement also rescinds $3,046,000 from Public Law 107-107 and $16,700,000 from Public Law 108-321. The conference directs the Army to submit by March 31, 2006 a report describing the rescissions of funds in this Act. This report shall list, by project, the amount of funds to be sought from such rescissions. The conference agreement does not include language proposed by the House to designate funding for two projects. The agreement addresses this language in the attached detailed table by State. The House bill contained no similar provision.

Of the funds provided for planning and design in this account, the conference directs that $90,000 be made available for the planning and design of the land purchase, Main Gate, Yakima Training Center, Washington.

Of the funds provided for minor construction in this account, the conference directs that $1,100,000 be made available for the construction of the first phase of a tactical operations center on Kwajalein Atoll, instead of dome housing as proposed by the Senate. However, the conference will expect the Secretary of Defense to submit a report to the Committees on Appropriations of both Houses of Congress no later than December 1, 2005, detailing the timeline for the replacement of substantial housing on Kwajalein Atoll.

Military Construction, Navy and Marine Corps (Including Rescissions)

The conference agreement appropriates $1,157,141,000 for Military Construction, Navy and Marine Corps, instead of $1,169,177,000 as proposed by the House and $1,190,773,000 as proposed by the Senate. Within this amount, the conference agreement provides $34,893,000 for minor construction, planning, design and engineer services instead of $36,029,000 as proposed by the House and $32,524,000 as proposed by the Senate. The conference agreement rescinds $5,767,000 from Public Law 108-132. The agreement also rescinds $44,270,000 from Public Law 108-132.
Law 108–324, instead of $92,354,000 as proposed by the Senate. The House bill contained no similar provision. The conferees direct the Navy to submit by March 31, 2006 a report describing the potential for expansion of the program in future years.

MILITARY CONSTRUCTION, AIR FORCE
(INCLUDING RESCissions)

The conference agreement appropriates $1,388,530,000 for Military Construction, Air Force, instead of $1,371,338,000 as proposed by the House and $1,209,128,000 as proposed by the Senate. Within this amount, the conference agreement provides $65,537,000 for study, planning, design, architect and engineer services instead of $91,733,000 as proposed by the House and $83,626,000 as proposed by the Senate.

The conference agreement rescinds $13,000,000 from Public Law 108–11, $6,600,000 from Public Law 108–132, and $31,700,000 from Public Law 108–249 from the runway repair project, including associated planning and design, at Karshi-Khanabad, Uzbekistan. The conferees direct the Air Force to submit by March 31, 2006 a report describing how the rescissions of funds in this Act will be applied. This report shall list, by project, the amount of funds to be sourced to such rescissions. The conference agreement does not include language proposed by the Senate to designate funding for two projects. The agreement addresses this language in the attached detail table by State. The House bill contained no similar provision.

MILITARY CONSTRUCTION, DEFENSE-WIDE
(INCLUDING RESCissions AND TRANSFER OF FUNDS)

The conference agreement appropriates $1,008,855,000 for Military Construction, Defense-Wide, instead of $975,661,000 as proposed by the Senate. Within this amount, the conference agreement provides $136,406,000 for study, planning, design, architect and engineer services instead of $107,260,000 as proposed by the House and $133,120,000 as proposed by the Senate.

The conference agreement also rescinds $30,000,000 from Public Law 108–324 due to the slow spendout rate of the program.

The conference agreement appropriates $532,151,000 for Military Construction, Army National Guard, instead of $410,624,000 as proposed by the House and $467,146,000 as proposed by the Senate. The conference agreement also rescinds $13,700,000 from Public Law 108–324. The conferees direct the Air Force Reserve to submit by March 31, 2006 a report describing how the rescission of funds in this Act will be applied. This report shall list, by project, the amount of funds to be sourced to such rescission.

Of the funds provided for planning and design in this account, the conferees direct that $186,000 be made available for the planning and design of the Combined Support Maintenance Shop, Seary, Arkansas.

Of the funds provided for minor construction in this account, the conferees direct that the specified amounts be made available for the construction of the following facilities: Marana, Arizona—Fire Station, $1,499,000; Camp Murray, Washington—Homeland Security Multi-Functional Education Center, $1,424,000.

MILITARY CONSTRUCTION, AIR NATIONAL GUARD
(INCLUDING RESCissions)

The conference agreement appropriates $316,117,000 for Military Construction, Air National Guard, instead of $225,727,000 as proposed by the House and $279,156,000 as proposed by the Senate. The conference agreement also rescinds $13,700,000 from Public Law 108–324. The conferees direct the Air National Guard to submit by March 31, 2006 a report describing the recission of funds in this Act. The conference agreement also includes a rescission of $30,000,000 from Public Law 108–324 due to the slow spendout rate of the program and the recurrence of carryover amounts.

FAMILY HOUSING CONSTRUCTION, ARMY
(INCLUDING RESCissions)

The conference agreement appropriates $549,636,000 for Family Housing Construction, Army as proposed by both the House and the Senate. The conference agreement also rescinds $15,000,000 from Public Law 108–324. The conferees direct the Army to submit by March 31, 2006 a report describing how the rescissions of funds in this Act will be applied. This report shall list, by project, the amount of funds to be sourced to such rescission.

FAMILY HOUSING OPERATION AND MAINTENANCE

The conference agreement appropriates $803,993,000 for Family Housing Operation and Maintenance, Army as proposed by the House, instead of $812,993,000 as proposed by the Senate.

FAMILY HOUSING CONSTRUCTION, NAVY AND MARINE CORPS

The conference agreement appropriates $218,942,000 for Family Housing Construction, Navy and Marine Corps as proposed by both the House and the Senate.

FAMILY HOUSING OPERATION AND MAINTENANCE, NAVY AND MARINE CORPS

The conference agreement appropriates $568,660,000 for Family Housing Operation and Maintenance, Navy and Marine Corps as proposed by the House, instead of $593,660,000 as proposed by the Senate.

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MILITARY CONSTRUCTION, NAVY AND MARINE CORPS
(INCLUDING RESCissions)

The conference agreement appropriates $1,322,669,000 for Military Construction, Navy Reserve, instead of $1,385,425,000 as proposed by the House and $136,577,000 as proposed by the Senate.

MILITARY CONSTRUCTION, ARMY RESERVE
(INCLUDING RESCissions)

The conference agreement appropriates $46,864,000 for Military Construction, Army Reserve, instead of $45,226,000 as proposed by the House and $13,978,000 as proposed by the Senate.
the amount of funds to be sourced to such re-
sections.

Adjustments to Air Force Family Housing Pro-
gram.—The conferees note the progress made in the Air Force family housing privatiza-
tion program, allowing the 2006 construction program to be adjusted without adversely af-
fecting Air Force families. The privatization program leverages forces' capital and
expertise to build superior family housing at less direct cost to the Federal government. Progress in the privatization program has re-
sulted in increased savings, particularly on projects at four installations: Pe-
terson AFB, Colorado; the United States Air Force Academy, Colorado; Bolling AFB, Dist-
trict of Columbia; and the Warner Robins, Georgia. The conferees note that privatization at these four installations will now allow for
the construction or renovation of 3,156 homes, a 33 percent increase over the 2,371 units originally proposed in the budget re-
quest.

Spangdahlem Air Base, Germany.—The con-
feres note the current need for housing at Spangdahlem Air Base, Germany, and have provided funding for such purpose. The con-
feres urge the Air Force to consider alter-
ations to address the housing need at Spangdahlem Air Base. Specifically, build-
to-lease housing has the potential to provide quality housing for the families at Spangdahlem, while also providing a more cost-
effective and flexible option to the United States. The conferees direct the Secre-
tary of the Air Force to report on the housing plan at Spangdahlem.

The report must include the following:

Footprint requirements for family housing relative to land at Spangdahlem and land purchase, if any, required.

A complete cost-benefit analysis of all available housing options at Spangdahlem, including build-to-lease. The analysis should include, but not be limited to, the cost per housing unit of each option and evidence of efforts made to lower such cost.

A certification that all options have been pursed with the German government, in-
cluding, but not limited to, cost-sharing, road repair between housing units, and loan guarantees.

As provided in the administrative provi-
sions of this title, none of the funds appro-
riated for family housing at Spangdahlem may be obligated until the Secretary of the Air Force certifies to the Committees on Ap-
propriations of both Houses of Congress that the above-mentioned report has been com-
teled, the Committees' response, or a period of 30 days has elapsed after receipt of the report.

FAMILY HOUSING OPERATION AND
MAINTENANCE, AIR FORCE

The conference agreement appropriates $766,839,000 for Family Housing Operation and
Maintenance, Air Force as proposed by the Senate, instead of $755,319,000 as proposed by the House.

FAMILY HOUSING CONSTRUCTION, DEFENSE-
WIDE

The conference agreement does not appro-
riate funding for Family Housing Construc-
tion, Defense-Wide. The Administration's budget request did not propose funding for
this account in fiscal year 2006.

FAMILY HOUSING OPERATION AND
MAINTENANCE, DEFENSE-WIDE

The conference agreement appropriates $46,391,000 for Family Housing Operation and
Maintenance, Defense-Wide as proposed by both the House and the Senate.

DEPARTMENT OF DEFENSE FAMILY HOUSING
IMPROVEMENT FUND

The conference agreement appropriates $2,500,000 for the Department of Defense
Family Housing Improvement Fund as pro-
posed by both the House and the Senate.

CHEMICAL DEMILITARIZATION CONSTRUCTION,
DEFENSE-WIDE

The conference agreement does not appro-
riate funding for Chemical Demilitarization
Construction, Defense-Wide. The purpose of this account is to provide funds for the de-
sign and construction of full-scale chemical
disposal facility construction projects to up-
grade installation support facilities and in-
frastructure required to support the chemi-
ical demilitarization program.

Because this account of the Department of De-
fense requested no funding for this account for fiscal year 2006, the conferees have not pro-
vided funding. However, the conferees remain mindful that many projects and activities associated with the Depart-
ment's chemical demilitarization program, including the Assembled Chemical Weapons
Disposal Facility (ACWF) at chemical disposal facilities and associated projects to
upgrade installation support facilities and infrastructure required to support the chemi-
cal demilitarization program.

Because the Department of Defense re-
quested no funding for this account for fiscal year 2006, the conferees have not pro-
vided funding. However, the conferees remain mindful that many projects and activities associated with the Depart-
ment's chemical demilitarization program, including the Assembled Chemical Weapons
Disposal Facility (ACWF) at chemical disposal facilities and associated projects to
upgrade installation support facilities and infrastructure required to support the chemi-
cal demilitarization program.

Because the Department of Defense re-
quested no funding for this account for fiscal year 2006, the conferees have not pro-
vided funding. However, the conferees remain mindful that many projects and activities associated with the Depart-
ment's chemical demilitarization program, including the Assembled Chemical Weapons
Disposal Facility (ACWF) at chemical disposal facilities and associated projects to
upgrade installation support facilities and infrastructure required to support the chemi-
cal demilitarization program.

Because the Department of Defense re-
quested no funding for this account for fiscal year 2006, the conferees have not pro-
vided funding. However, the conferees remain mindful that many projects and activities associated with the Depart-
ment's chemical demilitarization program, including the Assembled Chemical Weapons
Disposal Facility (ACWF) at chemical disposal facilities and associated projects to
upgrade installation support facilities and infrastructure required to support the chemi-
cal demilitarization program.

Because the Department of Defense re-
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vided funding. However, the conferees remain mindful that many projects and activities associated with the Depart-
ment's chemical demilitarization program, including the Assembled Chemical Weapons
Disposal Facility (ACWF) at chemical disposal facilities and associated projects to
upgrade installation support facilities and infrastructure required to support the chemi-
cal demilitarization program.

Because the Department of Defense re-
quested no funding for this account for fiscal year 2006, the conferees have not pro-
vided funding. However, the conferees remain mindful that many projects and activities associated with the Depart-
ment's chemical demilitarization program, including the Assembled Chemical Weapons
Disposal Facility (ACWF) at chemical disposal facilities and associated projects to
upgrade installation support facilities and infrastructure required to support the chemi-
cal demilitarization program.
The conference agreement includes section 122 to require congressional notification prior to issuing a solicitation for a contract with the private sector for family housing as proposed by both Houses of Congress. The conference agreement includes section 123 to allow transfers to the Homeowners Assistance Fund as proposed by both Houses of Congress.

The conference agreement includes section 124 to limit the source of operation and maintenance funds for flag and general officer quarters as proposed by both Houses of Congress.

The conference agreement includes section 126 as proposed by the House to require the Department of Defense to respond to a question or inquiry, in writing, within 21 days of the request. The Senate bill contained no similar provision.

The conference agreement includes section 127 to extend the availability of funds in the Ford Island Islander fund as proposed by both Houses of Congress.

The conference agreement includes a modified section 128 to place limitations on the expenditure of funds for projects impacted by BRAC 2005.

The conference agreement includes a new section 129 to designate $300,000,000 of the funds available for the Department of Defense Base Closure Account 1990 for the Department of Navy and require a report on a plan for the use of the funds.

The conference agreement includes a new section 130 to require a report from the Secretary of the Air Force containing a housing plan for Spangdahlem Air Base, Germany. The conference does not include a provision proposed by the House to allow the transfer of expired funds to the Foreign Currency Fluctuation, Construction, Defense account. The Senate bill contained no similar provision.

The conference agreement does not include a provision proposed by the House to prohibit the use of funds in this title for maintenance and repair of general and flag officer quarters in the National Capital Region until the Department submits a report as required in this section. The Senate bill contained no similar provision.

The conference agreement does not include a provision proposed by the Senate to require a comprehensive plan exists to distribute an adequate supply of the 2006 and future editions of the Veterans Benefits Handbooks. The conference agrees the publication is essential to keep veterans informed of the benefits to which they are entitled. The conference expects the Government Accountability Office to consult with the Committees on Appropriations of both Houses of Congress concerning the comprehensive plan that the Secretary of Veterans Affairs, in consultation with the National Association of County Veterans Service Officers, as well as with State departments of veterans affairs, shall develop to ensure that a comprehensive plan exists to distribute an adequate supply of the 2006 and future editions of “Federal Benefits for Veterans and Dependents.” Adequate distribution of this publication is essential to keep veterans informed of the benefits to which they are entitled. The conference expects the Government Accountability Office to consult with the Committees on Appropriations of both Houses of Congress concerning the comprehensive plan that the Secretary of Veterans Affairs, in consultation with the National Association of County Veterans Service Officers, as well as with State departments of veterans affairs, shall develop to ensure that a comprehensive plan exists to distribute an adequate supply of the 2006 and future editions of “Federal Benefits for Veterans and Dependents.” This issue was addressed by the Senate as section 223 of the administrative provisions which the conference has deleted from the bill.

Post Traumatic Stress Disorder.—The conference agrees with the Senate language under the “Items of Interest” regarding Post Traumatic Stress Disorder. Adequate distribution of this publication is essential to keep veterans informed of the benefits to which they are entitled. The conference expects the Government Accountability Office to consult with the Committees on Appropriations of both Houses of Congress concerning the comprehensive plan that the Secretary of Veterans Affairs, in consultation with the National Association of County Veterans Service Officers, as well as with State departments of veterans affairs, shall develop to ensure that a comprehensive plan exists to distribute an adequate supply of the 2006 and future editions of “Federal Benefits for Veterans and Dependents.”

Changing Veterans Population.—The conference agrees with the House direction under the “Items of Interest” regarding Post Traumatic Stress Disorder. Adequate distribution of this publication is essential to keep veterans informed of the benefits to which they are entitled. The conference expects the Government Accountability Office to consult with the Committees on Appropriations of both Houses of Congress concerning the comprehensive plan that the Secretary of Veterans Affairs, in consultation with the National Association of County Veterans Service Officers, as well as with State departments of veterans affairs, shall develop to ensure that a comprehensive plan exists to distribute an adequate supply of the 2006 and future editions of “Federal Benefits for Veterans and Dependents.”

Veterans Benefits Administration COMPENSATION AND PENSIONS (INCLUDING TRANSFER OF FUNDS)

The conference agreement appropriates $347,787,000 for Compensation and Pensions, instead of $35,412,579,000 as proposed by both the House and the Senate. The amount provided reflects the most current estimate of the funding required for the fiscal year and reflects a 4.1 percent cost-of-living adjustment. Of the amount provided, not more than $23,491,000 is to be transferred to the United States General Services Administration for reimbursement of necessary expenses in implementing the Omnibus Budget Reconciliation Act of 1990 and the Veterans’ Benefits Act of 1992.

Annual Benefits Report.—The conference agrees with the Senate language directing the Department of Veterans Affairs to report to Congress of the annual benefits report which shall include select veteran data for all benefit programs by State.

READJUSTMENT BENEFITS

The conference agreement appropriates $3,309,224,000 for Readjustment Benefits, instead of $3,214,246,000 as proposed by both the
the House.

shall spend not less than $2,200,000,000 for

VETERANS INSURANCE AND INDEMNITIES

The conference agreement appropriates $45,907,000 for Veterans Insurance and Indemnities as proposed by both the House and the Senate.

VETERANS HOUSING BENEFIT PROGRAM FUND—PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

The conference agreement appropriates $53,000,000 for administrative expenses of the Native American Veteran Housing Loan Program Account as proposed by both the House and the Senate, plus $365,000 to be transferred to and merged with General Operating Expenses. The agreement provides for a direct loan limitation of $4,924,000.

NATIVE AMERICAN VETERAN HOUSING LOAN PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

The conference agreement appropriates $53,000,000 for administrative expenses of the Native American Veteran Housing Loan Program Account as proposed by both the House and the Senate, plus $365,000 to be transferred to and merged with General Operating Expenses. The agreement provides for a direct loan limitation of $4,924,000.

GUARANTEED TRANSITIONAL HOUSING LOANS FOR HOMELESS VETERANS PROGRAM ACCOUNT

The conference agreement provides up to $750,000 of the funds available in Medical Administration and General Operating Expenses to carry out the Guaranteed Transitional Housing Loans for Homeless Veterans program as proposed by both the House and the Senate.

VETERANS HEALTH ADMINISTRATION MEDICAL SERVICES

(INCLUDING TRANSFER OF FUNDS)

The conference agreement appropriates $22,547,141,000 for medical services for all veterans and beneficiaries in Department of Veterans Administration facilities, State nursing homes, and contract medical facilities, with the Secretary to determine the need. The House had proposed $22,547,141,000, and the Senate had proposed $23,300,000,000, of which $1,977,000,000 was designated for Native American veterans.

Of the amount provided, $1,543,750,000 is to be transferred to and merged with General Operating Expenses.

The conference agreement includes a net increase of $1,000,000,000 to the original budget request to reverse policy proposals contained in the budget. These proposals included a priority system of care relating to veterans needing long-term or nursing home care, increased out-of-pocket care, and enrollment fees for certain veterans, and a change in the co-pay amount for prescription drugs. The conferences reject all of these proposals and do not believe the proposals are in the best interest of veterans. The conferees believe that sufficient resources are available for obligation until September 30, 2005.

MEDICAL ADMINISTRATION

The conference agreement appropriates $3,134,874,000 as proposed by the House. The conference funding level includes the movement of development funding to a new Information Technology Systems account, as proposed by the Senate, under Departmental Administration. The agreement also includes language allowing $250,000,000 of the funds to be available until September 30, 2007.

Improvement Demonstration—The conferees share the Senate concern that the Department of Veterans Affairs is only collecting 41 percent of the total Medicare part A coinsurance payments. The conferees support efforts to improve this collection rate by January 1, 2006. Furthermore, the conference agreement does not support all the guidelines as specified in House Report 108-242; however, the conferees support the following guidelines regarding a revenue improvement demonstration project: the recommendation that the VA initiate a new pilot program that will provide a comprehensive restructuring of the complete revenue cycle including cash-flow management and accounts receivable processes in certain VA hospitals; the recommendation that the VA Chief Business Officer must have the concurrence of the VA Chief Information Officer on the business plan for this demonstration; and that the Department of Veterans Affairs provide quarterly progress reports to the Committees on Appropriations in both Houses of Congress.

The conference agreement provides $15,000,000 for the Secretary to give priority to medical services to veterans sustaining multiple conditions such as traumatic brain injury, and spinal cord injury. The conferees are pleased to reflect the most current estimate of funding for these services in the budget, and merged with General Operating Expenses.

The agreement includes funding of $1,452,000,000 tied to various corrections of errors in the original budget submission and adjustments for workload due to corrections of the Department’s actuarial model. The conferences have made some funding adjustments to accommodate this increased need for funding, and language is included which requires submission of a revised budget amendment by the President to enable the use of emergency funding for the remaining fiscal year 2005.

Long-Term Care—The conferees do not agree with the proposal contained in the budget to alter the long-term care policies, including a policy of priority care in nursing homes. The conferees have provided, within this total appropriation, sufficient resources to maintain a policy of providing long-term care to all veterans, utilizing VA-owned facilities, community nursing homes, State nursing homes, and other non-institutional settings. The conferees believe there to be no change in the policy in existence prior to fiscal year 2005.

Prosthetics Research and Integrative Health Care—The conferees do not agree with the proposals to institute an enrollment fee and an increase in pharmacy co-payments in the budget with unrealistic savings. Every year the Congress has had to find resources to make up for savings projections which do not materialize.

The agreement provides for a direct loan limitation of $4,924,000.

In selecting a site for this project, the conferees directed the Department to select one medical center in a Veterans Integrated Service Network (VISN) other than 10, which is the current site of the project authorized by Public Law 108-357. The Department must initiate this project within 60 days of the date of enactment of this Act. The conferees expect that no Department full-time equivalent employees associated with the demonstration project would be terminated during the term of the project, except for purposes of protecting against employee misconduct or unsatisfactory performance, in accordance with existing labor management agreements and personnel authorities of titles 5 and 8, United States Code, as applicable.

Contract Care Coordination—The conferees support expeditious action by the Department to implement care management strategies that have proven valuable in the broader public and private sectors. It is essential that care purchased for enrollees from private sector providers be cost-effective, in a manner consistent with the larger Veterans Health Administration system of care, and preserves important agency interest, support, and partnerships with university affiliates. In that interest, the VHA shall establish through competitive award the end of calendar year 2006, at least three managed care demonstration programs designed to satisfy a set of health system objectives related to arrangement and managing care services to encourage the Department to formulate demonstration objectives in collaboration with industry and academia, and the Secretary and other departmental objectives contained in Appropriations of both Houses of Congress within 90 days of the enactment of this Act. Multiple competitive awards and designs may be employed that may incorporate a variety of forms of public-private participation. The demonstrations, in satisfying the objectives to be enumerated, must be established in at least three VISNs, be comprehensive in scope, and serve a substantial patient population.

Management Efficiencies—The conferees are concerned that the Department’s estimated management efficiencies are not supported by adequate budget justification details. Therefore, in future budget submissions, the Department is directed to provide more detail on its justification for management efficiencies.
The conference agreement appropriates $3,297,669,000 for operation, maintenance and security of Medical Facilities as proposed by both the House and the Senate. The agreement restores $250,000,000 of the funds to be available until September 30, 2007.

Community Based Outpatient Clinics.—The conferees have received numerous requests for funding specific Community Based Outpatient Clinics (CBOCs) but have retained the provision of not earmarking funds for these facilities. However, the conferees are concerned that the commitments made as a result of the final recommendations of the Committee (RAC) on Gulf War Veterans' Illness in the context of the overall Department of Veterans Affairs (VA) planning requirements. The conferees do not agree to the Senate language calling for a report on the cost of care in the context of the overall Department of Veterans Affairs (VA) planning requirements and procedures related to planning, authorization, and funding as proposed by both the House and the Senate.

Medicare and Prosthetic Research.—The conference agreement appropriates $142,000,000 for Medicare and Prosthetic Research as proposed by both the House and the Senate.

Clinical Health Research.—The conferees agree that research on mental health diagnoses and treatments should be a priority of the Department of Veterans Affairs. The conferees believe that more research may lead to earlier identification of problems and more effective treatment, thereby reducing the long-term complications and costs associated with mental health issues. The conferees strongly suggest that the Department encourage research in this discipline by establishing a National Clinical Health Research program which takes into consideration the potential benefit of better treatment as well as reducing the cost of care provided by the Department.

Gulf War Illness.—The conferees recognize the unique nature of Gulf War Illness and direct the Secretary to report on the recommendations of the Research Advisory Committee (RAC) on Gulf War Veterans' Illness in the context of the overall Department of Veterans Affairs (VA) planning requirements. The conferees are concerned that the Department of Veterans Affairs (VA) is not adequately addressing the long-term complications and costs associated with mental health issues. The conferees strongly suggest that the Department encourage research in this discipline by establishing a National Clinical Health Research program which takes into consideration the potential benefit of better treatment as well as reducing the cost of care provided by the Department.

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Departmental Administration

General Operating Expenses

The conference agreement appropriates $3,410,520,000 for General Operating Expenses compared to the Senate provision of $3,119,520,000 and the House provision of $3,680,520,000. The conferees have adopted an administrative standardization effort for home glu- cose monitoring equipment while maintaining existing equipment, depending upon patient needs, consistent with other administrative guidance.

Information Technology Systems

The conference agreement appropriates $1,213,820,000 for Information Technology Systems. The conferees have adopted a modified provision, proposed by the Senate, which restricts the Department's ability to reduce the mission, services or infrastructure, in whole or in part, before notifying the Committees on Appropriations of both Houses of Congress approving of the Committees on Appropriations of both Houses of Congress.

The conference agreement appropriates $907,100,000 for Construction, Major Projects as proposed by both the House and the Senate. The conferees have included a modified provision, proposed by the Senate instead of $8,091,000 as proposed by the House. The agreement also provides $2,500,000 for reimbursement for contract disputes as proposed by the Senate, instead of $8,091,000 as proposed by the House. The conferees have included a modified provision, proposed by the Senate, which restricts the Department's ability to reduce the mission, services or infrastructure, in whole or in part, before notifying the Committees on Appropriations of both Houses of Congress.

CARES Feasibility Studies.—The conferees are concerned with ongoing delays in the feasibility study for new veteran hospitals. The CARES decision recognized that these hospitals may be delayed due to the necessary delay of construction of these new hospitals. The Department is directed to work
with the contractor conducting the feasibility studies to ensure that they are completed and the Secretary has made a final decision, by June 1, 2006, on building these new facilities. The conference agreement provides $25,000,000 as proposed by the House and $32,000,000 for Grants for the Construction of State Veterans Cemeteries, as proposed by the Senate calling for the Department to undertake a rigorous and extensive analysis of long-term care needs of veterans and report to the Committees on Appropriations of both Houses of Congress by March 31, 2006, on the results of that study. This study is to be done with all interested stakeholders participating.

The conferees do not agree with the Senate position restricting grants to any one state to one-third of the amount appropriated in any one fiscal year.

GRANTS FOR CONSTRUCTION OF STATE EXTENDED CARE FACILITIES

The conference agreement appropriates $80,000,000 for Construction of State Extended Care Facilities instead of $22,000,000 as proposed by the House and $104,322,000 as proposed by the Senate.

The conference agreement includes section 201 allowing for transfers among various mandatory accounts for the purpose of perfecting the restructuring of the Veterans Health Administration accounts. Such transfers are subject to prior Congressional notification and approval as proposed by the Senate.

The conference agreement includes section 202 allowing for the use of salaries and expenses funds to be used for other authorized purposes as proposed by both the House and the Senate.

ADMINISTRATIVE PROVISIONS (INCLUDING TRANSFERS OF FUNDS)

The conference agreement includes section 203 restricting the use of funds for the acquisition of land as proposed by the House.

The conference agreement includes section 204, as proposed by both the House and the Senate, limiting the use of funds in the Medical Services account to only entitled beneficiaries or unless reimbursement is made to the Department.

The conference agreement includes section 205 allowing for transfers among various appropriations accounts for the purpose of paying prior year accrued obligations for those accounts as proposed by both the House and the Senate.

The conference agreement includes section 206 allowing for the use of appropriations available in this title to pay prior year obligations as proposed by both the House and the Senate.

The conference agreement includes section 207, as proposed by both the House and the Senate, regarding administration of the National Service Life Insurance Fund, the Veterans’ Special Life Insurance Fund, and the United States Government Life Insurance Fund.

The conference agreement includes section 208 making the Department’s Franchise Fund authority permanent. The House had proposed permanent authority with different language.

The conference agreement includes section 209, as proposed by both the House and the Senate, allowing for the proceeds from enhanced-use leases to be obligated in the year in which the proceeds are received.

The conference agreement includes section 210, as proposed by both the House and the Senate, allowing for the use of funds in this title for alternative other administrative expenses to be used to reimburse the Office of Resolution Management and the Office of Employment Discrimination Complaint Adjudication.

The conference agreement includes section 211 limiting the use of funds for any lease with an estimated annual rental of more than $300,000,000 as approved by the Committees on Appropriations of both Houses of Congress, as proposed by both the House and the Senate.

The conference agreement includes section 212 requiring the Secretary of the Department of Veterans Affairs to collect third-party payer information for persons treated at VA facilities and for the report to be submitted to Congress within 30 days of enactment.

The conference agreement includes section 213, as proposed by both the House and the Senate, allowing for the use of enhanced-use leasing revenue for Construction, Major Projects and Construction, Minor Projects.

The conference agreement includes section 214 allowing for the use of Medical Services funds to be used for recreational facilities and funeral expenses as proposed by both the House and the Senate.

The conference agreement includes section 215 allowing for funds deposited into the Medical Care Collections Fund to be transferred to the Medical Services account, as proposed by both the House and the Senate.

The conference agreement includes section 216 allowing for the transfer of funds among these medical accounts for the purpose of perfecting the restructuring of the Veterans Health Administration accounts. Such transfers are subject to prior Congressional notification and approval as proposed by the Senate.

The conference agreement includes section 217 allowing for the transfer of funds from General Operating Expenses to the Veterans Housing Benefit Program Fund Program Account for the cost of a nationwide property management contract, as proposed by both the House and the Senate.

The conference agreement includes section 218, as proposed by both the House and the Senate, which allows Alaskan veterans to use medical facilities of the Indian Health Service, subject to congressional notification and approval for any change of $1,000,000 or more.

The conference agreement includes section 219 for funding for the conduct of an information campaign in States where disability compensation payments are less than $25,000,000 as proposed by the House and $208,937,000 as proposed by both the House and the Senate. The agreement provides $155,000,000 for construction of land as proposed by the House.

The conference agreement includes section 220, which prohibits the expenditure of funds to replace the current system by which VISNs select and contract for diabetes monitoring supplies and equipment. The House had proposed a similar prohibition and the Senate had proposed report language on this issue.

The conference agreement includes section 221, prohibiting the use of funds on any policy or practice prohibiting the outreach or marketing to enroll new veterans, as proposed by the Senate.

The conference agreement includes section 222, which requires the Secretary to submit quarterly reports on the financial status and service level status of the Veterans Health Administration. The report shall contain, at a minimum, both planned and actual expenditure rates, unobligated balances, potential financial shortfalls, any transfers between major accounts (medical services, medical administration, and medical facilities), and status of any equipment or non-recurring maintenance funds—including whether they have been used to pay for operating expenses. In addition, the final report of this report will contain, at a minimum, the time required for new patients to get their first appointment, the time required for established patients to get an appointment, and the number of unique veterans and patients being served. Each report should address data for the system total and for each VISN, and for comparison purposes the initial report shall also provide patient data for the preceding eight quarters. The conference agreement modifies Senate section 223.

The conference agreement includes section 223, requiring the Department of Veterans Affairs to submit to the Committees on Appropriations of both Houses of Congress, a plan for implementation of the third recommendation contained in Office of Inspector General Report No. 05-06765-137. The provision also prohibits the expenditure of funds retroactively to revoke or reduce disability compensation payments related to 2,100 cases identified in the 2006 VA-OIG report. The language in the conference agreement is a modification of the language included in the Senate bill.

The conference agreement includes section 224, as proposed by the Senate, calling for collaboration between the National Center for Post Traumatic Stress Disorder and the Department of Defense. The provision was not in the House bill.

The conference agreement includes section 225, allowing for the transfer of funds from the United States Government Life Insurance Fund, the Veterans’ Special Life Insurance Fund, and the United States Government Life Insurance Fund, the Veterans’ Special Life Insurance Fund, and the United States Government Life Insurance Fund, to the Information Technology Systems account, subject to congressional approval. This provision was not in either House or Senate bill.

The conference agreement includes section 226, allowing for the transfer of funds among the various medical accounts for the purpose of perfecting the restructuring of the Information Technology Systems account to complete the restructuring in this Appropriations Act, subject to congressional approval. This provision was not in either House or Senate bill.

The conference agreement includes section 227, allowing for the transfer of funds among projects within the Information Technology Systems account, subject to congressional approval. This provision was not in either House or Senate bill.
than $7,300. The Senate had proposed this language as a proviso within the General Operating Expenses account.

The conference agreement includes section 229, which places a cap on the total funding available for HealtheVetVista in fiscal year 2006 and requires approval of an expenditure plan for the project by the Committees on Appropriations of both Houses of Congress. The Senate had proposed similar language as part of the Information Technology account.

The conference agreement includes section 220, which extends the authorization of the Department’s homeless program until September 30, 2006. This provision was not in either House or Senate bill.

The conference agreement does not include a provision proposed by the Senate (section 221), which would have required the Department to seek approval of the Congress for a change of 10 percent or more in the scope of a major construction project. The proposed provision would have duplicated section 8104 of title 38, United States Code.

The conference agreement does not include a provision proposed by the House (section 224), which would have required the Senate bill contained no similar provision.

The conference agreement includes section 223) regarding distribution of veterans benefits handbooks. This issue is addressed in the overview language at the beginning of this section on the Department of Veterans Affairs.

The conference agreement does not include a provision proposed by the Senate (section 225) restricting the use of funds for implementing sections 240 and 250 of Public Law 107–267 and section 303 of Public Law 108–222.

The conference agreement does not include a provision proposed by the Senate (section 226) which may be procured on a stand-alone basis.

The conference agreement does not include a provision proposed by the House (section 227) regarding Community Based Outpatient Clinics in rural areas. This issue is addressed in the Medical Facilities section of the statement of the managers.

TITLE III
RELATED AGENCIES
AMERICAN BATTLE MONUMENTS COMMISSION

The conference agreement appropriates $36,250,000 for Salaries and Expenses as proposed by the Senate, instead of $33,750,000 as proposed by the House. The conferees are in agreement that $1,000,000 is to be used to continue the Arlington Cemetery automation process with a priority placed on providing for the physical security of the “hard copy” records. Additionally, the conferees direct the Army to provide an updated report to the Committees on Appropriations of the House and Senate on its automation process. The report shall identify detailed cost estimates for the total project as well as costs for key components, which may be procured on a stand-alone basis.

ARMED FORCES RETIREMENT HOME

The conference agreement appropriates $58,281,000 for the Armed Forces Retirement Home as proposed by both the House and the Senate. These funds are to be paid from the Armed Forces Retirement Home Trust Fund. Of the amount provided, $1,248,000 shall remain available until expended for construction and renovation of physical plants at the Armed Forces Retirement Home. The conferees recognize that the Washington, D.C. facility is undergoing a major construction project. The proposed obligation of funds in the Act beyond the current fiscal year unless expressly so provided. The Senate bill contained no similar provision.

The conference agreement includes section 406 as proposed by both Houses of Congress to prohibit the transfer of funds to any instrumentality of the United States Government without authority from an appropriations Act.

The conference agreement includes section 407 as proposed by both Houses of Congress to specify the congressional committees that are to receive all reports and notifications.

The conference agreement includes a new section 408 to amend section 613 of the Science, State, Justice, Commerce and Related Agencies Appropriations Act, 2006.

The conference agreement does not include a provision proposed by the House regarding reimbursements for consultants. The Senate bill contained no similar provision.

The conference agreement does not include a provision proposed by the House regarding a reporting requirement in the Defense Base Closure and Realignment Act of 1990. The Senate bill contained no similar provision.

The conference agreement does not include a provision proposed by the Senate regarding conference report requirements. The House bill contained no similar provision.
### MILITARY CONSTRUCTION

(AMOUNTS IN THOUSANDS)

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COLORADO

| ARMY FORT CARSON ARRIVAL/DEPARTURE AIR CONTROL GROUP COMPLEX (PHASE I-B) | 14,600 | 14,600 |
| BARRACKS COMPLEX | 25,522 | 25,522 |
| COMBINED ARMS COLLECTIVE TRAINING FACILITY | 28,000 | 28,000 |
| HOT REFUEL PADS, BAOF | --- | 2,200 |
| SHOOT HOUSE | 1,250 | 1,250 |
| SHOOT HOUSE (US ARMY SPECIAL OPERATIONS COMMAND) | 1,250 | 1,250 |

AIR FORCE

| BUCKLEY AIR FORCE BASE ADD/ALTER COMMUNICATIONS COMPLEX | 10,600 | 10,600 |
| CONSOLIDATED SERVICES FACILITY | 4,000 | 4,000 |
| LEADERSHIP DEVELOPMENT FACILITY | 5,500 | 5,500 |
| PETERSON AIR FORCE BASE 76TH SPACE CONTROL FACILITY | --- | 12,700 |
| WEST GATE FORCE PROTECTION ACCESS | 12,800 | 12,800 |
| U.S. AIR FORCE ACADEMY UPGRADE ACADEMIC FACILITY (PHASE IV-A) | 13,000 | 13,000 |

DEFENSE-WIDE

| PETERSON AIR FORCE BASE LIFE SKILLS SUPPORT CENTER | 1,820 | 1,820 |
| ARMY NATIONAL GUARD GRAND JUNCTION FIELD MAINTENANCE SHOP | --- | 5,100 |
| AIR NATIONAL GUARD GREELEY AIR NATIONAL GUARD STATION SPACE WARNING SQUADRON SUPPORT FACILITY | --- | 6,400 |

CONNECTICUT

| NAVY SUBMARINE BASE NEW LONDON CRANE MAINTENANCE FACILITY | --- | 4,610 |

DELAWARE

<p>| AIR FORCE DOVER AIR FORCE BASE C-17 ALTER FACILITIES FOR PARTS STORAGE | 1,000 | 1,000 |
| C-17 FLIGHT SIMULATOR FACILITY | 5,000 | 5,000 |
| DORMITORY (144 ROOM) | 13,000 | 13,000 |</p>
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## MILITARY CONSTRUCTION

(Amounts in thousands)

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## MILITARY CONSTRUCTION
(Amounts in Thousands)

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MILITARY CONSTRUCTION
(AMOUNTS IN THOUSANDS)

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(Amounts in Thousands)

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## Military Construction
(Amounts in Thousands)

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## MILITARY CONSTRUCTION
(Amounts in thousands)

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## Military Construction

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(Amounts in thousands)

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# Military Construction

(Amounts in thousands)

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<td>ALASKA</td>
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<td>EIELSON AIR FORCE BASE (300 UNITS)</td>
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<tr>
<td>District of Columbia</td>
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<tr>
<td>Bolling Air Force Base (159 Units)</td>
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<td>Florida</td>
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<tr>
<td>MacDill Air Force Base (Phase VII) (100 Units)</td>
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<td>Mountain Home Air Force Base (Phase VII) (194 Units)</td>
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<tr>
<td>Seymour Johnson Air Force Base (Phase IX) (255 Units)</td>
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<td>Minot Air Force Base (Phase XII) (223 Units)</td>
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<td>Charleston Air Force Base (10 Units)</td>
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<td>Ellsworth Air Force Base (60 Units)</td>
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<td>Ramstein Air Base (101 Units)</td>
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<td>Spangdahlem Air Base (79 Units)</td>
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<td>Incirlik Air Base (100 Units)</td>
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<td>United Kingdom</td>
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<td>Royal Air Force Lakenheath (107 Units)</td>
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<tr>
<td>Total, Family Housing, Air Force</td>
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**FAMILY HOUSING, DEFENSE-WIDE**

**Operation and Maintenance**

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<td>Leasing (DIA)</td>
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### Military Construction

**Amounts in Thousands**

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<td><strong>Total, Family Housing, Defense-Wide</strong></td>
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#### Department of Defense Family Housing Improvement Fund

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#### Base Realignment and Closure Account

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#### General Provision

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<td>General Provision (Sec. 122)</td>
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<td><strong>Grand Total</strong></td>
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<td>12,166,611</td>
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Mr. WALSH. Mr. Speaker, I ask unanimous consent that the managers on the Part of the House, Representatives JOHN CONYERS, ROGER W. GONZALEZ, WILLIAM L. ENGLISH, ELISEU ZAPPALLOLI MARTINS, and JIMMIE JOHNSON, be duly and separately informed of the proceedings of this Congress in favor of the following resolution:

---

REPORT ON RESOLUTION WAIVING REQUIREMENT OF CLAUSE 6(a) OF RULE XIII WITH RESPECT TO CONSIDERATION OF CERTAIN RESOLUTIONS

Mr. GINGREY, from the Committee on Rules, submitted a privileged report (H. Res. 583) waiving a requirement of clause 6(a) of rule XIII with respect to consideration of certain resolutions reported from the Committee on Rules, which was referred to the House Calendar and ordered to be printed.

PLACEMENT OF STATUE OF ROSA PARKS IN NATIONAL STATUARY HALL

Mr. NEY. Mr. Speaker, I ask unanimous consent that the Committee on House Administration be discharged from further consideration of the bill (H.R. 4145) to direct the Architect of the Capitol to obtain a statue of Rosa Parks and to place the statue in the United States Capitol in National Statuary Hall, and ask for its immediate consideration in the House.

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

Ms. MILLENDER-MCDONALD. Mr. Speaker, I ask unanimous consent that the managers on the Part of the House, Representatives JOHN CONYERS, ROGER W. GONZALEZ, WILLIAM L. ENGLISH, ELISEU ZAPPALLOLI MARTINS, and JIMMIE JOHNSON, be duly and separately informed of the proceedings of this Congress in favor of the following resolution:

---

PERMISSION TO FILE CONFERENCE REPORT ON H.R. 3058, TRANSPORTATION, TREASURY, HOUSING AND URBAN DEVELOPMENT, THE JUDICIARY, THE DISTRICT OF COLUMBIA, AND INDEPENDENT AGENCIES APPROPRIATIONS ACT, 2006

Mr. WALSH. Mr. Speaker, I ask unanimous consent that the managers on the part of the House have until 6:30 a.m., November 18, 2005, to file the conference report to accompany H.R. 3058.

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

There was no objection.

---

Mr. WALSH. Mr. Speaker, I ask unanimous consent that the managers on the Part of the Senate, Senators ROBERT C. BYRD, PATRICK LEAHY, and all the Members that have signed on to this important house resolution. I want to thank our ranking member, JUANITA MILLENDER-MCDONALD of California, for her work on this to expedite it and the Speaker of the House and his staff and the staff of House Administration on both sides to make sure that this moved as fast as it could here. It is important, because I think that Rosa Lee Parks did something for every American in this country that day. I think it is something that we all recognize changed the entire nature of the country.

Ms. MILLENDER-MCDONALD. Mr. Speaker, further reserving the right to object, I rise to join the chairman in support of this resolution which would allow a statue of the late Rosa Louise Parks to be placed in the U.S. Capitol. I would first like to congratulate my colleague, Mr. NEY; the Speaker; and the distinguished Democratic leader, NANCY PELOSI, for working so diligently with me to bring this bill to the floor.

Rosa Louise Parks was a great woman who stood up in order for us to stand up here today. I believe that it is only fitting that we honor this great American by placing a life-sized statue of her in the U.S. Capitol.
for all to see. I urge my colleagues to bestow upon Rosa Louise Parks this honor and include among the collection of statues here in the Capitol the very first statue of an African American woman. Support this resolution in honor of the mother of the civil rights movement; Rosa Louise Parks. As this bill has been passed by Congress and has been signed into law, I look forward to my role as a member of the Joint Committee on the Library in overseeing the commissioning of the statue. I am a proud honor to be part of this effort to further pay tribute and honor to this heroine of mine and to all Americans who is also from my home State of Alabama.

Mr. Speaker, I would like to now yield to the distinguished Democratic leader, the Honorable NANCY PELOSI.

Ms. PELOSI. Mr. Speaker, I thank the gentlewoman for yielding and I thank her for her leadership on this very important matter. I want to join Congresswoman MILLER-MCDONALD in applauding the Speaker for making this accommodation so the legislation could move quickly and be enacted into law and that the statue hopefully soon will be standing in Statuary Hall and how can be placed in time for the 50th anniversary of Rosa Parks’ courage action which occurs in December.

I want to join Congresswoman MILLER-MCDONALD in expressing to the gentleman from Ohio (Mr. NEY) as well and our distinguished colleague, Mr. JESSE JACKSON, Jr., who was the author of this legislation. By the time we all got to Rosa Parks funeral, we already had over 100 cosponsors of the bill and this action tonight will deliver on the promise that many of us made at that funeral. I considered it a great privilege to speak there. On behalf of the Democrats and the Republicans in the Congress, I said that we would soon have a proposed statue in the Capitol. Congressman JOHN CONYERS of Detroit has been a godfather to all of this effort and he deserves a great deal of recognition and credit for this.

I said at the time that Rosa Parks loved young people. That was her focus. While we were all praising her for her past actions, she was always concerned about the impact on the future for America’s children. She was the mother of the modern civil rights movement. She told the mother society because she made such a change in America with her courage. She came to the Capitol to receive the Congressional Gold Medal. It was a proud day for all of us. She brought honor to that award by accepting it. She came here, as was mentioned, to lie in state, the first woman to lie in state in the Rotunda of the Capitol and she will return to the Capitol in a statue to be an ongoing inspiration.

In Congress think we have a special bond with Rosa Parks. She will live here with us as a constant inspiration of her courage and inspiration to future generations. When they visit the Capitol, they will be sure to see, observe and be inspired by the life, the courage and the incredible contribution of Rosa Parks. I commend all of my colleagues, Congresswoman MILLER-MCDONALD, Congressman CONYERS, and Congressman JACKSON for the leadership in making this possible. It is an honor to be part of this effort.

I look forward to the day when all of us can converge on this Capitol for the unveiling of this magnificent statue.

Ms. MILLER-MCDONALD. Thank you so much, Madam Leader. Mr. Speaker, further reserving the right to object, I yield to the godfather, the Honorable JOHN CONYERS.

Mr. CONYERS. Mr. Speaker, I thank the gentlewoman from California for yielding to me. This is a proud, especially pleasing evening for me. There has been so much outpouring of affection and respect and understanding of the contribution of Rosa Louise Parks that I am absolutely amazed by it and flattered by it.

Here is a woman who was, true, honored during her lifetime in many unusual ways; so I think the leaders here on the floor tonight are especially cognizant of them. I know that they were all at one or more of the memorial services. First of all, she had three in three different States, in which Presidents, past Presidents, members of the Federal Government and religious leaders of all faiths came together.

I must say, I have been astounded by the outpouring of affection and recognition for her contributions. I want to thank the gentleman from Ohio (Mr. NEY) for the incredible devotion and dedication he has put behind the resolution that we are taking up tonight. I appreciate it so much.

We, of course, appreciate the author, the gentleman from Illinois (Mr. JACKSON), because his father played such a critical role in the development of the civil rights movement and its continuation. He has a story that I never ask him to repeat too much, because I was the one that introduced Reverend Jesse Jackson to Dr. Martin Luther King in Chicago. I had no idea of the momentous consequences that were going to flow from that.

The fact of the matter is that Rosa Parks had no idea that the consequences of her determination to end this form of segregation, which she despised so much, was going to have the consequences that flowed from it, namely, that it would bring Martin Luther King, Jr., into the picture and recreate the modern civil rights movement.

I am very pleased to be here. I wanted to close by thanking all the Members of Congress and the other States in which Presidents, past Presidents, and Congressmen, and Members of the House and Senate, who came to the memorial service, and who made it possible, for their role in making this possible.

It is an honor to be part of this effort to further pay tribute and honor to this heroine of mine and to all Americans who is also from my home State of Alabama.

I have been so renewed in my faith in my civil rights struggle by the way the Members of the Congress, through this and other legislative acts, and now this one, have responded to this great person who will now take her place in history in a way that I think will keep the memory of her contributions to the civil rights movement alive.

Mr. Speaker, I would now like to yield to the gentlewoman from Texas (Ms. JACKSON-LEE).

Ms. JACKSON-LEE of Texas. Mr. Speaker, I thank the gentlewoman for yielding to me.

Mr. Speaker, I now yield to the other ranking member of the subcommittee, the gentleman from Ohio (Mr. NEY).

Mr. NEY of Ohio. Mr. Speaker, I thank the gentlewoman for yielding to me. I would like to now express my thanks to the author of this resolution, Mr. JACKSON, and the leaders, both the chairman and the ranking member of the subcommittee, the gentleman from Illinois (Mr. JACKSON), because his father played such a critical role in the study of African American history in our school books. In fact, I might say to you that through my primary and secondary training, and primary and secondary schools, there was no study of African American history. I might say that there was Black History Month, yes, and there would be little cutout features and stories, maybe; but when I opened the book, I could not find the place where there would be a whole story of a Rosa Parks or Martin Luther King or maybe even W.E.B. DuBois.

This legislation today has a special place for all of America. Rosa Parks’ history is well known. We know that she came down in the back of a bus and then moved to the front of the bus so that others might stand and others might run and others might win. We know that she left Montgomery, Alabama; but I think we should be well aware that she left Montgomery, Alabama because there was threats forced her to leave and go to Detroit, Michigan and what a refuge to
find the Honorable John Conyers where she could find refuge in a job that lasted her until her retirement.

Then the founding of the Raymond and Rosa Parks Institute focused on one issue, and we heard it over and over again in her funeral service and that was to help children. So it is appropriate that the Honorable Jesse Jackson and Mike Rogers would come to the floor with this great legislation. The history of Jesse Jackson and his family and also his history of himself and being a student of history and recognizing the value of the Constitution and the presence of the 13th, 14th, and 15th amendments that freed us from slavery, also gave us equal rights that Rosa Parks had so much of that that she deserved this honor. I might say to you that one of the themes that came out of her funeral was that when there was trouble, there was wrongness, Rosa Parks stood in the way.

I hope that this statue symbolizes the importance of America never forgetting. Rosa Parks was a long-standing, determined, persistent, a demeanor that lit the world but also set the world on the right path.

We must remember Rosa Parks because, in fact, she brought about the ending of segregation in America that was locked in the shackles of segregation. America was held hostage by discrimination, but it was through her determination and commitment and courage that she was able to break the shackles of segregation in a Nation that had found itself locked and forever committed to such a terrible way.

So I am excited about the fact that this legislation is on the floor, but more importantly, it will mean that no child that lives in America will ever have to worry about a history book that does not recount the story of Rosa Parks. For all they need do is come to the United States Congress as they have done for many years in finding their families and finding a place and being a student of history and recognizing the world and the presence of the 13th, 14th, and 15th amendments that freed us from slavery.

I thank the gentleman from Illinois (Mr. HASTERT) and his staff, particularly Ted Van Der Meld, the majority leader, the gentleman from Missouri (Mr. BLUNT), the minority leader, the gentlemwoman from California (Ms. MCDONALD) and her staff, specifically Jerry Hartz, Lorraine Miller and William Little.

At the outset, I would like to thank the gentleman from Illinois (Mr. HASTERT) and his staff, specifically Ted Van Der Meld, the majority leader, the gentleman from Missouri (Mr. BLUNT), the minority leader, the gentlemwoman from California (Ms. MCDONALD) and her staff, specifically Jerry Hartz, Lorraine Miller and William Little.

This legislation simply would not be possible without the leadership of the gentleman from Ohio (Mr. NEY), the chairman of the House Administration Committee, Ms. Pelosi, the gentleman from Alabama (Mr. ROGERS) and his staff, specifically George Shevlin and Matt Pinkus.

I especially want to thank my new friend and co-sponsor, the gentleman from Alabama (Mr. ROGERS) who, along with his staff, worked closely with me and my staff to garner support for this legislation. I would like to thank the more than 200 bipartisan co-sponsors of this bill.

Mr. Speaker, it is my privilege to rise today to speak on this very important legislation that will honor the life and work of this great lady, Mrs. Rosa Parks by placing a statue of her in National Statuary Hall. Everyone knows the story of how Mrs. Parks helped spark the modern civil rights movement when she refused to give up her seat on the bus. It was a fateful moment in our history, December 1, 1955, leading to the Montgomery bus boycott and the emergence of Martin Luther King, Jr.

From the beginning the Mrs. Parks led a life dedicated to social change, becoming an active member of the Montgomery, Alabama chapter of the NAACP which in the 1940s and 1950s was considered a dangerous organization. It could cost you your job and even your life.

In 1943, along with Mrs. Parks, she helped in the Montgomery chapter of the NAACP, she mobilized a historic voter registration drive in Montgomery and was later elected NAACP chapter secretary. Mrs. Parks was a courageous woman who possessed the firm and quiet strength necessary to challenge injustice.

Following the 1954 Brown Supreme Court decision which provided equal protection under the law’s legal framework, her refusal to give up her seat eventually led to the 1964 Civil Rights Act, the 1965 Voting Rights Act, the 1968 Open Housing Act, all of which helped make America a better Nation.

Rosa Parks remained a committed activist until the end of her life. In the 1980s she worked in support of the South African anti-apartheid movement, and in Detroit in 1997 she founded the Rosa and Raymond Parks Institute for Self-Development, a career counseling center for African American youth.

Rosa Parks stands with dignity, with grace and courage Rosa Parks inspired generations and helped to make the world a more just and compassionate place. In life she received the Presidential Medal of Freedom in 1996 and the Congressional Gold Medal in 1999, the highest honors our Nation bestows on civilians.

This placing of a Rosa Parks statue in National Statuary Hall is a testament to the fact that the long arc of history bends toward freedom, justice and equality.

When Statuary Hall was created by law in 1864, African Americans could not be citizens of the United States. In the truest sense the term “Americans” did not exist. Under that law it was impossible for us to be considered favorite sons and favorite daughters of States. When Rosa Parks takes her place in Statuary Hall, she takes with her Frederick Douglass. She takes with her the United States colored troopers. She takes with her Harriet Tubman and Sojourner Truth. She takes them there.

She takes with her countless, nameless people of African descent, who from slavery to today, sacrificed for an America where many would have to see.

As Dr. Martin Luther King, Jr., who half statue is not Statuary Hall would implore us, Now is the time.

Let me once again, Mr. Speaker, close by thanking the many people who have worked so hard on this legislation, the ranking member, the gentlewoman from Michigan (Ms. HASTERT) and his staff, specifically Ted Hitz, Louise Miller and William Little.

We must remember Rosa Parks because, in fact, she brought about the ending of segregation in America that was locked in the shackles of segregation. America was held hostage by discrimination, but it was through her determination and commitment and courage that she was able to break the shackles of segregation in a Nation that had found itself locked and forever committed to such a terrible way.

I would like to thank Senator Kerry and his staff for introducing the companion bill in the other body and Senators McConnell and Dodd for their leadership on this important issue.

From my staff, Mr. Charles Dujon and Sandi Pessin who have labored late into the night to make the co-sponsors of this legislation comfortable with the language that places Mrs. Parks in National Statuary Hall. Again, I thank my colleagues for their support. I urge Members to join me in honoring this extraordinary Member of Congress who voted yes on this important legislation.

Ms. MILLER-MCDONALD, Mr. Speaker, this shows that the future generations will have hope now in this young Member of Congress.

Mr. Speaker, he reserves the right to object, I rise in strong support of this bill to honor an individual who chose to assert her civil rights and her human rights at a critical moment in our history and by doing so has changed America many would have to see.

I would like to thank my chairman, the gentleman from Ohio (Mr. NEY) for his devotion, his steadfastness, his
dedication, and his commitment to all people. I would like to thank all of those, the leadership of the House on both sides, for ushering this bill to the floor.

Rosa Louise Parks richly deserves this honor.

Mr. NEY. Mr. Speaker, I just wanted to say again thank you to everyone, George Shevelin, Paul Vinovich of our staff, Ted Van Der Meid and also to the gentleman from Ohio (Mr. JACKSON) and the gentleman from Alabama (Mr. ROGERS) for doing this and, of course, to our ranking member.

We have had a lot of firsts recently in the short tenure of our ranking member. We have had the African American Museum. We have had the portrait of Mr. Ray, and we are about to embark on some other portraits, and also the first female Member and the first Hispanic Member. I think it is commendable to the House to look at the great diversity of our country.

Another thank you tonight. Thank you to Rosa Parks for what she did for this Nation.

I just want to close my comments with when I studied African American history, I can remember a quote that I had learned and I used it for years in many events and occasions because it fits in with just about anything you do, whether you are a soldier fighting or somebody struggling for civil rights. It is by Langston Hughes, a great African American poet and author, who said, "Dream yours dreams but be willing to pay the sacrifice to make them come true."

Rosa Parks was a little woman with a big ball of thunder that day and courage, and she dreamed her dream of an America that cared about all its people in an equal way, and she paid a sacrifice to make that dream come true.

Ms. MILLENDER-MCDONALD. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore (Mr. Kuhl of New York). Is there objection to the request of the gentleman from Ohio?

There was no objection.

The Clerk read the bill, as follows:

H.R. 416
Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. PLACEMENT OF STATUE OF ROSA PARKS IN NATIONAL STATUARY HALL.

(a) OBTAINING STATUE.—The Architect of the Capitol shall enter into an agreement to obtain a statue of Rosa Parks, under such terms and conditions as the Joint Committee considers appropriate consistent with applicable law.

(b) PLACEMENT.—The Joint Committee shall place the statue obtained under subsection (a) in the United States Capitol in a suitable, permanent location in National Statuary Hall.

SEC. 2. ELIGIBILITY FOR PLACEMENT OF STATUES IN NATIONAL STATUARY HALL.

(a) ELIGIBILITY.—No statue of any individual may be placed in National Statuary Hall until after the expiration of the 10-year period which begins on the date of the individual's death.

(b) EXCEPTIONS.—Subsection (a) does not apply with respect to—

(1) the statue obtained and placed in National Statuary Hall under this Act; or

(2) any statue provided and furnished by a State under section 1814 of the Revised Statutes of the United States (2 U.S.C. 2131) or any replacement statue provided by a State under section 311 of the Legislative Branch Appropriations Acts, 2001 (2 U.S.C. 2132).

SEC. 3. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as may be necessary to carry out this Act, and any amounts so appropriated shall remain available until expended.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. NEY

Mr. NEY. Mr. Chairman, I offer an amendment in the nature of a substitute.

The Clerk read as follows:

Amendment in the nature of a substitute offered by Mr. NEY:

Strike all after the enacting clause and insert the following:

SECTION 1. PLACEMENT OF STATUE OF ROSA PARKS IN NATIONAL STATUARY HALL.

(a) OBTAINING STATUE.—Not later than 2 years after the date of the enactment of this Act, the Joint Committee on the Library shall enter into an agreement to obtain a statue of Rosa Parks, under such terms and conditions as the Joint Committee considers appropriate consistent with applicable law.

(b) PLACEMENT.—The Joint Committee shall place the statue obtained under subsection (a) in the United States Capitol in a suitable, permanent location in National Statuary Hall.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12(a) of rule I, the Chair declares the House in recess subject to the call of the Chair.

Accordingly (at 2 o’clock and 25 minutes a.m.), the House stood in recess subject to the call of the Chair.

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AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. Gingrich) at 8 o’clock and 31 minutes a.m.

REPORT ON RESOLUTION WAIVING POINTS OF ORDER AGAINST CONFERENCE REPORT ON H.R. 2528, MILITARY QUALITY OF LIFE AND VETERANS AFFAIRS APPROPRIATIONS ACT, 2006

Mr. LINCOLN DIAZ-BALART of Florida, from the Committee on Rules, submitted a privileged report (Rept. No. 109-364) waiving points of order against the conference report to accompany the bill (H.R. 2528) making appropriations for military quality of life functions of the Department of Defense, military construction, the Department of Veterans Affairs, and related agencies for the fiscal year ending September 30, 2006, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION WAIVING POINTS OF ORDER AGAINST CONFERENCE REPORT ON H.R. 3058, DEPARTMENTS OF TRANSPORTATION, TREASURY, HOUSING AND URBAN DEVELOPMENT, THE JUDICIARY, THE DISTRICT OF COLUMBIA, AND INDEPENDENT AGENCIES APPROPRIATIONS ACT, 2006

Mr. LINCOLN DIAZ-BALART of Florida, from the Committee on Rules, submitted a privileged report (Rept. No. 109-309) on the resolution (H. Res. 565) waiving points of order against the conference report to accompany the bill (H.R. 3058) making appropriations for the Departments of Transportation, Treasury, and Housing and Urban Development, the Judiciary, the District of Columbia, and independent agencies for the fiscal year ending September 30, 2006, and for other purposes, which was referred to the House Calendar and ordered to be printed.

PAKISTAN EARTHQUAKE RELIEF

(Mr. PAYNE asked and was given permission to address the House for 5 minutes and to revise and extend his remarks.)

Mr. PAYNE. Mr. Speaker, I rise today to speak about the recent 7.6 magnitude earthquake that struck Pakistan, India, and Afghanistan on October 8, 2005, and the Bush administration’s response to that crisis.

Mr. Speaker, the devastation wrought by the natural disaster has caused an unimaginable humanitarian
crisis, especially in Pakistan where approximately 90,000 people have lost their lives so far, and that number is expected to rise. In addition, over 3 million people have been left homeless. Given the magnitude, one would expect the Bush administration to have a response with a pledge of aid that matched the severity of the situation, especially given our current efforts to win the hearts and minds of that region of the world. What have we done so far? A little over $50 million. That is not an adequate response, especially since we spend almost $6 billion a month on the war on Iraq. We know that Pakistan has joined us in fighting al Qaeda.

I think that we should actually have more of a concern for those who have joined us in this war on terror. I would like to add a March 17, 2003, article for the RECORD, where the U.S. force inspectors out of Iraq, which could have proved that there were no weapons of mass destruction. (From USA Today, Mar. 17, 2003)

U.S. ADVISES WEAPONS INSPECTORS TO LEAVE IRAQ

VIENNA, AUSTRIA—In the clearest sign yet that war with Iraq is imminent, the United States is advising its nuclear inspectors to begin pulling out of Baghdad, the U.N. nuclear agency chief said Monday.

Mohamed ElBaradei, head of the International Atomic Energy Agency, said the recommendation was given late Sunday night both to his Vienna-based agency hunting for atomic weaponry and to the New York-based team looking for biological and chemical weapons.

"Late last night . . . I was advised by the U.S. government to pull out our inspectors from Baghdad," ElBaradei told the IAEA's board of governors. He said U.N. Secretary-General Kofi Annan and the Security Council were informed and that the council would take up the issue later Monday.

U.N. officials have said the inspectors and support staff still in Iraq could be evacuated in as little as a day or two.

No one has yet given the order for the inspectors to begin pulling out, and they were working on Monday. Most of the teams' helicopters were out of service because their insurance was canceled, chief U.N. inspector Hans Blix said, and the personnel level was low because of a scheduled rotation home.

ElBaradei said the nuclear agency would wait for Security Council guidance later Monday before deciding whether to pull out its inspectors.

The recommendation was made to Iraq on Nov. 27 after a nearly four-year absence, drew up contingency plans to evacuate even before their deployment.

"A lot depends on the Iraqis," a senior U.N. inspector told The Associated Press on condition of anonymity. "If they let us use aircraft to get out, we could be gone in 48 hours or even less. If they won't let us fly out, we would have to drive to a border, and that could mean an eight-hour journey across hot desert. It would take longer, but we would get out."

Inspectors have experience in getting out of Iraq in a hurry: In December 1998, they pulled out of the U.S.-led air strikes amid allegations that Baghdad was not cooperating with the teams.

There have been some concerns that the Iraqis may be afraid the inspectors as human shields in case of a conflict. But Iraq's foreign minister appeared to play down those fears in a live television interview on the Al-Arabiya Arabic satellite channel Sunday night.

"The inspectors came by a decision of the Security Council and decide on their departure," Naji Sahlatti said.

ElBaradei told the nuclear agency's 35-nation governing board Monday that he was worried about the 'worst case scenario,' yet still held out hope that that war could be averted.

"Naturally the safety of our staff remains our primary consideration at this difficult time," ElBaradei said. Even at this late-hour—that a peaceful resolution of the issue can be achieved, and that the world can be spared a war. ElBaradei, who has been monitoring the situation day to day, also confirmed that he and Blix had received an invitation from Baghdad "to visit Iraq with a view toward accelerating the implementation of our respective mandates." He did not say whether he or Blix had accepted.

"I should note that in recent weeks, possibly as a result of increasing pressure by the international community, Iraq has been more forthcoming in its cooperation with the IAEA," he said, adding that inspectors still have found no evidence that Saddam Hussein has revived his nuclear program.

But with the United States, Britain and Spain making clear Monday that the final day for diplomatic efforts to avert a conflict, it appeared that the inspectors were running out of time and could begin withdrawing at any moment.

In other signs that war could be imminent, the U.S. State Department on Sunday night ordered nonessential personnel and all family members from Israel, Kuwait and Syria in a precautionary move. Germany closed its embassy in Baghdad on Monday after calling on its citizens to leave the war-torn country. Britain advised all its citizens except diplomatic staff to leave Kuwait as soon as possible, citing a potential threat from war in neighboring Iraq.

CONFERENCE REPORT ON H.R. 3058

Mr. KNOLLENBERG submitted the following conference report and statement on the bill (H.R. 3058) making appropriations for the Departments of Transportation, Treasury, and Housing and Urban Development, the Judiciary, District of Columbia, and independent agencies for the fiscal year ending September 30, 2006, and for other purposes:

CONFERENCE REPORT (H. REPT. 109-107)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 3058) "making appropriations for the Departments of Transportation, Treasury, and Housing and Urban Development, the Judiciary, District of Columbia, and independent agencies for the fiscal year ending September 30, 2006, and for other purposes:" 

In lieu of the matter stricken and inserted by said amendment, insert:

DIVISION A—TRANSPORTATION, TREASURY, HOUSING AND URBAN DEVELOPMENT, THE JUDICIARY, AND INDEPENDENT AGENCIES APPROPRIATIONS ACT, 2006

That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Departments of Transportation, Treasury, Housing and Urban Development, the Judiciary, and independent agencies for the fiscal year ending September 30, 2006, and for other purposes stated.

TITLE I

DEPARTMENT OF TRANSPORTATION

OFFICE OF THE SECRETARY

SALARIES AND EXPENSES

For necessary expenses of the Office of the Secretary, $4,950,000, not to exceed $2,198,000, shall be available for the immediate Office of the Secretary; not to exceed $698,000 shall be available for the immediate Office of the Deputy Secretary; not to exceed $15,183,000 shall be available for the Office of the General Counsel; not to exceed $1,150,000 shall be available for the Office of the Under Secretary for Transportation for Policy; not to exceed $8,485,000 shall be available for the Office of the Assistant Secretary for Budget and Programs; not to exceed $2,293,000 shall be available for the Office of the Assistant Secretary for Governmental Affairs; not to exceed $2,031,000 shall be available for the Office of the Assistant Secretary for Administration; not to exceed $1,910,000 shall be available for the Office of Public Affairs; not to exceed $1,422,000 shall be available for the Office of the Executive Secretariat; not to exceed $6,500,000 shall be available for the Office of the Inspector General; not to exceed $1,256,000 shall be available for the Office of Small and Disadvantaged Business Utilization; not to exceed $2,033,000 shall be available for the Office of Intelligence and Security; not to exceed $1,895,000 shall be available for the Office of the Chief Financial Officer; and not to exceed $3,120,000 shall be available for the Office of Emergency Transportation:

Provided, That the Secretary of Transportation is authorized to transfer funds appropriated for any office of the Office of the Secretary to any other office of the Office of the Secretary:

Provided further, That no appropriation for any office shall be increased or decreased by more than 10 percent by all such transfers:

Provided further, That notice of any change in funding greater than 5 percent shall be submitted for approval to the House and Senate Committees on Appropriations:

Provided further, That not to exceed $60,000 shall be for allocation within the Department for official reception and representation expenses as the Secretary may determine:

Provided further, That notwithstanding any other provision of law, excluding fees authorized in Public Law 107-71, there may be credited to this appropriation up to $5,000,000 in funds received in lieu of taxes:

Provided further, That none of the funds provided in this Act shall be available for the position of Assistant Secretary for Public Affairs.

OFFICE OF CIVIL RIGHTS

For necessary expenses of the Office of Civil Rights, $8,550,000.

TRANSPORTATION PLANNING, RESEARCH, AND DISASTER RELIEF

For necessary expenses for conducting transportation planning, research, systems development, development activities, and making grants to remain available until expended, $15,000,000.

WORKING CAPITAL FUND

Necessary expenses for operating costs and capital outlays of the Working Capital Fund, not to exceed $18,014,000, shall be paid from appropriations made available to the Department of Transportation: Provided, That such services shall be provided for any of the entities within the Department of Transportation:

Provided further, That the above limitations on operating expenses shall not apply to non-DOT operating entities:

Provided further, That the funds appropriated in this Act to an agency of the Department shall be transferred to the Working Capital Fund without the approval of the agency modal administrator: Provided further, That any assessments may be levied against any program, budget activity, subjectivity or project funded by this...
Act unless notice of such assessments and the basis therefor are presented to the House and Senate Committees on Appropriations and are approved by such Committees.

MINORITY BUSINESS CENTER PROGRAM

For the cost of guaranteed loans, $500,000, as authorized by 49 U.S.C. 332: Provided, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: Provided further, That these funds are available to subsidize total loan principal, any part of which is to be guaranteed $18,367,000. In addition, for administrative expenses to carry out the guaranteed loan program, $400,000.

MINORITY BUSINESS OUTREACH

For assistance of Minority Business Resource Center outreach activities, $3,000,000, to remain available until September 30, 2007: Provided, That notwithstanding 49 U.S.C. 332, these funds may be used for business opportunities related to any mode of transportation.

PAYMENTS TO AIR CARRIERS

(AIRPORT AND AIRWAY TRUST FUND)

(INCLUDING TRANSFER OF FUNDS)

In addition to funds made available from any other source, for the essential air service program under 49 U.S.C. 41721 through 41742, $60,000,000, to be derived from the Airport and Airway Trust Fund, to remain available until expended: Provided, That, in determining whether between or among carriers competing to provide service to a community, the Secretary may consider the relative subsidy requirements of the carriers: Provided further, That none of the funds under this heading are insufficient to meet the costs of the essential air service program in the current fiscal year, the Secretary shall transfer such sum to the airport to carry out the essential air service program from any available amounts appropriated to or directly administered by the Office of the Secretary for such fiscal year.

NEW HEADQUARTERS BUILDING

For necessary expenses of the Department of Transportation’s new headquarters building and related services, $50,000,000, to remain available until expended.

FEDERAL AVIATION ADMINISTRATION

OPERATIONS

For necessary expenses of the Federal Aviation Administration, including operations and research activities related to commercial space transportation, administrative expenses for research and development, and operations and research activities related to the operation (including leasing) and maintenance of aircraft, subsidizing the cost of aeronautical charts and maps sold to the public, lease or operation of an aircraft or motor vehicles for replacement only, in addition to amounts made available by Public Law 106-176, $8,036,000,000, of which $5,341,000,000 shall be derived from the Airport and Airway Trust Fund, of which not to exceed $6,629,000,000 shall be available for air traffic organization activities; not to exceed $958,542,000 shall be available for aviation regulation activities; not to exceed $11,759,000 shall be available for commercial space transportation activities; not to exceed $50,983,000 shall be available for financial services activities; not to exceed $99,943,000 shall be available for human resources program activities; not to exceed $150,744,000 shall be available for region and center operations and regional coordination activities; not to exceed $142,000,000 shall be available for staff offices; and not to exceed $36,112,000 shall be available for information services: Provided, That, not to exceed $250,000,000 of the airport grant funds under this heading may be used for aviation budget activities, except for aviation regulation and certification budget activity, may be transferred to any budget activity under this heading: Provided further, That no transfer or reprogramming of funds, except by law after the date of the enactment of this Act: Provided further, That none of the funds in this Act shall be available for the Federal Aviation Administration to finalize or implement any regulation that would promulgate new aviation safety standards and that may be authorized by law after the date of the enactment of this Act: Provided further, That there may be credited to this appropriation funds received from the Government of any foreign authority, other public authorities, and private sources, for expenses incurred in the provision of agency services, including receipts for the maintenance and navigation facilities, and for issuance, renewal or modification of certificates, including airman, aircraft, and repair station certificates, or for tests related thereto, or for processing major repair or alteration forms: Provided further, That none of the funds appropriated under this heading, not less than $7,900,000 shall be for the contract lower cost-sharing program: Provided further, That funds may be used to enter into a grant agreement with a nonprofit standard-setting organization to assist in the development of aviation safety standards: Provided further, That none of the funds in this Act shall be available for new applicants for the second career training program: Provided further, That none of the funds in this Act shall be available for premium pay under 5 U.S.C. 5546(a) to any Federal Aviation Administration employee unless such employee actually performed work during the time corresponding to such premium pay: Provided further, That none of the funds in this Act may be obligated or expended to operate a manned auxiliary flight service station in the State of the Virgin Islands: Provided further, That none of the funds in this Act for aeronautical charting and cartography are available for activities conducted by, or coordinated with the Airport and Airway Trust Fund: Provided further, That none of the funds in this Act may be obligated or expended for an employee of the Federal Aviation Administration to purchase a store gift card or gift certificate through use of a Government-issued credit card. In addition, $150,000,000 is for costs associated with the flight service station transition.

AIRPORT AND AIRWAY TRUST FUND

For necessary expenses incurred for grants-in-aid for airports and airway safety areas at 49 U.S.C. 44706 airports.

AIRPORT AND AIRWAY TRUST FUND

For necessary expenses, not otherwise provided for, for activities conducted by, or coordinated with the Federal Aviation Administration, not less than $69,943,000 shall be available for human resources program activities, including operations and research activities related to human resources programs, as authorized under subchapter I of chapter 471 and subchapter I of chapter 475 of title 49, United States Code, and for inspection activities and administration of airport safety programs, including those related to airport operating certificates, air traffic control services, and certification and recertification, and not to exceed $3,550,000,000, to be derived from the Airport and Airway Trust Fund and to remain available until expended: Provided, That none of the funds under this heading shall be available for the planning or execution of programs or the obligations for which there is in excess of $3,550,000,000 in fiscal year 2006, notwithstanding section 47117(g) of title 49, United States Code: Provided further, That none of the funds under this heading shall be available for the replacement of baggage conveyor systems, reconfiguration of terminal baggage areas, or other airport improvements necessary to install bulk explosive detection systems: Provided further, That notwithstanding any other law, none of the funds under this heading, not more than $71,096,000 shall be obligated for administration, not less than $10,000,000 shall be available for the airport cocaine and marijuana research program, and not less than $10,000,000 shall be available to carry out the Small Community Air Service Development Program, to remain available until expended: Provided further, That not later than December 31, 2015, the owner or operator of an airport certificated under 49 U.S.C. 44706 shall improve the airport’s runway safety areas to comply with design standards required by 14 CFR part 139: Provided further, That the Federal Aviation Administration shall report annually to the Congress on the progress toward improving the runway safety areas at 49 U.S.C. 44706 airports.

AIRPORT AND AIRWAY TRUST FUND

(RESCISSION OF CONTRACT AUTHORIZATION)

Of the amounts authorized for the fiscal year ending September 30, 2006, as provided under sections 47103 and 48112 of title 49, United States Code, $1,032,000,000 are rescinded.

ADMINISTRATIVE PROVISIONS—FEDERAL AVIATION ADMINISTRATION

SEC. 101. Notwithstanding any other provision of law, airports may transfer without consideration to the Federal Aviation Administration line item for fiscal years 2007 through 2011, with total funding for each year of the plan constrained to the funding targets for those years as estimated and approved by the Office of Management and Budget.
striking service in either calendar year 2000 or 2001; and were below 10,000 in calendar year 2004; air traffic control facilities. 

sors to provide land without cost to the FAA for new paragraph at the end: 

''

limited by this Act may be used to change for the same purposes of such appropriation. of collection, to be merged with and available 

sec- tion does not apply to negotiations between the remaining in such account at the close of that fiscal year may be made available to satisfy sec-

and the associated approach lighting equipment and thereafter be operated and maintained by FAA program or airport improvement program: Provided, That the Federal Aviation Administration may reimburse amounts used to compensate in excess of 375 technical staff-years under the federally funded research and development center contract between the Federal Aviation Administration and the Center for Aeronautics Systems Development during fiscal year 2006.

None of the funds in this Act shall be used to purchase or adopt guidelines or regulations requiring airport sponsors to provide to the Federal Aviation Administration without cost building construction, maintenance, utilities and expenses, or space in airport sponsor-owned buildings for services relating to airport traffic control, air navigation, or weather reporting: Provided, That the prohibition of funds in this section does not apply to negotiations between the agency and airport sponsors to achieve agreement on “below-market” rates for these items or to grant assurances that airport sponsors to provide land without cost to the FAA for air traffic control facilities.

SEC. 104. The Administrator of the Federal Aviation Administration may reimburse amounts made available prior to September 1, 1974, for contracts entered into under 49 U.S.C. 43703: Provided, That during fiscal year 2006, 49 U.S.C. 41742(b) shall not apply, and any amount remaining in such account at the close of that fiscal year may be made available to satisfy section 41742(a)(1) for the subsequent fiscal year.

SEC. 105. Amounts collected under section 4013(c)(1) of United States Code, whereby an airport sponsor is credited to the appropriation current at the time of collection, to be merged with and available for the same purposes of such appropriation.

SEC. 106. None of the funds appropriated or limited by this Act may be used to change weight restrictions or prior permission rules at Teterboro Airport in Teterboro, New Jersey.

SEC. 107. None of the funds made available in this Act shall be used for engineering work related to an additional runway at Louis Armstrong New Orleans International Airport.

SEC. 108. None of the unobligated balances of funds appropriated for Federal-aid highways in section 106 of title 23, United States Code, is amended by striking “2005,” each place it appears and inserting “2006.”

(b) Section 44303(b) of such title is amended by striking “2005,” each place it appears and inserting “2006.”

(b) Section 44114(c)(1) of title 23, United States Code, is amended by adding the following new paragraph at the end:

“(G) SPECIAL RULE FOR FISCAL YEAR 2006.—Notwithstanding subparagraph (A) and the absence of scheduled passenger airline service at an airport, the Secretary may apportion in fiscal year 2006 to the sponsor of the airport an amount equal to $500,000, if the Secretary finds that:

(i) the passenger boardings at the airport were below 10,000 in calendar year 2004;

(ii) the airport had at least 10,000 passenger boardings each scheduled passenger aircraft service in either calendar year 2000 or 2001; and

(iii) the reason that passenger boardings described in clause (i) were below 10,000 was the decrease in demand due to the terrorist attacks of September 11, 2001.”.

FEDERAL-AID HIGHWAYS

LIMITATION ON OBLIGATIONS

None of the funds made available in this Act shall be available for the implementation or execution of programs, the obligations for which are in excess of $36,032,343,903 for Federal-aid highways and highway safety construction programs for fiscal year 2006: Provided, That the prohibition of funds in this section does not apply to negotiations between the Federal Aviation Administration and the Center for Aeronautics Systems Development during fiscal year 2006.

Provided, That within the $36,032,343,903 obligation limitation on Federal-aid highways and highway safety construction programs for fiscal year 2006: Provided, That the prohibition of funds in this section does not apply to negotiations between the Federal Aviation Administration and the Center for Aeronautics Systems Development during fiscal year 2006.

Provided, That within the $36,032,343,903 obligation limitation on Federal-aid highways and highway safety construction programs for fiscal year 2006: Provided, That the prohibition of funds in this section does not apply to negotiations between the Federal Aviation Administration and the Center for Aeronautics Systems Development during fiscal year 2006.

Provided, That the prohibition of funds in this section does not apply to negotiations between the Federal Aviation Administration and the Center for Aeronautics Systems Development during fiscal year 2006.

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Provided, That the prohibition of funds in this section does not apply to negotiations between the Federal Aviation Administration and the Center for Aeronautics Systems Development during fiscal year 2006.

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(b) EXCEPTIONS FROM OBLIGATION LIMITATION.—The obligation limitation for Federal-aid highways shall not apply to obligations: (1) under section 125 of title 23, United States Code; (2) under section 144 of the Surface Transportation Assistance Act of 1978; (3) under section 9 of the Federal-Aid Highway Act of 1981; (4) under subsections (b) and (i) of section 131 of the Surface Transportation Act of 1982; (5) under subsections (b) and (c) of section 149 of the Surface Transportation and Uniform Relocation Assistance Act of 1987; (6) under sections 135 and 137 of the Intermodal Surface Transportation Efficiency Act of 1991; (7) under section 157 of title 23, United States Code, as in effect on the day before the date of the enactment of this Act, to the extent that such funds were obligated for transportation projects in the 21st Century; (8) under section 105 of title 23, United States Code, as in effect for fiscal years 1998 through 2004, but only in an amount equal to $639,000,000 for each of those fiscal years; (9) for Federal-aid highway programs for which obligation authority was made available under the Transportation Equity Act for the 21st Century or subsequent public laws for multiple years or to remain available until used, but only to the extent that the obligation authority has not lapsed or been used; (10) under section 103 of title 49, United States Code, to the extent that such funds were made available for transportation projects in the 21st Century; (11) under section 1005 of title 49, United States Code, as in effect for fiscal years 1998 through 2004, but only in an amount equal to $639,000,000 for each of those fiscal years; or (12) under section 147 of the Surface Transportation Assistance Act of 1982, as in effect for fiscal years 1998 through 2004, but only in an amount equal to $639,000,000 for each of those fiscal years.

(c) REDISTRIBUTION OF UNUSED OBLIGATION AUTHORITY.—Notwithstanding subsection (a), the Secretary shall, after August 1 of such fiscal year, revise a distribution of the obligation limitation made available under subsection (a) if the amount distributed for obligations for that fiscal year and redistribution sufficient amounts to those States able to obligate amounts in addition to those previously distributed during that fiscal year, giving priority to those States having large unobligated balances of funds apportioned under sections 104 and 144 of title 23, United States Code.

(d) APPLICABILITY OF OBLIGATION LIMITATIONS TO TRANSPORTATION RESEARCH PROGRAMS.—The obligation limitation shall apply to transportation research programs carried out under paragraph (1) of section 127 of title 23, United States Code, and title V (research title) of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users, except that obligation authority distributed for such fiscal year under such limitation shall remain available for a period of 3 fiscal years and shall be in addition to the amount of any limitation imposed on obligations for Federal-aid highway and highway safety construction programs for future fiscal years.

(e) REDISTRIBUTION OF CERTAIN AUTHORIZED FUNDS.—(1) IN GENERAL.—Not later than 30 days after the date of the distribution of obligation limitation under this section, the Secretary shall distribute to the States any funds that—

(A) are authorized to be appropriated for such fiscal year for Federal-aid highways programs; and

(B) the Secretary determines will not be allocated to the States, and will not be available for obligation, in such fiscal year due to the imposition of any obligation limitation for such fiscal year.

(2) RATIO.—Funds shall be distributed under paragraph (1) in a ratio of the ratio of obligation authority under subsection (a)(4) to the amount available for Federal-aid highways programs for any purpose described in subsection (13)(b) of title 23, United States Code.

(f) SPECIAL LIMITATION CHARACTERISTICS.—Obligation limitation distributed for a fiscal year under subsection (a)(4) for the provision specified in subsection (a)(4) shall be equal to the amount of obligation authority distributed for such fiscal year under paragraph (2) of section 157 of title 23, United States Code, and shall be nonavailable until used for obligation of funds for that provision; and

(2) in addition to the amount of any limitation imposed for Federal-aid highway and highway safety construction programs for future fiscal years.

(g) HIGH PRIORITY PROJECT FLEXIBILITY.—(1) IN GENERAL.—Under paragraph (2), obligation authority distributed for such fiscal year under subsection (a)(4) for each project numbered 1 through 3676 listed in the table contained in section 1702 of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users may be obligated for any other project in each such State.

(2) RESTORATION.—Obligation authority used as described in paragraph (1) shall be restored to the original purpose on the date on which obligation authority is distributed under this section for the next fiscal year following obligation under paragraph (1).

(h) LIMITATION ON STATUTORY CONSTRUCTION.—Obligation authority distributed under this section shall be construed to limit the distribution of obligation authority under subsection (a)(4) for each of the individual projects numbered greater than 3676 listed in the table contained in section 1702 of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users.

SEC. 111. Notwithstanding title 23 or title 49, United States Code, as in effect for fiscal years 1998 through 2004, but only in an amount equal to $639,000,000 for each of those fiscal years.

SEC. 112. Notwithstanding any other provision of law, whenever an allocation is made of the sums authorized to be appropriated for expenditure on the Federal lands highway program, and whenever an apportionment is made of the sums authorized to be appropriated for the surface transportation program, the traffic congestion mitigation and air quality improvement programs, the National Highway System, the Interstate state maintenance program, the bridge program, the Appalachian highway system, and the equity bonus program, the Secretary of Transportation shall deduct a sum in such amount not to exceed 2.75 percent of all sums so authorized for the purpose identified amount so deducted in accordance with this section, $600,000,000 shall be made available for surface transportation projects and $25,000,000 shall be made available for freight transportation projects as identified under this section in the statement of the managers accompanying this Act: Provided further, That notwithstanding any other provision of law applicable to the Federal lands highway program, the Secretary of Transportation may use such amounts made available by this section to make grants for any surface transportation project which is designated under title 23 or title 49, United States Code: Provided further, That funds made available under this section, at the request of a State, shall be transferred to the Federal-aid highway account of the Federal agency: Provided further, That the Federal share payable on account of any such project, or activity carried out with funds made available under this section, shall be deemed to be a reference to the “Max M. Fisher Memorial Highway”.

SEC. 113. Notwithstanding any other provision of law, projects and activities described in the statement of managers accompanying this Act under the headings “Federal-Aid Highways” and “Federal Transit Administration” shall be eligible for fiscal year 2006 funds made available for the project for which each project or activity is designated: Provided, That the Federal share payable on account of any such projects and activities subject to this section shall be the same as the share required by the Federal program for the project or activity as designated unless otherwise provided in this Act.

SEC. 114. BYPASS BRIDGE AT HOOVER DAM. (a) In General.—Subject to subsection (b), the Secretary of Transportation may expend any funds appropriated for expenditure in accordance with title 23, United States Code, for payment of debt service by the States of Arizona and Nevada on notes issued for the bypass bridge project at Hoover Dam, pending approval of or replenishment for that project.

(b) REIMBURSEMENT.—Funds expended under subsection (a) shall be reimbursed from the funds made available to the States of Arizona and Nevada on notes issued for the bypass bridge project at Hoover Dam.

SEC. 115. Section 102(b) of the Interstate Surface Transportation Efficiency Act of 1991 (23 U.S.C. 127 note; 105 Stat. 1951) is amended by striking paragraphs (2) and (3) and inserting the following:

"(2) RESTORATION.—Obligation authority used as described in paragraph (1) shall be restored to the original purpose on the date on which obligation authority is distributed under this section for the next fiscal year following obligation under paragraph (1).

SEC. 116. Notwithstanding any other provision of law, access to the I-5 "Transit Only" ramps at NE 163rd in Shoreline, Washington, shall be extended to include King County Waste Division transfer vehicles upon the determination of the Federal Highway Administrator that necessary safety improvements have been completed.

SEC. 117. DESIGNATION OF MAX M. FISHER MEMORIAL HIGHWAY. (a) DESIGNATION.—The portion of highway US-24 in the State of Michigan, beginning at Interstate 96 and extending north to Interstate 75 at exit 93 west of Clarkson, shall be known and designated as the "Max M. Fisher Memorial Highway".

(b) REFERENCES.—Any reference in a law, map, regulation, document, paper, or other record of the United States to the highway portion of US-24 referred to in subsection (a) shall be deemed to be a reference to the "Max M. Fisher Memorial Highway".

SEC. 118. Notwithstanding any other provision of law, funds provided in Public Law 106-7 under the heading "Federal-Aid Highways" for intelligent transportation system projects and
designated for Gettysburg Borough Signal Coordination and Upgrade-Signalization; Adams County, Pennsylvania shall be available for Gettysburg Borough and Surrounding Municipalities System Coordination and Upgrade-Signalization; Adams County, Pennsylvania.

**Federal Motor Carrier Safety Administration**

**Motor Carrier Safety Operations and Programs**

(Shockwave of Contract Authorization) (Limitation on Obligations) (Highway Trust Fund)

For payment of obligations incurred in carrying out sections 31102, 31104, 31106, 31107, 31109, 31313 of title 49, United States Code, and sections 4126 and 4128 of Public Law 109–59, $282,000,000, to be derived from the Highway Trust Fund (other than the Mass Transit Account) and to remain available until expended: Provided, That none of the funds derived from the Highway Trust Fund in this Act shall be available for the implementation, execution or operation of programs, the obligations for which are in excess of $213,000,000, for “Motor Carrier Safety Operations and Programs”, of which $10,084,000, to remain available until September 30, 2006, and $27,000,000, for research and technology program and $1,000,000 shall be available for commercial motor vehicle operator’s grants to carry out section 4128 of Public Law 109–59: Provided further, That notwithstanding any other provision of law, none of the funds under this heading for outreach and education shall be available for transfer.

**Motor Carrier Safety Grants**

(Liquidation of Contract Authorization) (Limitation on Obligations) (Highway Trust Fund)

For payments of obligations incurred in carrying out sections 31102, 31104, 31106, 31107, 31109, 31313 of title 49, United States Code, and sections 4126 and 4128 of Public Law 109–59, $282,000,000, to be derived from the Highway Trust Fund (other than the Mass Transit Account) and to remain available until expended: Provided, That none of the funds in this Act shall be available for the implementation or execution of programs, the obligations for which are in excess of $282,000,000, for “Motor Carrier Safety Grants”; of which $188,000,000 to remain available for the motor carrier safety assistance program to carry out sections 31102 and 31104 of title 49, United States Code; $25,000,000 shall be available for the commercial motor vehicle operations programs to carry out section 31107 of title 49, United States Code; $32,000,000 shall be available for the border enforcement grants program to carry out section 31107 of title 49, United States Code; $5,000,000 shall be available for the performance and registration information system management program to carry out sections 31106 and 31109 of title 49, United States Code; $26,000,000 shall be available for the commercial vehicle information systems and networks deployment program to carry out section 4126 of Public Law 109–59; $2,000,000 shall be available for the safety data improvement program to carry out section 4128 of Public Law 109–59; and $5,000,000 shall be available for the commercial driver’s license information automation program to carry out section 31309 of title 49, United States Code: Provided further, That of the funds made available for the motor carrier safety assistance program, $25,000,000 shall be available for audits of new entrant motor carriers.

**Administrative Provisions**

Federal Motor Carrier Safety Administration: Sec. 120. Funds appropriated or limited in this Act shall be subject to the terms and conditions stipulated in section 350 of Public Law 107–47, including that the Secretary submit a report to the House and Senate Appropriations Committees annually on the safety and security of motor carrier transportation in the United States by Mexico-domiciled motor carriers.

**National Highway Traffic Safety Administration**

**Operations and Research**

(Highway Trust Fund)

For expenses necessary to discharge the functions of the Secretary, with respect to traffic and highway safety under chapter 301 of title 23, United States Code, subtitle VI of title 49, United States Code, $122,647,000, to be derived from the sum authorized to be deducted under section 112 of this Act and transferred to the National Highway Traffic Safety Administration upon enactment of this Act, of which $96,301,000 shall remain available until September 30, 2006 and $26,156,000 shall remain available until September 30, 2008: Provided, That such funds shall be transferred to and administered by the National Highway Traffic Safety Administration: Provided further, That none of the funds appropriated by this Act may be obligated or expended to plan, finalize, or implement any rulemaking to add to section 575.104 of title 49 of the Code of Federal Regulations or to a grant-in-aid standard that is different from the three grading standards (treadwear, traction, and temperature resistance) already in effect: Provided further, That funds provided under this heading shall be subject to any limitation on obligations for Federal-aid highways and highway safety construction programs set forth in this Act or any other law: Further, That the obligation limitation made available for the programs, projects, and activities for which funds are made available under this heading shall remain available until expended and shall be in addition to the amount of any limitation imposed on obligations for Federal-aid highway and highway safety construction programs for future fiscal years.

**Operations and Research**

(Liquidation of Contract Authorization) (Limitation on Obligations) (Highway Trust Fund)

For payment of obligations incurred in carrying out section 4126 of Public Law 109–59, $213,000,000, to be derived from the Highway Trust Fund: Provided, That none of the funds in this Act shall be available for construction, rehabilitation, or remodeling costs, or for office furnishings and fixtures for State, local or private buildings or structures: Provided further, That not to exceed $500,000 of the funds made available for “Motor Carrier Safety Grants” shall be available for technical assistance to the States: Provided further, That not to exceed $750,000 of the funds made available for the “High Visibility Enforcement Program” shall be available for the evaluation required under section 2009(f) of Public Law 109–59.

**Administrative Provisions**

National Highway Traffic Safety Administration: Sec. 125. Notwithstanding any other provision of law or limitation on the use of funds made available under section 402 of title 23, United States Code, an additional $130,000 shall be made available to the National Highway Traffic Safety Administration, out of the amount limited for such purposes, to provide for travel and related expenses for State management reviews and to pay for core competency development training and related expenses for such review.

**Federal Railroad Administration**

**Safety and Operations**

For necessary expenses for railroad research and development, $55,075,000, to remain available until expended, of which $6,500,000 shall be available for positive train control projects and $7,190,000 shall be available for grants for rail corridor planning, development and improvement and Federal share payable under such grants shall be 50 percent.

**Railroad Research and Development**

For necessary expenses for railroad research and development, $145,949,000, of which $13,856,000 shall remain available until expended:

**Railroad Rehabilitation and Improvement Program**

The Secretary of Transportation is authorized to issue to the Secretary of the Treasury notes or other obligations pursuant to section 512 of the Railroad Revitalization and Regulatory Reform Act of 1976 (Public Law 94–210), as amended, in such amounts and at such times as may be necessary to pay any amounts required pursuant to the amount of obligations under sections 511 through 513 of such Act, such authority to exist as long as any such guaranteed obligation is outstanding: Provided, That pursuant to section 502 of such Act, as amended, no new direct loans or loan guarantees shall be made pursuant to such Act: Provided further, That none of the funds in this Act shall be available for the credit risk premium during fiscal year 2006.
To enable the Secretary of Transportation to make grants to the Alaska Railroad, $10,000,000, for capital rehabilitation and improvements benefitting the revenue producing operations, to remain available until expended.

OPERATING SUBSIDY GRANTS TO THE NATIONAL RAILROAD PASSENGER CORPORATION

To enable the Secretary of Transportation to make grants to the National Railroad Passenger Corporation for operation of intercity passenger rail, $495,000,000, to remain available until expended: Provided, That the Secretary of Transportation shall transmit to the Congress, to the House Committee on Transportation and Infrastructure, and to the Senate Committee on Appropriations, an operating plan, and an annual capital and debt service expenditure projection justifying the Federal support to the Secretary’s satisfaction: Provided further, That the Secretary of Transportation shall reserve $60,000,000 of the funds provided under this heading and is authorized to transfer such sums to the Surface Transportation Board, upon request from said Board, to carry out directed service orders issued pursuant to section 11212 of title 49, United States Code, to request the resumption of commuter rail services operated by the National Railroad Passenger Corporation: Provided further, That the Secretary may permit, in the discretion of the Corporation, in order to improve decision making by the Corporation and marginal unit cost capability: Provided further, That the funds available to the National Railroad Passenger Corporation for the annual Northeast Corridor capital and maintenance expenditure projection justifying the Federal support for the purpose of maintaining the operation of existing Amtrak routes: Provided further, That nothing in the previous proviso should be interpreted either to encourage or discourage the Corporation with respect to adjusting existing routes or frequencies: Provided further, That the Secretary may authorize operating subsidies at any time during the fiscal year in order to avert the Corporation’s entry into bankruptcy proceedings: Provided further, That purchases or grants for the purpose of the preceding proviso, the Secretary and the Inspector General of the Department of Transportation shall certify to the Committee on Appropriations of the House of Representatives and the Senate that such grants are necessary to prevent the Corporation from entering bankruptcy: Provided further, That if the Secretary and the Inspector General deem that sufficient operating funds are available to continue operations through the end of fiscal year 2006, then, as of September 30, 2006, the Secretary may make grants to the National Railroad Passenger Corporation at such times and in such amounts for capital improvements that have a direct and measurable short-term impact on reducing operating losses of the National Railroad Passenger Corporation.

SEC. 130. The Secretary may purchase promotional items of nominal value for use in public outreach activities to accomplish the purposes of the Rail Passenger Service Act of 1970. The Secretary shall prescribe guidelines for the administration of such purchases and use.

SEC. 131. Notwithstanding any other provision of law, funds made available to the Federal Railroad Administration under the heading “Next Generation High-Speed Rail” in the Consolidated Appropriations Act of 2005 (Public Law 108-447), the Secretary of Transportation shall award a grant in the amount of $500,000 to the Oregon Department of Transportation for Safety and Fatigue Rail Relocation in the State of Oregon.


SEC. 133. Notwithstanding any existing Federal legislation, from funds available to the Federal Railroad Administration and the Metropolitan Planning Organization of the New Orleans Regional Planning Commission, New Orleans, Louisiana for site planning and an update
of the Master Plan for the Union Passenger Terminal, located at New Orleans, Louisiana.

SEC. 134. Notwithstanding any other provision of law, funds made available to the Federal Railroad Administration for the Spokane High Speed Rail Corridor Study on page 1420 of the Joint Explanatory Statement of the Committee of Conference for Public Law 108-447 (House Report 108-447) shall be made available to the Washington State Department of Transportation for grade crossing and related improvements under the Bridging the Valley project between Spokane County, Washington and Kootenai County, Idaho.

SEC. 135. Of the $40,000,000 provided under the heading “Efficiency Incentive Grants to the National Railroad Passenger Corporation” and notwithstanding limitation language contained therein, $8,300,000 shall be made available immediately upon enactment of this Act only for a revenue service demonstration of not less than 30 miles of new fixed guideway line and $8,000,000 shall be made available in fiscal year 2006: Provided, That the funds made available to carry out capital projects to modernize fixed guideway systems authorized under 49 U.S.C. 5309 shall be transferred to the Capital Investment Grants account and made available to carry out new fixed guideway capital projects identified in this Act and any subsequent Act: Provided further, That except as provided in section 3044(b)(1) of Public Law 109-59, funds made available to carry out new fixed guideway systems authorized under 49 U.S.C. 5309 shall be available until the following fiscal year: Provided further, That none of the funds available under this heading shall be submitted for the Congress for inclusion in any future budget request for any fiscal year.

RESEARCH AND UNIVERSITY RESEARCH CENTERS

For necessary expenses to carry out 49 U.S.C. 5306, $5,100,000, to remain available until expended: Provided, That of the funds available under this heading, not less than $5,100,000 shall be available for the Office of the Chief Counsel: Provided further, That none of the funds available under this heading shall be submitted for the Congress for inclusion in any future budget request for any fiscal year.

FEDERAL TRANSIT ADMINISTRATION

For necessary administrative expenses of the Federal Transit Administration’s programs authorized by chapter 53 of title 49, United States Code, $80,000,000: Provided, That of the funds made available under this heading, not less than $5,500,000 shall be available for the Office of the General Counsel: Provided further, That none of the funds available under this heading shall be submitted for the Congress for inclusion in any future budget request for any fiscal year.

SEC. 140. The limitations on obligations for the Federal Transit Administration for fiscal year 2007 shall apply to any authority under 49 U.S.C. 5338, previously made available for obligation, or to any other authority previously made available for obligation.

SEC. 141. Notwithstanding any other provision of law, except for fixed guideway modernization projects, funds made available by this Act for the purposes of section 5309 of title 49, United States Code, shall be available for obligation until September 30, 2008: Provided, That none of the funds made available under this heading shall be available for obligation after September 30, 2007.
Act under “Federal Transit Administration, Capital investment grants” for projects specified in this Act or identified in reports accompanying this Act not obligated by September 30, 2008, or September 30, 2009, shall be made available for other projects under 49 U.S.C. 5309.

SEC. 142. Notwithstanding any other provision of law, any funds appropriated before October 1, 2008, or September 30, 2009, under chapter 53, title 49, United States Code, that remain available for expenditure may be transferred to and administered under the most recent acquisition heading for a project in a previous Appropriations Act.

SEC. 143. Notwithstanding any other provision of law, unbudgeted funds made available for a new transportation systems project under the heading “Federal Transit Administration, Capital Investment Grants” in any appropriations Act prior to this Act may be used during this fiscal year to satisfy expenses incurred for such projects.

SEC. 144. Funds made available for Alaska or Hawaii ferry boat or ferry terminal facilities pursuant to 49 U.S.C. 5309(m)(2)(B) may be used to construct new vessels and facilities, or to improve existing vessels and facilities, including both the passenger and vehicle-related elements of such facilities, and for repair facilities: Provided, That not more than $2,000,000 of the funds made available pursuant to 49 U.S.C. 5309(m)(2)(B) may be used by the State of Hawaii to operate a passenger ferry services demonstration project to test the viability of different intra-island and inter-island ferry boat routes and technology. Provided further, that notwithstanding 49 U.S.C. 5302(a)(7), funds made available for Alaska or Hawaii ferry boats may be used to acquire passenger ferry boats and to provide passenger ferry transportation services within areas of the State of Hawaii under the control or use of the National Park Service.

SEC. 145. Funds made available from the bus category of the Capital Investment Grants Account or Discretionary Grants Account in this or any other previous Appropriations Act that remain unobligated or unexpended in a fiscal year to satisfy expenses incurred for a grant for a multimodal transportation facility in Burlington, Vermont, may be used for site-preparation and design purposes of a multimodal transportation facility in a different location within Burlington, Vermont, than originally intended notwithstanding previous expenditures incurred such purposes at the original location.

SEC. 146. Notwithstanding any other provision of law, funds designated in the conference report accompanying Public Law 108-447 and Public Law 108-199 for the King County Metro Park and Ride, Kent, Washington, King County, Kent, Washington, shall be available to the Seattle Metropolitan Area Port Authority, Seattle, Washington, subject to the same conditions and requirements of section 125 of division H of Public Law 108-447.

SEC. 147. Funds in this Act that are apportioned to the Charleston Area Regional Transportation Authority to carry out section 5307 of title 49, United States Code, may be used to acquire land, equipment, or facilities used in public transportation from another governmental authority in the same geographic area: Provided, That the non-Federal share under section 5307 may include revenues from the sale of advertising and concessions.

SEC. 148. Notwithstanding any other provision of law, any unobligated funds designated to the Jacksonville Transportation Authority, Community Transportation Coordinator Program under the heading “Job Access and Reverse Commute Grants” in the statement of the managers accompanying Public Law 108-199 may be made available to the Jacksonville Transportation Authority Community Transportation Coordinator Program under the heading “Job Access and Reverse Commute Program.”

SEC. 149. Notwithstanding any other provision of law, any funds made available to the South ShoreFreightways, project 47-317, under the Federal Transit Administration Capital Investment Grants Account in Division H of Public Law 109-148 that remain available may be used for remodernization of the South Shore Commuter Rail system.

Saint Lawrence Seaway Development Corporation

The Saint Lawrence Seaway Development Corporation is authorized to make such expenditures, within the limits of funds and borrowing authority available to the Corporation, and in accord with law, to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the programs set forth in the Corporation’s budget for the current fiscal year.

OPERATIONS AND MAINTENANCE (HARBOR MAINTENANCE TRUST FUND)

For necessary expenses for operations and maintenance of those portions of the Saint Lawrence Seaway operated and maintained by the Saint Lawrence Seaway Development Corporation, $16,284,000, to be derived from the Harbor Maintenance Trust Fund, pursuant to Public Law 99-362.

MARITIME ADMINISTRATION

MARITIME SECURITY PROGRAM

For necessary expenses to maintain and preserve a U.S.-flag merchant fleet to serve the national security needs of the United States, $156,000,000, to be derived from the Merchant Marine Security Fund, pursuant to 49 U.S.C. 5108(g), to be available for the current fiscal year.

OPERATIONS AND TRAINING

For necessary expenses of operations and training activities authorized by law, $322,249,000 of which $23,750,000 shall remain available until September 30, 2008; of which $14,987,000 shall be derived from the Emergency Preparedness Fund, to remain available until September 30, 2009; provided, That not less than $1,000,000 of the funds provided under this heading shall be for the one-call State grant program.

SHIP DISPOSAL

For necessary expenses related to the disposal of obsolete vessels in the National Defense Reserve Fleet of the Maritime Administration, $21,000,000, to remain available until expended.

MARITIME GUARANTEED LOAN (TITLE XI) PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

For administrative expenses to carry out the guarantees authorized not to exceed $4,126,000, which shall be transferred to and merged with the appropriation for Operations and Training.

SHIP CONSTRUCTION (REIMBURSEMENT)

Of the unobligated balances available under this heading, $2,071,280 are rescinded.

ADMINISTRATIVE PROVISIONS—MARITIME ADMINISTRATION

SEC. 150. Notwithstanding any other provision of this Act, the Maritime Administration is authorized to furnish utilities and services and make necessary repairs in connection with any lease, contract, or occupancy involving Government property. Authority to the Maritime Administration, and payments received thereunder shall be credited to the appropriation charged with the cost thereof: Provided, That rental payments under any such lease, contract, or occupancy for items other than such utilities, services, or repairs shall be covered into the Treasury as miscellaneous receipts.

SEC. 151. No obligations shall be incurred during the current fiscal year from the construction fund established by the Merchant Marine Act, 1936 (46 App. U.S.C. 1101 et seq.), or otherwise, in excess of the appropriations and limitations contained in this Act or in any prior appropriation Act.

PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION

ADMINISTRATIVE EXPENSES

For necessary administrative expenses of the Pipeline and Hazardous Materials Safety Administration, $16,677,000, to be derived from the Pipeline Safety Fund.

HAZARDOUS MATERIALS SAFETY

For expenses necessary to discharge the hazardous materials safety function under the Pipeline and Hazardous Materials Safety Administration, $25,138,000, of which $1,847,000 shall remain available until September 30, 2008; provided, That not more than $14,300,000 shall be made available for obligation in fiscal year 2006 from amounts made available by 49 U.S.C. 5116(b) to reduce the surplus liabilities of the Oil Pollution Act of 1990, $73,010,000, of which $58,010,000 shall be derived from the Pipeline Safety Fund, pursuant to section 5116 of title 49, United States Code, and $15,000,000 shall remain available until September 30, 2008; provided, That not less than $1,000,000 of the funds provided under this heading shall be for the one-call State grant program.

EMERGENCY PREPAREDNESS GRANTS

(EMERGENCY PREPAREDNESS FUND)

For necessary expenses to carry out 49 U.S.C. 5127(c), $200,000, to be derived from the Emergency Preparedness Fund, to remain available until September 30, 2007; provided, That not more than $14,300,000 shall be made available for obligation in fiscal year 2006 from amounts made available by 49 U.S.C. 5116(b) to reduce the surplus liabilities of the Oil Pollution Act of 1990, $73,010,000, of which $58,010,000 shall be derived from the Pipeline Safety Fund, pursuant to section 5116 of title 49, United States Code, and $15,000,000 shall remain available until September 30, 2008; provided, That not less than $1,000,000 of the funds provided under this heading shall be for the one-call State grant program.

RESEARCH AND INNOVATIVE TECHNOLOGY ADMINISTRATION

RESEARCH AND DEVELOPMENT

For necessary expenses of the Research and Innovative Technology Administration, $5,774,000, of which $1,121,000 shall remain available until September 30, 2008; provided, That there may be credited to this appropriation, to be available for obligation, funds received from States, counties, municipalities, other public authorities, and private sources for expenses incurred for training.

OFFICE OF INSPECTOR GENERAL

SALARIES AND EXPENSES

For necessary expenses of the Office of Inspector General to carry out the provisions of the Inspector General Act of 1978, as amended, and the Federal Travel Regulation System, $62,899,000, of which $18,800,000 shall remain available until June 30, 2008; provided, That the Inspector General shall have all necessary authority, in carrying out the duties specified in the Inspector General Act, as amended (5 U.S.C. App. 3), to investigate allegations of fraud, including false statements to the government (18 U.S.C. 1001), by any person or entity that is subject to regulation by the Department: Provided further, That in the case of allegations involving the President, no evidence shall be used to investigate, pursuant to section 4712 of title 49, United States Code: (1) unfair
or deceptive practices and unfair methods of competition by domestic and foreign air carriers and ticket agents; and (2) the compliance of domestic and foreign air carriers with respect to item (2) of paragraph (3).

SURFACE TRANSPORTATION BOARD

SALARIES AND EXPENSES

For necessary expenses of the Surface Transportation Board, including services authorized by 5 U.S.C. 3109, $26,400,000: Provided, That notwithstanding the provisions of this Act, not to exceed $1,250,000 from fees established by the Chairman of the Surface Transportation Board shall be credited to this appropriation as offsetting collections: Provided further, That the sum herein appropriated from the general fund shall be reduced on a dollar-for-dollar basis as such offsetting collections are received during fiscal year 2006, to result in a final appropriation from the general fund estimated at no more than $25,200,000.

ADMINISTRATIVE PROVISIONS—DEPARTMENT OF TRANSPORTATION

(INCLUDING TRANSFERS OF FUNDS)

SEC. 160. During the current fiscal year applicable appropriations to the Department of Transportation shall be available for maintenance of traffic aids for air navigation; airport and airway development, including projects utilizing urbanized area set-aside; construction of any airport within a State; and purchase or lease of aircraft and air navigation facilities, for which funds are necessary and authorized expenses under this heading: Provided, That the Secretary, after consultation with the appropriate State authorities, and private sources for expenses incurred for training may be credited respectively to the Federal Highway Administration, the Federal Aviation Administration, the Federal Transit Administration, or the appropriate State authority other than the appropriate State authority other than the Federal Highway Administration; or (3) any program of the Federal Highway Administration; or (4) any program of the Federal Aviation Administration; or (5) any program of the Federal Transit Administration other than the formula grants and fixed guideway modernization programs: Provided, That no notification shall involve funds that are not available for obligation.

SEC. 168. Refunds, interest, and previous payments, minor fees and other funds received by the Department of Transportation from travel management centers, charge card programs, the passenger rail loan program, and from other sources are to be credited to appropriations of the Department of Transportation and allocated to elements of the Department of Transportation using fair and equitable criteria, and such funds shall be available until expended.

SEC. 169. Amounts made available in this or any other Act that the Secretary determines represent improper payments by the Department of Transportation to a third party contractor under a financial assistance award, which are recovered pursuant to paragraph (1), shall be deposited: (1) in the Treasury as an offsetting collection; and (2) to pay the services provided in recovering improper payments: Provided, That amounts in excess of that required for paragraph (1) and (2) shall be credited to and merged with the appropriation from which the improper payments were made, and shall be available for the purposes and period for which such appropriations are available.

SEC. 162. None of the funds in this Act shall be available for salaries and expenses of more than 108 political and Presidential appointees in the Department of Transportation: Provided, That none of the personnel covered by this provision may be assigned on temporary detail outside the Department of Transportation.

SEC. 163. None of the funds in this Act shall be used to implement section 404 of title 23, United States Code.

SEC. 164. (a) No recipient of funds made available in this Act shall disseminate personal information (as defined in 18 U.S.C. 2725(3)) obtained by a State department of motor vehicles in connection with a motor vehicle record as provided in 18 U.S.C. 2721(d) except as provided in 18 U.S.C. 2721 for a use permitted under 18 U.S.C. 2721.

(b) Notwithstanding subsection (a), the Secretary, during the period of time appropriation funds provided in this Act for any grantee if a State is in noncompliance with this provision.

SEC. 165. Funds received by the Federal Highway Administration, Federal Transit Administration, and Federal Railroad Administration from States, counties, municipalities, other public authorities, and private sources for expenses incurred may be credited in whole or in part to the Federal Highway Administration’s “Federal-Aid Highways” account, the Federal Transit Administration’s “Transit Planning and Research” account, and to the Federal Railroad Administration’s “Safety and Operations” account, except for State rail safety inspectors participating in training pursuant to 49 U.S.C. 20105.

SEC. 166. Notwithstanding any other provisions of law, rule or regulation, the Secretary of Transportation is authorized to allow the issuer of any official check, before sold to the Department to redeem or repurchase such stock upon the payment to the Department of an amount determined by the Secretary.

SEC. 167. Notwithstanding anything in this Act to the Department of Transportation may be used to make a grant unless the Secretary of Transportation notifies the House and Senate Committees on Appropriations not less than 3 full business days before any discretionary grant award, let- ther of intent, or full funding grant agreement relating to the section 170(d) program authorized by the Department or its modal administrations from:

(a) any discretionary grant program of the Federal Highway Administration other than the emergency relief program subject to the requirements of section 170(b)(2); and (b) any discretionary grant program of the Federal Aviation Administration; or (c) any program of the Federal Transit Administration other than the formula grants and fixed guideway modernization programs: Provided, That no notification shall involve funds that are not available for obligation.

SEC. 168. Rebates, refunds, incentive payments, minor fees and other funds received by the Department of Transportation from travel management centers, charge card programs, the passenger rail loan program, and from other sources are to be credited to appropriations of the Department of Transportation and allocated to elements of the Department of Transportation using fair and equitable criteria, and such funds shall be available until expended.

SEC. 169. Amounts made available in this or any other Act that the Secretary determines represent improper payments by the Department of Transportation to a third party contractor under a financial assistance award, which are recovered pursuant to paragraph (1), shall be deposited: (1) in the Treasury as an offsetting collection; and (2) to pay the services provided in recovering improper payments: Provided, That amounts in excess of that required for paragraphs (1) and (2) shall be credited to and merged with the appropriation from which the improper payments were made, and shall be available for the purposes and period for which such appropriations are available.

SEC. 162. None of the funds in this Act shall be available for salaries and expenses of more than 108 political and Presidential appointees in the Department of Transportation: Provided, That none of the personnel covered by this provision may be assigned on temporary detail outside the Department of Transportation.

SEC. 163. None of the funds in this Act shall be used to implement section 404 of title 23, United States Code.

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(b) Notwithstanding subsection (a), the Secretary, during the period of time appropriation funds provided in this Act for any grantee if a State is in noncompliance with this provision.

SEC. 165. Funds received by the Federal Highway Administration, Federal Transit Administration, and Federal Railroad Administration from States, counties, municipalities, other public authorities, and private sources for expenses incurred may be credited in whole or in part to the Federal Highway Administration’s “Federal-Aid Highways” account, the Federal Transit Administration’s “Transit Planning and Research” account, and to the Federal Railroad Administration’s “Safety and Operations” account, except for State rail safety inspectors participating in training pursuant to 49 U.S.C. 20105.

SEC. 166. Notwithstanding any other provisions of law, rule or regulation, the Secretary of Transportation is authorized to allow the issuer of any official check, before sold to the Department to redeem or repurchase such stock upon the payment to the Department of an amount determined by the Secretary.

SEC. 167. Notwithstanding anything in this Act to the Department of Transportation may be used to make a grant unless the Secretary of Transportation
exemption from overflight rules for the Grand Canyon.


SEC. 179. (a)(1) This section shall apply to a former employee of the Federal Aviation Administration, who—
(A) was involuntarily separated as a result of the reorganization of the Flight Services Unit following the outsourcing of flight service duties to a contractor;
(B) was not eligible by October 3, 2005, for an immediate annuity under a Federal retirement system; and
(C) assuming continued Federal employment, would attain eligibility for an immediate annuity under section 8336(d) or 8414(b) of title 5, United States Code, not later than October 4, 2007.

(2) Notwithstanding any other provision of law, during the period beginning on the date of enactment of this Act and ending October 4, 2007, an employee described under paragraph (1) may, with the approval of the Administrator of the Federal Aviation Administration or the designated of the Administrator, accept an assignment to such contractor within 14 days after the date of enactment of this section.

(A) An assignment in subsection (c), an employee appointed under paragraph (1)(A) shall be a temporary Federal employee for the duration of the assignment;
(B) Notwithstanding paragraph (A), such temporary status, shall retain previous enrollment or participation in Federal employee benefits programs under chapters 83, 84, 87, and 89 of title 5, United States Code, except no service credit or benefits shall be extended retroactively.

(4) An assignment and temporary appointment under this section shall terminate on the earlier of—
(A) October 4, 2007; or
(B) the date on which the employee first becomes eligible for an immediate annuity under section 8336(d) or 8414(b) of title 5, United States Code.

(5) Such funds as may be necessary are authorized for the Federal Aviation Administration to pay the salary and benefits of an employee assigned under this section, but no funds are authorized to reimburse the employing contractor for the salary and benefits of an employee so assigned.

(6) An employee who was involuntarily separated as a result of the reorganization of the Flight Services Unit following the outsourcing of flight service duties to a contractor, and was eligible to use annual leave under the conditions stated in paragraph (2), United States Code, except no service credit or benefits shall be extended retroactively.

(7) An assignment under this section shall not be—
(A) covered by chapter 71 of title 5, United States Code; or
(B) subject to section 208 of title 18, United States Code, while on the assignment authorized for the Federal Aviation Administration.

(2) An employee subject to this section shall—
(A) affect the validity or legality of the reduction-in-force actions of the Federal Aviation Administration effective October 3, 2005;
(B) create any individual rights of actions regarding the reduction-in-force actions or any other actions related to or arising under the competitive sourcing of flight services.

(3) Temporary employees assigned under this section shall not be Federal employees for purposes of chapter 171 of title 28, United States Code (commonly referred to as the Federal Tort Claims Act) or title 22, United States Code (commonly referred to as the Federal Pardons and Sunshine Act) and any other Federal tort liability statute shall not apply to an employee who is assigned to a contractor under subsection (a).

SEC. 189. (a) In this section:
(1) "Western Area" means the Sloan Canyon National Conservation Area established by section 604(a) of the Clark County Conservation of Public Land and Natural Resources Act of 2002 (116 Stat. 2009).

(2) The term "County" means Clark County, Nevada.

(3)(A) The term "helicopter tour" means a commercial helicopter tour operated for profit.

(B) The term "helicopter tour" does not include a helicopter tour that is carried out to assist Federal employees so assigned.

(4) The term Secretary means the Secretary of the Interior.

(5) The term "Wilderness" means the North Mountain Wilderness described in subsection (c).

(6) The term Wildfire Service means the United States Forest Service.

(b) An employee who was involuntarily separated as a result of the reorganization of the Flight Services Unit following the outsourcing of flight service duties to a contractor, and was eligible to use annual leave under the conditions stated in paragraphs (2), (3), and (4) of this section shall be considered to have not had a break in service for purposes of paragraphs (2), (3), and (4) of this section. Such an employee—
(A) shall be a temporary Federal employee for the duration of the assignment;
(B) shall be deposited in a special account in the Treasury of the United States, at the option of the United States, or in a trust fund, and out of such funds the Secretary shall—
(1) out of the amounts collected under subsection (b)(1), provide to the County, subject to valid existing rights, for no consideration, all right, title, and interest of the United States in and to the parcel of land described in subsection (c).

(2) The parcel of land to be conveyed under subsection (b) is the parcel of approximately 229 acres of land depicted as tract A on the map entitled "Clark County Public Heliport Facility" and dated May 3, 2004.

(3)(A) The amounts collected under paragraph (1) shall be used by the County for the operation of a heliport facility under the conditions stated in paragraph (4); and

(B) shall not be disposed of by the County.

(2) Any operator of a helicopter tour originating or concluding at the parcel of land described in subsection (c) shall pay to the County Department of Aviation a $3 conservation fee for each passenger on the helicopter tour.
ground support services located at College Park Airport in College Park, Maryland; Potomac Airpark in Fort Washington, Maryland; and Washington Executive/Hyde Field in Clinton, Maryland. Furthermore, That none of the funds shall be obligated or distributed to fixed-based general aviation operators and providers of general aviation ground support services until an independent analysis is completed.

Provided further, That losses incurred as a result of violations of law, or through fault or negligence, of such operators and service providers (including airports) are not eligible for reimbursement; Provided further, That obligation and expenditure of funds are conditional upon full release of the United States Code: Provided, That in allocating funds for the equity bonus program under section 105 of such title, the Secretary shall make the calculations required under that section as if this section were not enacted: Provided further, That the descriptions for High Priority Projects #406, the Gravina Island bridge, and #2465, the Knik Arm bridge, in section 102 of Public Law 109-59 are hereby deleted and in their place is inserted “the Alaska Department of Transportation and Public Facilities”.

SECl. 187. (a) In addition to amounts available to carry out section 10204 of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (Public Law 109-59) as of the date of enactment of this Act, of the amounts made available by section 112 of this Act, $1,000,000 shall be used by the Secretary of Transportation and the Secretary of Homeland Security to jointly—

(1) complete the review and assessment of catastrophic hurricane evacuation plans under that section; and

(2) submit to Congress, not later than June 1, 2006, the report described in subsection (d) of that section.
$91,126,000; of which to not exceed $6,000 for official representation and representation expenses; not to exceed $90,000 for cooperative research and development programs for laboratories; and provision of operating expense assistance to State and local agencies with or without reimbursement.

UNITED STATES MINT

UNITED STATES MINT PUBLIC ENTERPRISE FUND

Pursuant to section 15 of the United States Code, the United States Mint is provided funding through the United States Mint Public Enterprise Fund for costs associated with the production of circulating coins, numismatic coins, and protective services, including both operating expenses and capital investments. The aggregate amount of new liabilities and obligations incurred during the fiscal year under section 5126 for circulating coinage and protective service capital investments of the United States Mint shall not exceed $26,768,000.

BUREAU OF THE PUBLIC DEBT

ADMINISTERING THE PUBLIC DEBT

For necessary expenses of the Internal Revenue Service for determining and establishing tax liabilities; providing litigation support; conducting criminal and enforcement activities; securing unfiled tax returns; collecting unpaid accounts; conducting a document matching program; resolving taxpayer problems through prompt identification, referral and settlement; expanded customer service and public outreach programs, strengthened enforcement activities, and enhanced research efforts to reduce erroneous filings associated with the earned income tax credit; compiling statistics of income and conducting compliance research; purchase (for police-type use, not to exceed 850) of which 35 are to be provided to the United States Secret Service pursuant to section 3109; and Hawai‘i and United States Code, the United States Mint is provided funding through the United States Mint Public Enterprise Fund for costs associated with the production of circulating coins, numismatic coins, and protective services, including both operating expenses and capital investments. The aggregate amount of new liabilities and obligations incurred during the fiscal year under section 5126 for circulating coinage and protective service capital investments of the United States Mint shall not exceed $26,768,000.

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SEC. 208. The Internal Revenue Service shall submit its fiscal year 2007 congressional budget justifications to the Committees on Appropriations of the House of Representatives and the Senate, and any technical corrections to the budget submitted under this Act and only in accordance with the direction specified in the report accompanying this Act.

SEC. 209. Section 3 under the heading “Administrative Provisions—Internal Revenue Service” of title I of Public Law 103-329 is amended by striking the last proviso.

ADMINISTRATIVE PROVISIONS—DEPARTMENT OF THE TREASURY

(INCLUDING TRANSFER OF FUNDS)

SEC. 210. Appropriations to the Department of the Treasury in this Act shall be available for uniformed services, only as authorized by law (5 U.S.C. 5901), including maintenance, repairs, and cleaning; purchase of insurance for official motor vehicles operated in foreign countries; purchase of motor vehicles without regard to the general purchase price limitations for vehicles purchased and used overseas for the current fiscal year; entering into contracts with the Department of State for the furnishing of health and medical services to employees and their dependents serving in foreign countries; and services authorized by 5 U.S.C. 3701.

SEC. 211. Not to exceed 2 percent of any appropriation in this Act made available to the Departmental Offices—Salaries and Expenses, Office of Inspector General, Financial Management and Technology, and Trade Bureau, Financial Crimes Enforcement Network, and Bureau of the Public Debt, may be transferred between such appropriations upon the advance approval of the Committees on Appropriations: Provided, That no transfer may increase or decrease any such appropriation by more than 2 percent.

SEC. 212. Of the funds available for the purchase of law enforcement vehicles, no funds may be obligated until the Secretary of the Treasury certifies that the Treasurer of the Treasury bureau is consistent with Departmental vehicle management principles: Provided, That the Secretary may delegate this authority to the Assistant Secretary for Management.

SEC. 213. None of the funds appropriated in this Act or otherwise available to the Department of the Treasury or the Bureau of Engraving and Printing may be used to redesign the $1 Federal Reserve note.

SEC. 215. The Secretary of the Treasury may transfer funds from Financial Management Services, Salaries and Expenses to Debt Collection Fund as necessary to cover the costs of debt collection, including that such amounts may be reimbursed to such salaries and expenses account from debt collections received in the Debt Collection Fund.

SEC. 220. Title 12(q)(1) of Public Law 105-119 (5 U.S.C. 3104 note), is further amended by striking “7 years” and inserting “4 years”.

SEC. 224. None of the funds appropriated in this Act or otherwise available to the Department of the Treasury or the Bureau of Engraving and Printing may be used to construct or operate any museum without the explicit approval of the House Committee on Financial Services and the Senate Committee on Banking, Housing, and Urban Affairs.

SEC. 228. None of the funds appropriated or otherwise made available by this Act or any other Act may be used by the United States Mint to construct or operate any museum without the explicit approval of the House Committee on Financial Services and the Senate Committee on Banking, Housing, and Urban Affairs.

SEC. 229. None of the funds appropriated or otherwise made available by this Act or any other Act may be used by this or any other Act or source to the Department of the Treasury to reliquify, or to the General Services Administration, or to the General Services Administration, or to the Office of Management and Budget, or any other office of the Department of the Treasury.

SEC. 232. Appropriations in this Act made available to the Department of Housing and Urban Development—

PUBLIC AND INDIAN HOUSING TENANT-BASED RENTAL ASSISTANCE (INCLUDING TRANSFER OF FUNDS)

For activities and assistance for the provision of tenant-based rental assistance authorized under the United States Housing Act of 1937, as amended, public housing agencies may increase or decrease any such appropriation by more than 2 percent.

SEC. 239. Provided, That no transfer may increase or decrease any such appropriation by more than 2 percent of any appropriation in this Act made available to the Departmental Offices—Salaries and Expenses, Office of Inspector General, Financial Management and Technology, and Trade Bureau, Financial Crimes Enforcement Network, and Bureau of the Public Debt, may be transferred between such appropriations upon the advance approval of the Committees on Appropriations: Provided, That no transfer may increase or decrease any such appropriation by more than 2 percent.

SEC. 240. None of the funds appropriated in this Act or otherwise available to the Department of the Treasury or the Bureau of Engraving and Printing may be used to redesign the $1 Federal Reserve note.
For 2006 payments to public housing agencies for the operation and management of public housing, as authorized by section 9(e) of the United States Housing Act of 1937, as amended, $8,815,000, to remain available until expended, of which $325,600 shall be for training and technical assistance activities.

INDIAN HOUSING LOAN GUARANTEE FUND (INCLUDING TRANSFER OF FUNDS)

For the cost of guaranteed loans, as authorized by section 184 of the Housing and Community Development Act of 1992 (12 U.S.C. 1715z–13b), $4,000,000, to remain available until expended: Provided, That such costs, including the costs of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: Provided further, That these funds are available to subsidize total loan principal, any part of which is to be guaranteed, not to exceed $116,276,000.

NATIVE HAWAIIAN HOUSING LOAN GUARANTEE FUND PROGRAM ACCOUNT (INCLUDING TRANSFER OF FUNDS)

For the cost of guaranteed loans, as authorized by section 184A of the Housing and Community Development Act of 1992 (12 U.S.C. 1715z–13b), $900,000, to remain available until expended: Provided, That notwithstanding the Native American Housing Assistance and Self-Determination Act of 1996, as amended, the Secretary shall be entitled to make any determination with respect to the appropriation for ‘‘Salaries and Expenses’’.
In addition, for administrative expenses to carry out the guaranteed loan program, to carry out the requirements under the Guaranteed Loan Program Act, $25,000 are to be made available for YouthBuild program activities, for carryout of the activities specified in section 4 of the Housing and Community Development Act of 1974, as amended (the "Act" hereinafter). 42 U.S.C. 5301 et seq.: Provided further: That, unless specifically provided for under this heading (except for planning grants provided in the second paragraph), not to exceed 20 percent of any grant made with funds appropriated under this heading shall be expended for planning and development of the program described in section 4 of the Act, of which notwithstanding any other provision of law (including section 305 of this Act), up to $4,000,000 may be used for emergency expenses that constitute imminent threats to health and safety; $50,000,000 shall be available for YouthBuild program activities authorized under title II of division I of Public Law 108–199 by striking the $50,000,000 in section 402 by striking "for construction" and inserting "for planning, design, and engineering"; and in section 403 by striking "for construction" and inserting "for the construction of shelters for the temporarily homeless in the County of San Francisco".

COMMUNITY DEVELOPMENT FUND (INCLUDING TRANSFER OF FUNDS) 1993, as amended, and such activities shall be an eligible activity with respect to any funds made available under this heading: Provided: That local governments and to other entities, for economic development activities and for other purposes, $4,220,000,000, to remain available until September 30, 2008, unless otherwise specified: Provided further: That the amount made available in this heading in Public Law 106–557 is deemed to be amended with respect to item number 2 by striking "for construction" and inserting "for the Sedalia Center restoration" and allowing that the funds made available for the purposes of such Act shall remain available until September 30, 2007, except that the amount made available under such heading in Public Law 108–447 is deemed to be amended with respect to item number 2 by striking "for costs associated with the construction" and inserting "for the construction of facilities improvements and renovation of the Sedalia Center in Bedford County, Virginia for the Sedalia Center restoration". And in section 402 by striking "for construction" and inserting "to restore the Sedalia Center in Bedford County, Virginia for the Sedalia Center restoration". And in section 403 by striking "for construction" and inserting "to restore the Sedalia Center in Bedford County, Virginia for the Sedalia Center restoration".

The referenced statement of the managers under the heading "Community Development Fund" in title II of division I of Public Law 108–199 is deemed to be amended with respect to item number 2 by striking "for construction" and inserting "for planning, design, and engineering".

The referenced statement of the managers under the heading "Community Development Fund" in title II of division I of Public Law 108–199 is deemed to be amended with respect to item number 2 by striking "for construction" and inserting "for planning, design, and engineering".

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The referenced statement of the managers under the heading "Community Development Fund" in title II of division I of Public Law 108–199 is deemed to be amended with respect to item number 2 by striking "for construction" and inserting "for planning, design, and engineering".
inserting “planning, design, construction and buildout.”

The referenced statement of the managers under this heading in Public Law 108–447 is deemed to be amended with respect to item number 946 by striking “capital” and inserting “planning, design, engineering, and construction.”

The referenced statement of the managers under this heading in Public Law 108–447 is deemed to be amended with respect to item number 731 by striking “rehabilitation and build-

COMMUNITY DEVELOPMENT LOAN GUARANTEES PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

For the cost of guaranteed loans, $3,000,000, to remain available until September 30, 2007, as authorized by section 108(b)(3) of the Housing and Community Development Act of 1974, as amended: Provided, That these loans are available under the Federal loan principal, any part of which is to be guaranteed, not to exceed $317,500,000, notwithstanding any aggregate limitation on outstanding obligations guar-

For competitive economic development grants, as authorized by section 106(g) of the Housing and Community Development Act of 1974, as amended: Provided, that $10,000,000, to remain available until September 30, 2007: Provided, That $10,000,000 shall be rescinded from unobligated balances from prior years appropriations under this heading and, to the extent there are insufficient balances, any additional rescission amounts shall be rescinded from funds appropriated under this heading for fiscal year 2006.

HOME INVESTMENT PARTNERSHIPS PROGRAM

(INCLUDING TRANSFER OF FUNDS)

For the HOME investment partnerships pro-

For the Self-Help and Assisted Homeowner-

SELF-HELP AND ASSISTED HOMEOWNERSHIP OPPORTUNITY PROGRAM

For the Self-Help and Assisted Homeowner-

HOUSING PROGRAMS

HOUSING FOR THE ELDERLY

HOMELAND SECURITY GRANTS

FOR EMERGENCY PREPAREDNESS AND RESPONSE ACTIVITIES

For emergency shelter grants program as authorized under subtitle B of title IV of the McKinney-Vento Homeless Assistance Act, as amended; the supportive housing program as authorized under subtitle C of title IV of such Act; the section 8 moderate rehabilitation single room occupancy program, the shelter plus care program if the program is determined to be needed under the applicable continuum of care and meets appropriate program requirements and financial standards, as determined by the Secretary: Provided, further, that all earnings under this heading shall be subject to appropriate withholding and Federal insurance contributions as authorized by section 3111 and 3101 of the Internal Revenue Code of 1986, and shall be available to the Secretary to carry out the guaranteed loan program, $750,000, to be available until September 30, 2007, for administrative expenses to carry out the guaranteed loan program.

For the cost of guaranteed loans, $3,000,000, to remain available until September 30, 2007: Provided, That $10,000,000 shall be rescinded from unobligated balances from prior years appropriations under this heading and, to the extent there are insufficient balances, any additional rescission amounts shall be rescinded from funds appropriated under this heading for fiscal year 2006.

For capital advance contracts, including amendments to capital advance contracts, for supportive housing for persons with disabilities, as authorized by section 811(d)(2) of such Act, including amendments to contracts for such assistance: Provided further, that the Secretary may waive the provisions of section 811 governing the terms and conditions of project rental assistance, except that the initial contract term for such assistance shall not exceed 5 years in duration.
For contracts, grants, and other assistance, not otherwise provided for, as authorized by title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendments Act of 1988, and section 561 of the Housing and Community Development Act of 1987, as amended, $46,000,000, to remain available until September 30, 2007, of which $9,500,000 shall be for the Healthy Homes Initiative, pursuant to sections 501 and 502 of the Housing and Community Development Act of 1970 that shall include research, studies, testing, and demonstration efforts, including education and outreach concerning lead-based paint poisoning and other housing-related diseases and hazards: Provided, That for purposes of environmental review, pursuant to the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) and other provisions of law that further the purposes of such Act, a grant under the Healthy Homes Initiative, Operation Lead Elimination Action Plan, or the Lead Hazard Reduction Program under this heading or under prior appropriations Acts for such purposes under this heading, shall be considered to be a special project or purpose of funds provided under the National Mortgages Association GuaranTEE Act.

FUNDING AVAILABILITY

For contracts, grants, and other assistance, not otherwise provided for, as authorized by title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendments Act of 1988, and section 561 of the Housing and Community Development Act of 1987, as amended, $9,000,000, for the Historically Black Colleges and Universities program, of which up to $2,000,000 may be used for technical assistance, including education and outreach concerning lead-based hazards as defined by 42 U.S.C. 4851; Provided further, That each applicant of funds provided under the first proviso shall make a matched contribution of not less than 25 percent: Provided further, That each applicant shall submit a detailed plan and strategy that demonstrates adequate capacity that is acceptable to the Secretary to carry out the purposes of such funds.
MANAGEMENT AND ADMINISTRATION

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

For the fiscal year ending September 30, 2006, the Director of the Federal Housing Finance Agency is authorized to:

$197,000,000, to remain available until September 30, 2007: Provided, That any amounts transferred to this Fund under this Act shall remain available until expended: Provided further, That any funds transferred and from which amounts appropriated by previously enacted Appropriations Acts or from within this Act may be used only for the purposes specified under this Fund, in addition to the purposes for which such amounts were appropriated.

OFFICE OF INSPECTOR GENERAL

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses of the Office of Inspector General of the Federal Housing Finance Agency, including expenses for personnel that may be authorized to be charged to the General Fund of the Treasury, $25,000,000: Provided, That funds transferred from the “Indian housing loan guarantee program” account and $33,000 shall be transferred from the “Native Hawaiian housing loan guarantee fund” account: Provided, That funds made available under this heading shall only be allocated in the manner specified in the statement of the managers accompanying this Act unless such allocation is approved by both House of Representatives and the Senate are notified of any changes in an operating plan or reprogramming: Provided further, That no official or employee of the Department shall be designated as an allotment holder unless the Office of the Chief Financial Officer (OCFO) has determined that such allotment holder has implemented an adequate system of funds control and has received training in funds control procedures and directives: Provided further, That the Chief Financial Officer shall establish control procedures and an adequate system of accounting for appropriations and other available funds as required by 31 U.S.C. 1514: Provided further, That for purposes of funds control and determination of an adequate system of accounting for appropriations and other available funds as required by 31 U.S.C. 1514, the point of obligation shall be the executed agreement or contract, except with respect to insurance and guarantee programs, certain types of salaries and expenses funding, and incremental funding that is authorized under an executed agreement or contract, and shall be designated in the executed agreement or contract: Provided further, That the Chief Financial Officer shall: (1) appoint qualified personnel to conduct investigations of potential or actual violations; (2) establish policies and procedures to investigate potential violations of other qualifications for personnel that may be appointed to conduct investigations; (3) establish guidelines and timeframes for the conduct and completion of investigations; (4) develop the content, format and other requirements for the submission of final reports on violations; and (5) prescribe additional policies and procedures as may be required for conducting investigations of, and administering, processing, and reporting on, potential and actual violations of the Anti-Deficiency Act and all other statutes and regulations governing the obligation and expenditure of funds made available in this Act or any other Act: Provided further, That any sum not to exceed $5,000,000 may be transferred to the Working Capital Fund: Provided further, That the Secretary shall fill not less than 10 vacancies at the GS-14 and GS-15 levels until the total number of GS-14 and GS-15 positions in the Department has been reduced from the number of GS-14 and GS-15 positions on the date of enactment of Public Law 106-377 by 2½ percent.

WORKING CAPITAL FUND

For all necessary expenses of the Working Capital Fund (42 U.S.C. 3535) for the development of, modifications to, and infrastructure for Department-wide information technology systems, for the construction of both Department-wide and program-specific information systems, and for program-related development activities, SEC. 303. (a) Notwithstanding section 854(c)(1)(A) of the AIDS Housing Opportunity Act (42 U.S.C. 12903(c)(1)(A)), from any amounts made available under this title for fiscal year 2006 under section 855(a) of such Act, the Secretary of Housing and Urban Development shall allocate and make a grant, in the amount determined under subsection (b), for any State that—

(1) received an allocation in a prior fiscal year under clause (ii) of such section; and

(2) is not otherwise entitled to an allocation for fiscal year 2006 under such clause (ii) because the areas in the State outside of the metropolitan statistical areas that qualify under clause (ii) of such section during fiscal year 2005 determine the number of cases of acquired immunodeficiency syndrome (AIDS) required under such clause.

The amount of such grant for any State described in subsection (a) shall be an amount based on the cumulative number of AIDS cases in the areas of that State that are outside of metropolitan statistical areas that qualify under clause (i) of such section 854(c)(1)(A) in fiscal year 2006, in proportion to AIDS cases among cities and States that qualify under clauses (i) and (ii) of such section and States deemed eligible under such clauses.

(b) Notwithstanding any other provision of law, the amount allocated for fiscal year 2006 under section 854(c)(1)(A) of the AIDS Housing Opportunity Act (42 U.S.C. 12903(c)), to the City of New York, New York, on behalf of the New York-White Plains, New York-New Jersey Metropolitan Statistical Area, shall be adjusted by the Secretary of Housing and Urban Development by: (1) allocating to the City of Jersey City, New Jersey, the proportion of the metropolitan area’s or division’s amount that is based on the number of cases of AIDS reported for the portion of the metropolitan area or division that is located in Hudson County, New Jersey, and adjusting for the proportion of the metropolitan division’s high incidence bonus if this area in New Jersey also has a higher than average per capita incidence of AIDS; and (2) allocating to the City of Paterson, New Jersey, the proportion of the metropolitan area’s or division’s amount that is based on the number of cases of AIDS reported for the portion of the metropolitan area or division that is located in Bergen County and Passaic County, New Jersey, and adjusting for the proportion of the metropolitan division’s high incidence bonus if this area in New Jersey also has a higher than average per capita incidence of AIDS.

Sec. 304. (a) During fiscal year 2006, the amount allocated for rental assistance under section 8(a) of the United States Housing Act of 1937 (42 U.S.C. 4502) to areas with a higher than average per capita incidence of AIDS may be increased by the Secretary on the basis of area incidence reported over a three year period.
SEC. 305. Except as explicitly provided in law, no agreement or other arrange- ment made pursuant to title II of this Act shall be made on a competitive basis and in accordance with section 102 of the Department of Housing and Urban Development Reform Act of 1989.

SEC. 306. Funds of the Department of Housing and Urban Development that are subject to the Government Corporation Control Act or section 402 of the Housing Act of 1950 shall be available, without regard to the limitations on administrative expenses provided on a competitive basis, and for utilizing and making payment for services and facilities of the Federal National Mortgage Association, Government National Mortgage Association, Federal Home Loan Mortgage Corporation, Federal Financing Bank, Federal Reserve banks or any other insured bank within the meaning of the Federal Deposit Insurance Corporation Act, as amended (12 U.S.C. 1811–1831).

SEC. 307. Unless otherwise provided for in this Act or through a reprogramming of funds, no part of any appropriation for the Department of Housing and Urban Development shall be available for any program, project or activity in excess of the amount set forth in the budget estimates submitted to Congress.

SEC. 308. Corporations and agencies of the Department of Housing and Urban Development which are subject to the Government Corporation Control Act, as amended, are hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to such corporation or agency and in accordance with law, to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of this Act as may be necessary in carrying out the programs set forth in the budget for 2006 for such corporation or agency except as hereinafter provided. Provided, That collections of these corporations and agencies may be used for new loan or mortgage purchase commitments only to the extent expressly provided for in this Act (unless such loans are in support of other forms of assistance provided for in this or prior appropriations Acts), except that this provision shall not apply to the mortgage insurance or guaranty programs of any corporation or agency where loans or mortgage purchases are necessary to protect the financial interest of the United States Government.

SEC. 309. No funds provided in this title for technical assistance, training, or management improvements may be obligated or expended unless HUD provides to the Committees on Appropriations a description of each proposed activity and a detailed budget estimate of the costs associated with each program, project or activity as part of the Budget Justifications. For funds provided in this Act, all transfers of funds shall be transmitted to the Committees by March 15, 2006 for 30 days of review.

SEC. 310. The Secretary of Housing and Urban Development shall provide quarterly reports to the House and Senate Committees on Appropriations regarding all uncommitted, unobligated, recaptured and excess funds in each program and activity within the jurisdiction of the Department and shall submit additional, updated budget information to these Committees upon request.

SEC. 311. Notwithstanding any other provision of law, in fiscal year 2006, in managing and disposing of any multifamily property that is owned by the Secretary of Housing and Urban Development, the Secretary shall maintain any rental assistance payments under section 8 of the United States Housing Act of 1937 that are in effect for a continuing occupancy in accordance with the terms of such property, To the extent the Secretary determines that such a multifamily property owned or held by the Secretary is not feasible for continued rental assistance payments under such section 8, based on consideration of the costs of maintaining such payments for that property or other properties, the Secretary may, in accordance with the terms of such property, contract for project-based rental assistance payments with an owner or owners of other existing housing properties, to the extent it is determined by the Secretary that such contract is in the best interest of the property.

SEC. 312. (a) Notwithstanding any other provision of law, the amount allocated for fiscal year 2006 under section 278 of the Housing Act of 1959 shall be based on the number of cases of AIDS reported in the portion of the metropolitan division that is located in New York, and adjusting for the proportion of the metropolitan division’s high incidence bonus if this area in New York also has a higher than average per capita incidence of AIDS. The State of New York shall use amounts allocated for the State under this subsection to carry out eligible activities under section 855 of the AIDS Housing Opportunity Act (42 U.S.C. 12904) in the portion of the metropolitan division that is located in New York, and adjusting for the proportion of the metropolitan division’s high incidence bonus if this area in New York also has a higher than average per capita incidence of AIDS.

(b) Notwithstanding any other provision of law, the Secretary of Housing and Urban Development shall allocate to Wake County, North Carolina, $16,000,000 to be used for fiscal year 2006 under section 854(c) of the AIDS Housing Opportunity Act (42 U.S.C. 12903(c)) to the City of Raleigh, North Carolina, on behalf of the Raleigh-Chapel Hill Metropolitan Statistical Area.

(c) Notwithstanding section 854(c) of the AIDS Housing Opportunity Act (42 U.S.C. 12903(c)), the Secretary of Housing and Urban Development may adjust the allocation of the amounts that otherwise would be allocated for fiscal year 2006 under section 854(c) of such Act, upon the written request of an applicant, in conjunction with the State(s), for a formula allocation on behalf of a metropolitan statistical area, to designate the portion of the metropolitan statistical area to which the allocation would otherwise be allocated.

(d) In the case that a metropolitan statistical area is located as the eligible area for more than one metropolitan division, to determine which portion of the metropolitan statistical area should be entitled to the allocation.

(e) In the case that any such metropolitan area or portion thereof is located in New Jersey, the amounts that otherwise would be allocated for fiscal year 2006 under section 854(c) of such Act (42 U.S.C. 12904) within such metropolitan statistical area.

(f) Notwithstanding section 854(c) of the AIDS Housing Opportunity Act (42 U.S.C. 12903(c)), the Secretary of Housing and Urban Development may adjust the allocation of the amounts that otherwise would be allocated for fiscal year 2006 under section 854(c) of such Act, upon the written request of an applicant, in conjunction with the State(s), for a formula allocation on behalf of a metropolitan statistical area, to designate the portion of the metropolitan statistical area to which the allocation would otherwise be allocated.

(g) In the case that a metropolitan statistical area is located as the eligible area for more than one metropolitan division, to determine which portion of the metropolitan statistical area should be entitled to the allocation.

(h) In the case that any such metropolitan area or portion thereof is located in New Jersey, the amounts that otherwise would be allocated for fiscal year 2006 under section 854(c) of such Act (42 U.S.C. 12904) within such metropolitan statistical area.

SEC. 313. (a) Notwithstanding any other provision of law, the Secretary of Housing and Urban Development shall allocate to Wake County, North Carolina, $16,000,000 to be used for fiscal year 2006 under section 854(c) of the AIDS Housing Opportunity Act (42 U.S.C. 12903(c)) to the City of Raleigh, North Carolina, on behalf of the Raleigh-Chapel Hill Metropolitan Statistical Area.

(b) The Secretary may reduce the amount otherwise allocated for fiscal year 2006 under section 854(c) of such Act (42 U.S.C. 12904) within such metropolitan statistical area.

(c) Notwithstanding section 854(c) of the AIDS Housing Opportunity Act (42 U.S.C. 12903(c)), the Secretary of Housing and Urban Development may adjust the allocation of the amounts that otherwise would be allocated for fiscal year 2006 under section 854(c) of such Act, upon the written request of an applicant, in conjunction with the State(s), for a formula allocation on behalf of a metropolitan statistical area, to designate the portion of the metropolitan statistical area to which the allocation would otherwise be allocated.

SEC. 314. The Secretary of Housing and Urban Development shall submit an annual report no later than August 30, 2006 and annually thereafter, to the House and Senate Committees on Appropriations regarding the number of Federally assisted units under lease and the per unit cost of these units to the Department of Housing and Urban Development.

SEC. 315. The Department of Housing and Urban Development shall submit the Department’s fiscal year 2007 congressional budget justifications to the Committees on Appropriations of the House of Representatives and the Senate using the identical structure provided under the heading, “Tenant-Based Rental Assistance,” for non-elderly disabled families, to the extent practicable.

SEC. 316. That incremental vouchers previously made available under the heading, “Tenant-Based Rental Assistance,” for non-elderly disabled families shall to the extent practicable, continue to be provided to non-elderly disabled families with the direction specified in the report accompanying this Act.

SEC. 317. A public housing agency or other entity that administers Federal housing assistance under section 8 of the United States Housing Act of 1937 on the board of directors or a similar governing board of such agency or entity as required under section 2(b) of such Act. Each public housing agency or other entity that administers Federal housing assistance under section 8 in the States of Alaska, Iowa and Mississippi shall establish an advisory board of not less than 6 residents of public housing or recipients of section 8 assistance to provide advice and comment to the public housing agency or other administering entity on issues related to public housing and section 8. Such advisory board shall meet not less than quarterly.

SEC. 318. (a) Notwithstanding any other provision of law, subject to the conditions listed in subsection (b), for fiscal year 2007, the Secretary may authorize the transfer of project-based assistance, debt and statutorily required low-income and very low-income use restrictions associated with any existing housing assistance in the States of Alaska, Iowa, and Mississippi to another multifamily housing project.

(b) The transfer authorized in subsection (a) is subject to the following conditions:

(1) the total amount of very low-income units and the net dollar amount of Federal assistance provided by the transferring project shall remain the same in the receiving project;

(2) the transferring project shall, as determined by the Secretary, be either physically obsolete or economically non-viable;

(3) the receiving project shall meet or exceed applicable physical standards established by the Secretary;

(4) the owner or mortgainer of the transferring project shall notify and request the tenants residing in the transferring project and provide a certification of approval by all appropriate local governmental officials; and

(5) representatives of the transferring project who remain eligible for assistance to be provided by the receiving project shall not be required to vacate their units in the transferring project until new units in the receiving project are available for occupancy.

(6) The Secretary determines that this transfer is in the best interest of the tenants.

(7) if either the transferring project or the receiving project meets the conditions specified in subsection (c)(2)(A), any lien on the receiving project resulting from additional financing obtained by the Secretary or by the mortgagor of any FHA-insured mortgage lien transferred to, or placed on, such project by the Secretary; and

(8) the Secretary determines that the requirements of subsection (c)(2)(E), the mortgagor of the receiving project shall execute and record either a continuation of the existing use restriction or a new use agreement for the project where, in either case, any use restrictions in such agreement are of lesser duration than the existing use restrictions.

(9) any financial risk to the FHA General and Special Risk Insurance Fund, as determined by the Secretary, would be reduced as a result of a transfer completed under this section; and

(10) the Secretary determines that the anticipated liabilities with regard to this project will not be increased.
For purposes of this section—
(1) the terms “low-income” and “very low-income” shall have the meanings provided by the statute and/or regulations governing the programs under which the project is insured or assisted;
(2) the term “multifamily housing project” means housing that meets one of the following conditions:
(A) housing that is subject to a mortgage insured under the National Housing Act;
(B) housing that has project-based assistance attached to the structure;
(C) housing that is assisted under section 202 of the Housing Act of 1959 as amended by section 8 of the Cranston-Gonzales National Affordable Housing Act;
(D) housing that is assisted under section 202 of the Housing Act of 1959, as such section existed before the enactment of the Cranston-Gonzales National Affordable Housing Act, or,
(E) housing or vacant land that is subject to a lease agreement;
(3) the term “project-based assistance” means—
(A) assistance provided under section 8(b) of the United States Housing Act of 1937;
(B) assistance for housing constructed or substantially rehabilitated pursuant to section 8(b)(2)(C) of such Act (as such section existed immediately before October 1, 1983);
(C) rent supplement payments under section 101 of the Housing and Urban Development Act of 1965;
(D) additional assistance payments under section 236(b)(2) of the National Housing Act; and,
(E) amounts made under section 202(c)(2) of the Housing Act of 1959;
(4) the term “receiving project” means the multifamily housing project to which the project-based assistance, debt, and statutorily required use-income and very low-income restrictions are to be transferred;
(5) the term “transferring project” means the multifamily housing project which is transferring the project-based assistance, debt and the statutorily required use-income and very low-income use restrictions to the receiving project; and,
(6) the term “Secretary” means the Secretary of Housing and Urban Development.

SEC. 219. The funds made available for Native Alaskans under the heading “Native American Housing Block Grants” in title III of this Act shall be allocated to the same Native American housing block grant recipients that received funds in fiscal year 2005.

SEC. 220. (a) EXTENSION.—The Secretary of Housing and Urban Development shall extend the term of the Moving to Work Demonstration Agreement entered into between a public housing agency and the Secretary under section 294, title V, of the Omnibus Consolidated Reconciliation and Appropriations Act of 1996 (Public Law 104–134, April 26, 1996) if—
(1) the public housing agency requests such extension in writing;
(2) the public housing agency is not at the time of such request for extension in default under its Moving to Work Demonstration Agreement;
(3) the Moving to Work Demonstration Agreement to be extended would otherwise expire on or before September 30, 2006;
(b) TERMS.—Unless the Secretary of Housing and Urban Development and the public housing agency otherwise agree, the extension under subsection (a) shall be upon the identical terms and conditions set forth in the extending agency’s existing Moving to Work Demonstration Agreement, except that for each public housing agency requesting an extension under subsection (a), the Secretary of Housing and Urban Development shall be granted an extension to its original Moving to Work Agreement, the Secretary shall require that data be collected so that the effect of Moving to Work policy experiments can be compared to the Controls.

(c) EXTENSION PERIOD.—The extension under subsection (a) shall be for such period as is requested by the public housing agency, not to exceed 3 years from the date of expiration of the extending agency’s existing Moving to Work Demonstration Agreement.

(d) REIMBURSEMENT.—Nothing contained in this section shall limit the authority of the Secretary of Housing and Urban Development to terminate any Moving to Work Demonstration Agreement entered into under this section if the public housing agency is in breach of the provisions of such agreement.

SEC. 221. During the time under this title may be used for an audit of the Government National Mortgage Association that makes applicable requirements under the Federal Credit Reform Act of 1990 (12 U.S.C. 1701s).

SEC. 222. Incremental vouchers previously made available under the heading, “Housing Certificate Fund” or renewed under the heading, “Project-Based Rental Assistance” project shall cease to be available for funding.

SEC. 223. Section 223(f)(1) of the National Housing Act is amended by inserting “purchase or” immediately before “refinancing of existing debt”.

SEC. 224. Section 421 of the Housing and Community Development Act of 1987 (12 U.S.C. 1715z–4a) is amended—
(1) in subsection (a)(1)(A), by inserting after “is” the following: “or, at the time of the violations, was”;
(2) in subsection (a)(2)(C), by inserting after “held” the following: “or, at the time of the violations, was insured or held”.

SEC. 225. Notwithstanding any other provision of law, for fiscal year 2006 and thereafter, all mortgagors receiving interest reduction payments under section 226 of the National Housing Act (12 U.S.C. 1715z–1) shall submit only electronic information to the Department of Housing and Development in order to receive such payments. The mortgagors shall comply with this requirement no later than 90 days from the date of enactment of this provision.

SEC. 226. Notwithstanding any other provision of law, the recipient of a grant under section 202(b) of the Housing Act of 1959 (12 U.S.C. 1701q–2) after December 26, 2000, in accordance with the unnumbered paragraph at the end of section 202(b) of such Act, may, at its option, establish a single-asset nonprofit entity to own the project and may lend the grant funds to such entity, which may be a private nonprofit organization described in section 831 of the American Homeownership and Economic Opportunity Act of 2000.

SEC. 227. (a) No assistance shall be provided under section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f) to any individual who—
(1) is enrolled as a student at an institution of higher education (as defined under section 102 of the Higher Education Act of 1965 (20 U.S.C. 1022));
(2) is under 24 years of age;
(3) is not a veteran;
(4) is unmarried;
(5) does not have a dependent child; and
(6) is not otherwise individually eligible, or has parents or other relatives, or, jointly, are not eligible, to receive assistance under section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f).

(b) For purposes of determining the eligibility of a person to receive assistance under section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f), any financial assistance (in excess of amounts received for tuition) that an individual receives under the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.), from private sources, or an institution of higher education (as defined under the Higher Education Act of 1965 (20 U.S.C. 1002)), shall be considered income to that individual, except for a person over the age of 23 who is an orphan.

(c) Not later than 10 days after the date of enactment of this Act, the Secretary of Housing and Urban Development shall issue final regulations to carry out the provisions of this section.

SEC. 228. The Secretary of Housing and Urban Development shall give priority consideration to applications from the Counties of San Bernardino and Santa Clara and the City of San Jose, California to participate in the Moving to Work Demonstration Agreement under the provisions of the Omnibus Consolidated Reconciliation and Appropriations Act of 1996 (Public Law 104–134, April 26, 1996): Provided, That upon turnover, existing requirements on the use of Section 8 vouchers shall be maintained to ensure that not less than 75 percent of all vouchers shall be made available to extremely low-income families.

TITLED IV
THE JUDICIARY
SUPREME COURT OF THE UNITED STATES

SALARIES AND EXPENSES

For expenses necessary for the operation of the Supreme Court, as required by law, excluding care of the building and grounds, including purchase or hire, driving, maintenance, and operating an automobile used by the Chief Justice, not to exceed $10,000 for the purpose of transporting Associate Justices, and hire of passenger motor vehicles as authorized by 31 U.S.C. 1344 and any expenditures otherwise provided for, and for miscellaneous, not to exceed $10,000, which shall be made available until expended.

CARE OF THE BUILDING AND GROUNDS

For such expenditures as may be necessary to enable the Architect of the Capitol to carry out the duties imposed on the Architect of the Capitol by the Act approved May 7, 1934 (40 U.S.C. 13a–13b), $5,624,000, which shall remain available until expended.

UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

SALARIES AND EXPENSES

For salaries of the chief judge, judges, and other officers and employees, and for necessary expenses of the court, as authorized by law, $24,000,000.

UNITED STATES COURT OF INTERNATIONAL TRADE

SALARIES AND EXPENSES

For salaries of the chief judge and eight judges, salaries of the officers and employees of the court, not to exceed $23,000,000, which shall remain available until expended.

COURTS OF APPEALS, DISTRICT COURTS, AND OTHER JUDICIAL SERVICES

SALARIES AND EXPENSES

For the salaries of circuit and district judges (including judges of the territorial courts of the United States), justices and judges retired from office or from regular active service, judges of the United States Court of Federal Claims, bankruptcy judges, magistrate judges, and all other officers and employees of the Federal Judiciary not otherwise specifically provided for, and necessary expenses of the courts, as authorized by law, $15,480,000.

DEFENDER SERVICES

For the operation of Federal Defender organizations; the compensation and reimbursement of...
expenses of attorneys appointed to represent persons under the Criminal Justice Act of 1964, as amended (18 U.S.C. 3006A); the compensation and reimbursement of expenses of persons furnishing expert and other services under the Criminal Justice Act of 1964 (18 U.S.C. 3006A(e)); the compensation (in accordance with Criminal Justice Act maximums) and reimbursement of expenses of attorneys appointed to represent the court in criminal cases where the defendant has waived representation by counsel; the compensation and reimbursement of travel expenses of guardians ad litem acting on behalf of financially eligible minor or incompetent offenders in connection with transfers from the United States to foreign countries with which the United States has a treaty for the execution of penal sentences; the compensation of attorneys appointed to represent jurors in civil actions for their employment as attorneys as authorized by 28 U.S.C. 1875(d); and for necessary training and general administrative expenses, $177,000,000, to remain available until expended.

JEFFERSON MEMORIAL FUND—PAYMENT TO JUDICIARY TRUST FUNDS

For payment to the Judicial Officers’ Retirement Fund, as authorized by 28 U.S.C. 377(e), $34,800,000; to the Judicial Survivors Fund, as authorized by 28 U.S.C. 376(e), $990,000; and to the United States Court of Federal Claims Judges’ Retirement Fund, as authorized by 28 U.S.C. 178(1), $3,200,000.

UNITED STATES SENTENCING COMMISSION

For salaries and expenses necessary to carry out the provisions of chapter 58 of title 28, of such sums not otherwise provided for, not to exceed $1,000 is authorized for official reception and representation expenses.

ADMINISTRATIVE PROVISIONS—THE JUDICIARY

SEC. 401. Appropriations and authorizations made in this title which are available for salaries and expenses shall be available for services as authorized by 3 U.S.C. 3109.

SEC. 402. Not to exceed 3 percent of any appropriation made available for the current fiscal year for the Judiciary in this Act may be transferred between such appropriations, but no such appropriation, except “Courts of Appeals, District Courts, and Other Judicial Services, Defender Services” and “Courts of Appeals, District Courts, and Other Judicial Services, Fees of Jurors and Commissioners”, shall be increased by more than 10 percent by any such transfers.

Provided, That any transfer pursuant to this section shall be treated as a reprogramming of funds under sections 703 and 710 of this Act and shall not be available for allocations or expenditure except in compliance with the procedures set forth in that section.

SEC. 403. Notwithstanding any other provision of law, the salaries and expenses appropriation for Courts of Appeals, District Courts, and Other Judicial Services shall be available for official reception and representation expenses of the Judicial Conference of the United States:

Provided. That such available funds shall not exceed $11,000 and shall be administered by the Director of the Administrative Office of the United States Courts in the capacity as Secretary of the Judicial Conference.

SEC. 404. Within 90 days of enactment of this Act, the Administrator of the U.S. Courts shall provide to the Federal Coefficients Program with standards or guidelines agreed to by the Director of the Administrative Office of the United States Courts and the Attorney General, and of which not to exceed $65,500,000 shall remain available until expended, to be expended directly or transferred to the United States Marshals Service, which shall be responsible for administering the Judicial Security Program consistent with standards or guidelines agreed to by the Director of the Administrative Office of the United States Courts and the Attorney General, and of which not to exceed $65,500,000 shall remain available until expended, to be expended directly or transferred to the United States Federal Protective Service for costs associated with building security.

ADMINISTRATIVE OFFICE OF THE UNITED STATES COURTS

SALARIES AND EXPENSES

For necessary expenses of the Administrative Office of the United States Courts as authorized by law, including travel as authorized by 31 U.S.C. 1345, hire of a passenger motor vehicle as authorized by 31 U.S.C. 1343(b), advertising and rent in the District of Columbia and elsewhere, $70,262,000, of which not to exceed $8,500 is authorized for official reception and representation expenses and of which up to $1,000,000 shall be made available to provide conditional travel assistance to Public Administration for a review of the financial and management procedures of the Federal Judiciary.

FEDERAL JUDICIAL CENTER

SALARIES AND EXPENSES

For necessary expenses of the Federal Judicial Center, as authorized by Public Law 90–219, $22,350,000; of which $1,800,000 shall remain available through September 30, 2007, to provide education and training to Federal court personnel; and of which not to exceed $1,500 is authorized for official reception and representation expenses.

JUDICIAL RETIREMENT FUNDS

PAYMENT TO JUDICIARY TRUST FUNDS

For payment to the Judicial Officers’ Retirement Fund, as authorized by 28 U.S.C. 377(e), $34,800,000; to the Judicial Survivors Fund, as authorized by 28 U.S.C. 376(e), $990,000; and to the United States Court of Federal Claims Judges’ Retirement Fund, as authorized by 28 U.S.C. 178(1), $3,200,000.

UNITED STATES SENTENCING COMMISSION

SALARIES AND EXPENSES

For the salaries and expenses necessary to carry out the provisions of chapter 58 of title 28, of such sums not otherwise provided for, not to exceed $1,000 is authorized for official reception and representation expenses.
For the care, maintenance, repair and alteration, refurbishing, improvement, heating, and lighting, including electric power and fixtures, of the Executive Residence at the White House and official entertainment expenses of the President, $12,436,000, to be expended and accounted for as provided by 3 U.S.C. 105, 109, 110, and 112-114.

REIMBURSABLE EXPENSES

For the reimbursable expenses of the Executive Residence at the White House, such sums as may be necessary: Provided, That all reimbursable claims of the Executive Residence shall be made in accordance with the provisions of this paragraph: Provided further, That, in addition to any other provision of law, such amount for reimbursable operating expenses shall be the exclusive authority of the Executive Residence to incur obligations and to receive offsetting collections, for such expenses: Provided further, That the Executive Residence shall require each person sponsoring a reimbursable political event to pay in advance an amount equal to the estimated cost of the event, and all such advance payments shall be credited to this account and remain available until expended: Provided further, That the Executive Residence shall ensure that a written notice of any expenses shall be the exclusive authority of the Executive Residence at the White House, such sums as authorized by 5 U.S.C. 3109, $8,705,000.

OFFICE OF ADMINISTRATION EXPENSES

For necessary expenses of the Office of Administration, including services as authorized by 5 U.S.C. 3108, $3,300,000.

NATIONAL SECURITY COUNCIL EXPENSES

For necessary expenses of the National Security Council, including services as authorized by 5 U.S.C. 3109, $8,300,000.

OFFICE OF MANAGEMENT AND BUDGET EXPENSES

For necessary expenses of the Office of Management and Budget, including hire of passenger motor vehicles and services as authorized by 5 U.S.C. 3109 and to carry out the provisions of chapter 35 of title 44, United States Code, $76,930,000, of which not to exceed $3,000 shall be available for official representation expenses: Provided, That, as provided in 31 U.S.C. 1301(a), any unresolved compensatory apportionment adjustments for which appropriations were made and shall be allocated in accordance with the terms and conditions set forth in the accompanying statement as provided by law or otherwise provided by law: Provided further, That none of the funds appropriated in this Act for the Office of Management and Budget may be used for the purposes of financing or making payments to any political party for the purpose of aiding or facilitating the work of the Office.

COUNCIL OF ECONOMIC ADVISERS EXPENSES

For necessary expenses of the Council of Economic Advisers, including services as authorized by 5 U.S.C. 105, 109, 110, and 112-114.

OFFICE OF POLICY DEVELOPMENT EXPENSES

For necessary expenses of the Office of Policy Development, including services as authorized by 5 U.S.C. 3109 and 3 U.S.C. 107, $3,300,000.

OFFICE OF NATIONAL DRUG CONTROL POLICY EXPENSES

For necessary expenses of the Office of National Drug Control Policy, including services as authorized by 5 U.S.C. 3108, $11,768,000, to remain available until expended, for the purposes of reviewing any agricultural marketing orders or activities or regulations under the provisions of the Agricultural Marketing Agreement Act of 1937 (7 U.S.C. 601 et seq.): Provided further, That none of the funds provided in this Act for the Office of Management and Budget shall be used for audit or evaluation activities of the Office of Management and Budget, before the Committees on Appropriations or their subcommittees: Provided further, That the preceding shall not apply to programs approved by the Committees on Appropriations: Provided further, That none of the funds provided in this Act or prior Acts shall be used, directly or indirectly, by the Office of Management and Budget, for evaluating or determining if water resource project or study reports submitted by the Chief of Engineers acting through the Secretary of the Army or the Administrator of the Army Corps of Engineers are in compliance with applicable federal laws, regulations, and requirements relevant to the Civil Works water resource planning process: Provided further, That the Office of Management and Budget shall ensure that there are not more than 40 days in which to perform budgetary policy reviews of water resource matters on which the Chief of Engineers has reported. The Director of the Office of Management and Budget shall notify the appropriate authorizing and Appropriations Committees when the 60-day review is initiated. The Director shall submit reports to the Committees on Appropriations and the Committees on National Security Policy, in conformance with the appropriate authorizing and appropriating committees within 15 days of the end of the OMB review period based on the notification from the Director: Provided further, That the Committees on Appropriations shall assume OMB concurrence with the report and act accordingly.

OFFICE OF NATIONAL DRUG CONTROL POLICY EXPENSES (INCLUDING TRANSFER OF FUNDS)

For necessary expenses of the Counterdrug Technology Assessment Center for research activities pursuant to the Office of National Drug Control Policy Reauthorization Act of 1998 (21 U.S.C. 1701 et seq.): not to exceed $10,000 for official reception and representation expenses; and for participation in joint projects or in the provision of services on matters of mutual interest with nonprofit, research, or public organizations, or agencies, with or without reimbursement, $26,908,000, of which $1,316,000 shall remain available until expended for policy research and evaluation: Provided, That the Office is authorized to accept, hold, administer, and utilize gifts, both real and personal, public and private, without appropriation, for the purpose of aiding or facilitating the work of the Office.

COUNCIL OF ECONOMIC ADVISERS EXPENSES (INCLUDING TRANSFER OF FUNDS)

For necessary expenses of the Counterdrug Technology Assessment Center for research activities pursuant to the Office of National Drug Control Policy Reauthorization Act of 1998 (21 U.S.C. 1701 et seq.): not to exceed $10,000 for official reception and representation expenses; and for participation in joint projects or in the provision of services on matters of mutual interest with nonprofit, research, or public organizations, or agencies, with or without reimbursement, $26,908,000, of which $1,316,000 shall remain available until expended for policy research and evaluation: Provided, That the Office is authorized to accept, hold, administer, and utilize gifts, both real and personal, public and private, without appropriation, for the purpose of aiding or facilitating the work of the Office.

COUNTERDRUG TECHNOLOGY ASSESSMENT CENTER EXPENSES (INCLUDING TRANSFER OF FUNDS)

For necessary expenses of the Counterdrug Technology Assessment Center for research activities pursuant to the Office of National Drug Control Policy Reauthorization Act of 1998 (21 U.S.C. 1701 et seq.): not to exceed $10,000 for official reception and representation expenses; and for participation in joint projects or in the provision of services on matters of mutual interest with nonprofit, research, or public organizations, or agencies, with or without reimbursement, $26,908,000, of which $1,316,000 shall remain available until expended for policy research and evaluation: Provided, That the Office is authorized to accept, hold, administer, and utilize gifts, both real and personal, public and private, without appropriation, for the purpose of aiding or facilitating the work of the Office.

FEDERAL DRUG CONTROL PROGRAMS

HIGH INTENSITY DRUG TRAFFICKING AREAS PROGRAM (INCLUDING TRANSFER OF FUNDS)

For necessary expenses of the Office of National Drug Control Policy for the High Intensity Drug Trafficking Areas program, $227,000,000 for drug control activities consistent with the approved strategy for each of the designated High Intensity Drug Trafficking Areas, of which no less than 51 percent shall be transferred to State and local entities for drug control activities, which shall be obligated within 120 days of the date of the enactment of this Act: Provided, That, up to 49 percent, to remain available until September 30, 2007, may be transferred to Federal agencies and departments at a rate to be determined by the Director, of which not less than $2,000,000 shall be used for auditing services and associated activities, and at a rate to be determined by the Director, of which not less than $2,000,000 shall be used to develop and implement a data collection system to measure the performance of the High Intensity Drug Trafficking Areas program: Provided further, That High Intensity Drug Trafficking Areas programs designated as of September 30, 2005, shall be funded at no less than the fiscal year 2005 initial allocation levels unless the Director submits to the Committees on Appropriations, and the Committees approve, justification for changes in those levels based on clearly articulated priorities for the High Intensity Drug Trafficking Areas program, and the published Office of National Drug Control Policy performance measures of effectiveness: Provided further, That a request shall be submitted in conformance with the applicable guidelines to the Committees on Appropriations for approval prior to the obligation of funds of an
For necessary expenses to support a national anti-drug campaign, there may be transferred to the Drug Enforcement Agency (DEA) pursuant to section 102 of the Federal assets, and, upon request of the DEA, to the Drug Enforcement Administration Consolidation, $127,600,000.

For expenses necessary to support the Consumer Product Safety Commission, $325,000, but at rates for individuals not to exceed the per diem rate equivalent to the maximum rate payable under 5 U.S.C. 5714, purchase of nominal awards to recognize non-Federal officials’ contributions to Commission activities, and not to exceed $500 for official reception expenses of the Commission, $2,900,000 shall be available for coordination with the Administrator of the Environmental Protection Agency in the Agency’s study pursuant to H.R. 2361, as passed by the Senate in the first session of the 109th Congress, to assess safety risks to both persons and the environment with regard to small engines, as required in section 5 of the Public Health Service Act; $2,800,000 shall be transferred to the National Institute of Standards and Technology for electronics reliability and safety risk assessments involving, among other things, operator burn, fire due to contact with flammable items, and refueling.

For necessary expenses to carry out the Help America Vote Act of 2002, $14,200,000, of which $2,000,000 shall be transferred to the National Institute of Standards and Technology for election reform activities authorized under the Help America Vote Act of 2002.

For necessary expenses of the Office of Inspector General, $5,941,000: Provided, That advances or retransfers of funds or fees authorized by section 502 of the Rehabilitation Act of 1973, as amended, $5,941,000: Provided, That, notwithstanding any other provision of law, there may be credited to this appropriation funds received for publications and training expenses.

For expenses necessary to carry out the provisions of the Inspector General Act of 1978, as amended, $31,009,000, to be derived from the Bank Insurance Fund, the Savings Association Insurance Fund, and the Resolution Fund.

For necessary expenses to carry out the provisions of the Federal Election Campaign Act of 1971, as amended, $54,700,000, of which not more than $4,700,000 shall be available for internal automated data processing systems, and of which not to exceed $5,000 shall be available for reception and representation expenses.

For necessary expenses to carry out the provisions of the Inspector General Act of 1978, as amended, $2,900,000 shall be available for coordination with the Administrator of the Environmental Protection Agency in the Agency’s study pursuant to H.R. 2361, as passed by the Senate in the first session of the 109th Congress, to assess safety risks to both persons and the environment with regard to small engines, as required in section 5 of the Public Health Service Act; $2,800,000 shall be transferred to the National Institute of Standards and Technology for electronics reliability and safety risk assessments involving, among other things, operator burn, fire due to contact with flammable items, and refueling.

For necessary expenses to carry out the provisions of the Inspector General Act of 1978, as amended, $31,009,000, to be derived from the Bank Insurance Fund, the Savings Association Insurance Fund, and the Resolution Fund.

For necessary expenses to carry out the provisions of the Inspector General Act of 1978, as amended, $2,900,000 shall be available for coordination with the Administrator of the Environmental Protection Agency in the Agency’s study pursuant to H.R. 2361, as passed by the Senate in the first session of the 109th Congress, to assess safety risks to both persons and the environment with regard to small engines, as required in section 5 of the Public Health Service Act; $2,800,000 shall be transferred to the National Institute of Standards and Technology for electronics reliability and safety risk assessments involving, among other things, operator burn, fire due to contact with flammable items, and refueling.
New York: Champlain, Border Station, $52,510,000. Massena, Border Station, $49,783,000. Texas: Austin, United States Courthouse, $3,000,000. Washington: Blaine, Peace Arch Border Station, $46,531,000.

Material Price Increases for the following existing projects: U.S. Mission to the United Nations, New York City, New York; FBI Office, Houston, Texas; Broker Station, Del Rio, Texas; United States Courthouse, Cape Girardeau, Missouri; United States Courthouse, El Paso, Texas; Border Station, El Paso, Texas; and United States Courthouse, Las Cruces, New Mexico, $6,789,000.

Non-prospectus Construction, $9,500,000.

Provided: That each of the foregoing limits of costs of projects of Construction projects may be exceeded to the extent that savings are effected in other such projects, but not to exceed 10 percent of the amounts included in an approved prospectus, if required, unless advance approval is obtained from the Committees on Appropriations of a greater amount: Provided further, That all funds for direct construction projects shall expire on September 30, 2007 and remain in the Federal Buildings Fund except for funds for projects as to which funds for design or other funds have been obligated in whole or in part prior to such date; (2) $861,376,000 shall remain available until expended; (3) $168,180,000 for installment acquisitions prospectus projects shall expire on September 30, 2007 and remain in the Federal Buildings Fund prospectus projects shall expire on September 30, 2007 and remain in the Federal Buildings Fund except for funds for projects as to which funds for design or other funds have been obligated in whole or in part prior to such date; (4) $4,046,031,000 for rental of space which shall remain available until expended; and (5) $1,885,102,000 for building operations which shall remain available until expended: Provided further, That funds available to the General Services Administration shall not be available for expenses of any construction, repair, alteration and acquisition project for which a prospectus, if required by the Public Buildings Act of 1956, has not been approved, except that necessary funds may be expended for each project for required expenses for the development of a proposed prospectus: Provided further, That the amount provided in this or any prior Act for Basic Repairs and Alterations may be used to pay claims against the Government arising from any projects under the heading “Repairs and Alterations” or used to fund authorized increases in prospectus projects; for a whole or in part prior to such date; Provided further, That the amount provided in this or any prior Act for Basic Repairs and Alterations may be expended in whole or in part prior to such date.

For carrying out the provisions of the Act of August 25, 1958, as amended (3 U.S.C. 102 note), Public Law 90-446, as provided, That the Administrator of General Services shall transfer to the Secretary of the Treasury such sums as may be necessary to carry out the provisions of such Act.

Federal Citizen Information Center Fund

SEC. 602. Funds available to the General Services Administration for the Fiscal Year 2006.

The purpose of the Federal Buildings Fund made available for fiscal year 2006 for General Buildings Projects may be transferred between such activities only to the extent necessary to meet program requirements.

Provided, That any proposed transfers shall be approved in advance by the Committees on Appropriations.

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OFFICE OF INSPECTOR GENERAL

SEC. 104. For necessary expenses of the Office of Inspector General of the General Services Administration for the fiscal year 2006, $7,500,000: Provided, That not to exceed $7,500 shall be available for information and education and training of employees of the Office to combat fraud, waste, and abuse.

SEC. 105. For necessary expenses of the Office of Inspector General of the General Services Administration for the fiscal year 2006, $7,500,000: Provided, That not to exceed $7,500 shall be available for the development and operation of the Office of Inspector General.

United States Courthouse construction that: (1) does not meet the design guide standards for construction as established and approved by the General Services Administration, the Judicial Conference of the United States, and the Office of Management and Budget; and (2) does not reflect the priorities of the Judicial Conference of the United States as set out in its approved 5-year capital plan for construction, as amended. Provided, That no less than 23 percent of all subcontracted dollars shall be obligated through the Federal Buildings Fund, to any agency that does not pay the rate per square foot assessment for space and services as defined by the General Services Administration in compliance with the Public Buildings Amendments Act of 1972 (Public Law 92–213).

SEC. 606. From funds made available under the heading “Federal Buildings Fund, Limitations on Availability of Revenue”, claims against the Government of less than $250,000 arising from direct construction projects and acquisitions, or obligations may be liquidated from savings realized in other construction projects with prior notification to the Committees on Appropriations through an operating plan change.

SEC. 607. The General Services Administration shall conduct a program to promote the use of stairs in all Federal buildings.

SEC. 608. No Funds shall be used by the General Services Administration to reorganize its organizational structure without approval by the House and Senate Committees on Appropriations.

SEC. 609. In the case of any General Services Administration project subject to its published design criteria or specifications of any solicitation for offers issued for construction of a Federal building or courthouse and to the extent GSA utilizes, references or relies on any sustainable building rating systems that award credit for certified wood products, GSA shall ensure credit for its procedures and requirements to any project that uses wood or wood products certified by a credible third party sustainable forest certification program, including the Sustainable Forestry Initiative and the Forest Stewardship Council.

SEC. 610. For purposes of the eTravel system, no less than 23 percent of all subcontracted dollars shall be allocated to small businesses.

MERIT SYSTEMS PROTECTION BOARD

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses to carry out functions of the Merit Systems Protection Board pursuant to the Civil Service Reform Act of 1978, and the Whistleblower Protection Act of 1989 (5 U.S.C. 5509 note), as amended, including services as authorized by 5 U.S.C. 1557 (including maintenance of conference rooms in the District of Columbia and elsewhere), hire of passenger motor vehicles, direct procurement of survey printing, and not to exceed $2,000,000 for official reception and representation expenses, $23,600,000 together with not to exceed $2,605,000 for administrative expenses to adjudicate retirement appeals to be transferred from the Civil Service Retirement and Disability Fund in amounts determined by the Merit Systems Protection Board.

MORRIS K. UDALL SCHOLARSHIP AND EXCELLENCE IN NATIONAL ENVIRONMENTAL POLICY FOUNDATION

MORRIS K. UDALL SCHOLARSHIP AND EXCELLENCE IN NATIONAL ENVIRONMENTAL POLICY TRUST FUND

(INCLUDING TRANSFER OF FUNDS)

For payment to the Morris K. Udall Scholarship and Excellence in National Environmental Policy Foundation the Morris K. Udall Scholarship and Excellence in National Environmental and Native American Public Policy Act of 1992 (20 U.S.C. 5601 et seq.), $2,000,000, of which up to $50,000 shall be used to conduct financial audits pursuant to the Accountability of Tax Dollars Act of 2002 (Public Law 107–289) notwithstanding the provisions of Public Law 102–259: Provided, That up to 60 percent of such funds may be transferred by the Morris K. Udall Scholarship and Excellence in National Environmental Policy Foundation for the necessary expenses of the Native Nations Institute.

ENVIRONMENTAL DISPUTE RESOLUTION FUND

For payment to the Environmental Dispute Resolution Fund to carry out activities authorized in the Environmental Protection and Federal Courts Act of 1998, $1,900,000, to remain available until expended.

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION

OPERATING EXPENSES

For necessary expenses in connection with the administration of the National Archives and Records Administration (including the Information Security Oversight Office) and archived Federal records and related activities, as provided by law, and for expenses necessary for the review and declassification of documents, and for hire of passenger motor vehicles, $283,045,000: Provided, That the Archivist of the United States is authorized to use any excess funds available from the amount borrowed for construction of the National Archives building facility, for expenses necessary to provide adequate storage for holdings: Provided further, That of the funds provided in this paragraph, $2,000,000 shall be for initial move of records, staffing, and operations of the Neon Library.

ELECTRONIC RECORDS ARCHIVES

For necessary expenses in connection with the development of an electronic records archives to include all direct project costs associated with research, analysis, design, development, and program management, $37,914,000, of which $22,000,000 shall be available until expended until September 30, 2008: Provided, That none of the multi-year funds may be obligated until the National Archives and Records Administration submits a plan to the Committees on Appropriations, and such Committees approve, a plan for expenditure that: (1) meets the capital planning and investment control review requirements established by the Office of Management and Budget, including Circular A–11; (2) complies with the National Archives and Records Administration’s enterprise architecture; (3) conforms with the National Archives and Records Administration’s enterprise life cycle methodology; (4) is approved by the National Archives and Records Administration and the Office of Management and Budget; (5) is reviewed by the Government Accountability Office; and (6) complies with the acquisition rules, requirements, guidelines, and systems acquisition management practices of the Federal Government.

REPAIRS AND RESTORATION

For the repair, alteration, and improvement of archives facilities, and to provide adequate storage for records that are not otherwise available, $1,500,000, of which $1,500,000 is to be used for repairs to areas of the GSA building at the National Archives Building, and $1,000,000 is for the repair and restoration of the National Archives Building at the National Archives Building, and of which $50,000 shall be available only for projects to: (1) stability and security; (2) envelope; (3) interior; (4) mechanical and electrical systems; (5) preservation of records; and (6) interior; and not to exceed $1,500,000 for official reception and representation expenses, $1,194,000.

COMMUNITY DEVELOPMENT REVOLVING LOAN FUND

For the Community Development Revolving Loan Fund program as authorized by 42 U.S.C. 9821, 9822 and 9910, $950,000 shall be available until September 30, 2007 for technical assistance to low-income designated credit unions, and amounts of principal and interest on loans repaid shall be available until expended for low-income designated credit unions.

NATIONAL TRANSPORTATION SAFETY BOARD

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses of the National Transportation Safety Board, including hire of passenger motor vehicles and aircraft; services as authorized by 5 U.S.C. 3108, but at rates for individuals not to exceed those paid for services as authorized by 5 U.S.C. 3109, rental of conference rooms in the District of Columbia and elsewhere, hire of passenger motor vehicles, $11,148,000.

NEIGHBORHOOD REINVESTMENT CORPORATION

PAYMENT TO THE NEIGHBORHOOD REINVESTMENT CORPORATION

For payment to the Neighborhood Reinvestment Corporation for use in neighborhood reinvestment activities, as authorized by the Neighborhood Reinvestment Corporation Act (42 U.S.C. 8101–8107), $118,000,000, of which $5,000,000 shall be for a multi-family rental housing program.

OFFICE OF GOVERNMENT ETHICS

SALARIES AND EXPENSES

For necessary expenses to carry out functions of the Office of Government Ethics pursuant to the Ethics in Government Act of 1978, as amended, and the Ethics Reform Act of 1989, including services as authorized by 5 U.S.C. 3108, $3,131,000, of which not to exceed $3,000,000 shall be for periodic ethics training and $118,000, of which $5,000,000 shall be for a multi-family rental housing program.

NATIONAL HISTORICAL PUBLICATIONS AND RECORDS ADMINISTRATION

GRANTS PROGRAM

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses for allocations and grants for historical publications and records as authorized by 44 U.S.C. 2504, as amended, $7,500,000, to remain available until expended: Provided, That of the funds provided in this paragraph, $2,000,000 shall be transferred to the operating expenses account for operating expenses of the National Historical Publications and Records Administration.

NATIONAL CREDIT UNION ADMINISTRATION

CENTRAL LIQUIDITY FACILITY

During fiscal year 2006, gross obligations of the Central Liquidity Facility for the principal and interest on new direct obligations of credit unions, as authorized by 12 U.S.C. 1759 et seq., shall not exceed $1,500,000: Provided, That administrative expenses of the Central Liquidity Facility in fiscal year 2006 shall not exceed $323,000.
OFFICE OF PERSONNEL MANAGEMENT
SALARIES AND EXPENSES

(INCLUDING TRANSFER OF TRUST FUNDS)

For necessary expenses to carry out functions of the Office of Personnel Management pursuant to Reorganization Plan Number 2 of 1978 and the Civil Service Reform Act of 1978, including salaries as authorized by 5 U.S.C. 3109; medical examinations performed for veterans by private physicians on a fee basis; rental of conference rooms in the District of Columbia and elsewhere; hire of passenger motor vehicles, not to exceed $2,500 for official reception and representation expenses; advances for reimbursements of employees of the Office of Special Counsel, the Office of Personnel Management, and the Federal Bureau of Investigation for expenses incurred under Executive Order No. 10422 of January 9, 1953, as amended; and for the payment of per diem and/or subsistence allowances to employees where Voting Rights Act activities require an employee to remain overnight at his or her post of duty, $122,521,000, of which $6,983,000 shall remain available until expended for the Enterprise Human Resources Integration project; $1,450,000 shall remain available until expended for the Human Resources Business Innovation project; $500,000 shall remain available until expended for the E-Training project; and $1,412,000 shall remain available until expended until September 30, 2006, for the implementation and administration of section 210(f) of the Act, as amended; and payment of fees and expenses for witnesses, rental of conference rooms in the District of Columbia and elsewhere, and hire of passenger vehicles: Provided, That during the fiscal year 2006, accept donations of money, property, and personal services: Provided, That the provisions of this appropriation shall not affect the authority to expend trust funds as provided by sections 834(b)(1)(B), and 9004(f)(2)(A) of title 5, United States Code: Provided further, That no part of this appropriation shall be available to the Legal Examining Unit of the Office of Personnel Management: Provided further, That no part of this appropriation shall be available for salaries and expenses of the Office of Special Counsel pursuant to Reorganization Plan Number 2 of 1978, the Civil Service Reform Act of 1978 (Public Law 95-444), as amended; the Civil Service Retirement and Disability Fund Act of 1989 (Public Law 101–12), as amended, Public Law 107–304, and the Uniformed Services Employment and Reemployment Rights Act of 1994 (Public Law 103–333), including services as authorized by 5 U.S.C. 3109, payment of fees and expenses for witnesses, rental of conference rooms in the District of Columbia and elsewhere, and hire of passenger vehicles: Provided, That none of the funds appropriated in this Act shall remain available for obligation beyond the current fiscal year, or may be transferred to other appropriations, unless expressly so provided herein.

SALARIES AND EXPENSES

For necessary expenses, including payment of salaries, authorized travel, hire of passenger motor vehicles, the rental of conference rooms, and the employment of experts and consultants under section 3019 of title 5, United States Code, of the United States Interagency Council on Homelessness in carrying out the functions pursuant to section 10 of the McKinney-Vento Homeless Assistance Act, as amended, $1,890,000.

For payment of expenses necessary for the operation of the United States Postal Service, $32,150,000, of which $28,900,000 shall be available for obligation until October 1, 2006: Provided, That none of the funds appropriated in this Act shall be available for the planning or execution of any consulting service that would prohibit the enforcement of section 10c, popularly known as the "Buy American Act".

For payment of the Postal Service Fund for revenue forgone on free and reduced rate mail pursuant to subsections (c) and (d) of section 2401 of title 39, United States Code, $16,550,000, of which $73,000,000 shall be available for obligation until October 1, 2006: Provided, That none of the funds appropriated in this Act shall be available for the planning or execution of any consulting service that would prohibit the enforcement of section 10c, popularly known as the "Buy American Act".

For payment of expenses necessary for the operation of the United States Postal Service, $16,000,000, of which $12,000,000 shall be available for obligation until October 1, 2006: Provided, That none of the funds appropriated in this Act shall be available for the planning or execution of any consulting service that would prohibit the enforcement of section 10c, popularly known as the "Buy American Act".

For necessary expenses, including contract reporting and other services as authorized by 5 U.S.C. 3109, $47,998,000: Provided, That none of the funds appropriated in this Act shall be used to consolidate or close small rural and other small post offices in fiscal year 2006.

SALARIES AND EXPENSES

For payment of Government contributions with respect to employees retiring after December 31, 1994, under title 5, United States Code, such sums as may be necessary.

PENALTY TO CIVIL SERVICE RETIREMENT AND DISABILITY FUNDS

For necessary expenses for the purposes of section 202 of the Civil Service Retirement and Disability Fund Act (74 Stat. 849), as amended, such sums as may be necessary.

GOVERNMENT PAYMENT FOR ANNUITANTS, EMPLOYEE LIFE INSURANCE

For payment of Government contributions with respect to employees retiring after December 31, 1994, under title 5, United States Code, such sums as may be necessary.

For necessary expenses for the purposes of section 202 of the Civil Service Retirement and Disability Fund Act (74 Stat. 849), as amended, such sums as may be necessary.
SEC. 710. Except as otherwise provided in this Act, none of the funds provided in this Act, provided to any agencies or entities funded in this Act that remain available for obligation or expenditure in fiscal year 2005 and are not provided from any account in the Treasury derived from the collection of fees and available to the agencies funded by this Act, shall be available for obligation or expenditure in fiscal year 2006, except that: (1) a program, projects, or activities in excess of $5,000,000 or 10 percent, whichever is less; (6) reduces existing programs, projects, or activities by $5,000,000 or 10 percent, whichever is less; or (7) creates, reorganizes, or restructures a branch, division, office, bureau, board, commission, agency, administration, or department different from the budget justifications submitted to the Committees on Appropriations or the statement accompanying the statement of the managers accompanying this Act, whichever is more detailed and is before the House and Senate Committees on Appropriations:

Provided: That not later than 60 days after the date of enactment of this Act, each agency providing funds under this Act shall submit a report to the Committees on Appropriations of the Senate and of the House of Representatives to establish the baseline for application of reprogramming and rescissions authorities for the current fiscal year:

Provided, Further, That the report shall include: (1) a table for each appropriation with a separate column to display the President's adjustments submitted by Congress, adjustments due to enacted rescissions, if appropriate, and the fiscal year enacted level; (2) a delineation in the table for each appropriation both by object class and program, project, and activity as detailed in the budget appendix for the respective appropriation; and (3) an identification of items of special congressional interest: Provided further, That the amount appropriated or limited for salaries and expenses for an agency shall be reduced by $100,000 per day for each day after the required date that the report has not been submitted to the Congress.

SEC. 711. Except as otherwise specifically provided in this Act, funds made available in this Act, provided to any agencies or entities funded in this Act that remain available for obligation or expenditure in fiscal year 2006 in this Act, shall remain available through September 30, 2007, for each such account for the purposes authorized: Provided, That a request shall be submitted to the Committees on Appropriations for approval prior to the expenditure of such funds: Provided further, That these requests shall be made in compliance with reprogramming guidelines.

SEC. 712. None of the funds made available in this Act may be used by the Executive Office of the President to request from the Federal Bureau of Investigation any official background investigation report on an individual except when:

(1) such individual has given his or her express written consent for such request not more than 60 days prior to the date of such request and during the same presidential administration; or

(2) such request is required due to extraordinary circumstances involving national security.

SEC. 713. The cost accounting standards promulgated under section 726 of the Civilian Agency Financial Management Improvement Act of 2001 (41 U.S.C. 422) shall not apply with respect to a contract under the Federal Employees Health Benefits Program established under chapter 89 of title 5, United States Code.

SEC. 714. For the purpose of resolving litigation agreements reached under this Act: (1) the Secretary of the Treasury, or his designee, may accept and utilize (without regard to any precluded or restricted transfer of funds made available in an Appropriations Act) funds made available to the Office pursuant to court-ordered judgments; (2) No funds appropriated by this Act shall be available to pay for an abortion, or the administrative expenses in connection with any procedure for the prevention of a pregnancy unless the health of the mother would be endangered if the fetus were carried to term, or the pregnancy is the result of an act of rape or incest.

SEC. 717. In order to promote Government access to commercial information technology, the restriction on purchasing nondomestic articles, materials, and supplies set forth in the Buy American Act (Public Law 93-186) shall not apply to the acquisition by the Federal Government of information technology (as defined in section 1101 of title 40, United States Code), that is used or transmitted as an electronic data interchange under section 212(b)(1) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(12)).

SEC. 718. None of the funds made available in this Act may be used to finalize, implement, administer, or enforce—

(1) the proposed rule relating to the determination that real estate brokerage is an activity that is financial in nature or incidental to a financial activity published in the Federal Register on January 3, 2001 (66 Fed. Reg. 307 et seq.); or

(2) the revision proposed in such rule to section 1501.2 of title 12 of the Code of Federal Regulations.

SEC. 719. All Federal agencies and departments that are funded under this Act shall issue a report to the House and Senate Committees on Appropriations on all sole source contracts by no later than July 31, 2006. Such report shall include the contractor, the amount of the contract and the rationale for using a sole source contract.

SEC. 720. The Secretary of the Treasury may transfer funds from amounts appropriated under title II of this Act for any costs necessary to pay for both career and non-career senior executive service members of the Treasury, until spent: Provided, That the Secretary of the Treasury shall review all expenditures related to such contract.


SEC. 722. The Secretary of the Treasury may make a special emergency appropriation to the Disaster Relief Trust Fund to reimburse the United States Secret Service for costs of protecting the Secretary of the Treasury: Provided, That the United States Secret Service is required to provide the Treasury with a detailed, itemized list of expenses associated with such protection: Provided further, That the Comptroller General shall review all expenditures related to such protection and shall determine if each expense is reasonable and unavoidable cost of this protection: Provided further, That the reimbursable expenses shall be subject to a memorandum of understanding between the Department of the Treasury and the United States Secret Service.


SEC. 724. (a) In General.—None of the funds appropriated or made available from any account in this Act may be used by the Secretary of the Treasury to enter into a contract with any foreign incorporated entity which is treated as an inserted domestic corporation under section 845(b) of the Homeland Security Act of 2002 (6 U.S.C. 395(b)) or any subsidiary of such an entity.

(b) Waivers.—(1) In General.—Any Secretary shall waive subsection (a) with respect to any Federal Government contract under the authority of such Secretary if the Secretary determines that the waiver is in the interest of national security.

(2) Report to Congress.—Any Secretary using a waiver under paragraph (1) shall report such issuance to Congress.

(c) Exception.—This section shall not apply to any Federal Government contract entered into before the date of the enactment of this Act, or to any task order issued pursuant to such contract.

SEC. 725. From funds made available in this Act under the headings “White House Office,” “Executive Residence at the White House,” “White House Repair and Restoration,” “Council of Economic Advisors,” “National Security Council,” “Office of Policy Development,” “Special Assistance to the President,” “Official Residence of the Vice President,” “the Director of the Office of Management and Budget,” or any such other position as the President may designate in writing), may, fifteen days after giving notice to the House and Senate Committees on Appropriations, transfer not to exceed 10 percent of any such appropriation to any other such appropriation, to be merged with and available for the same time and for the same purposes as the appropriation to which transferred: Provided, That any amount of an appropriation shall not be increased by more than 50 percent by such transfers: Provided further, That no funds transferred from “Special Assistance to the President” or “Official Residence of the Vice President” without the approval of the Vice President.

SEC. 726. No funds in this Act may be used by any Federal, State, or local projects that seek to use the power of eminent domain, unless eminent domain is employed only for a public use: Provided, That for purposes of this section, public use shall not be construed to include economic development that primarily benefits private entities: Provided further, That any use of funds for mass transit, railroad, airport, seaport or highway projects as well as utility projects which benefit or serve the general public (including energy-related, communication-related, water-related and wastewater-related infrastructure), other structures designated for use by the public which or have other public functions that serve the general public and are subject to oversight and oversight by the government, and projects for the removal of an immediate threat to health and safety which are defined in the Small Business Liability Relief and Brownfields Revitalization Act (Public Law 107-118) shall be considered a public use for purposes of this section: Provided further, That any funds provided for special assistance to the President or the Secretary of the Treasury to conduct investigations or audits authorized by section 721.
Administration, organizations representing State and local governments, and property rights organizations, shall conduct a study to be submitted to the Congress within 12 months of the enactment of this Act and on the national level of eminence of dominion, including the procedures used and the results accomplished on a state-by-state basis as well as the impact on individual property owners and on the affected communities.

TITLE VIII
GENERAL PROVISIONS GOVERNMENT-WIDE
DEPARTMENTS, AGENCIES, AND CORPORATIONS

SEC. 801. Funds appropriated in this or any other Act may be used to pay travel to the United States for the immediate family of employees serving abroad in cases of death or life threatening illness of employee.

SEC. 802. No department, agency, or instrumentality of the United States receiving appropriated funds under this Act for fiscal year 2006 shall obligate or expend any such funds, unless such department, agency or instrumentality has in place, and will continue to administer in good faith, a written policy designed to ensure that all of its workplaces are free from the illegal use, possession, or distribution of controlled substances (as defined in the Controlled Substances Act (21 U.S.C. 802)) by the employees and employees of such department, agency, or instrumentality.

SEC. 803. Unless otherwise specifically provided, the amount allowable during the current fiscal year in accordance with section 16 of the Act of August 2, 1946 (60 Stat. 810), for the purchase of any passenger motor vehicles, including parts and supplies, law enforcement, and undercover surveillance vehicles, is hereby fixed at $8,100 except station wagons for which the maximum shall be $9,100: Provided, That no Federal agency may be required to contract for an automobile not to exceed $3,700 for police-type vehicles, and by not to exceed $4,000 for special heavy-duty vehicles: Provided further, That the limits set forth in this section may not be exceeded by more than 5 percent for electric or hybrid vehicles purchased for demonstration under the provisions of the Electric and Hybrid Vehicle Research, Development, and Demonstration Act of 1976: Provided further, That the limits set forth in this section may be exceeded by the incremental cost of clean alternative fuels vehicles acquired under Public Law 103-325, the cost of comparable conventionally fueled vehicles.

SEC. 804. Appropriations of the executive departments and independent establishments for the current fiscal year available for expenses of travel, or for the expenses of the activity concerned, available for quarters and independent establishments for quarters and independent establishments for the current fiscal year, no part of any appropriation contained in this or any other Act shall be used to pay the compensation of any officer or employee of the Government of the United States who is not in the executive branch to which the appropriation is made, or in the United States unless such person: (1) is a citizen of the United States, (2) resides in the United States at the date of the enactment of this Act who, being eligible for citizenship, has filed a declaration of intention to become a citizen of the United States prior to such date and is actually residing in the United States; (3) is a person who owes allegiance to the United States; (4) is an alien lawfully admitted, South Vietnam, or Laos; (5) is a South Vietnamese or Laotian refugee who has been admitted to the United States after January 1, 1975; or (6) is a national of the People’s Republic of China who qualifies for adjustment of status pursuant to the Chinese Student Protection Act of 1992 (Public Law 102-404): Provided, That for the purpose of this section, an affidavit signed by an officer of an entry or (6) is a national of the People’s Republic of China, or (6) is a national of the People’s Republic of China, on such form as the Secretary of Homeland Security may by regulation prescribe, is sufficient evidence that the requirements of this section with respect to his or her status have been complied with: Provided further, That any person making a false affidavit shall be guilty of a felony, and, upon conviction, shall be fined no more than $4,000 or imprisoned for not more than 1 year, or both: Provided further, That the above penalties shall be in addition to, and not in substitution for, any other provisions of existing law: Provided further, That any payment made to any officer or employee contrary to the provisions of this Act shall be recoverable in action by the Federal Government. This section shall not apply to citizens of Ireland, Israel, or the Republic of the Philippines, or to nationals of those countries allied with the United States in a current defense effort, or to international broadcasters employed by the United States Information Agency, or to temporary employment of translators, or to temporary employment in the field service (not to exceed 60 days) as a result of emergencies.

SEC. 805. Appropriations available for any department or agency of the current fiscal year for necessary expenses, including maintenance and operating expenses, shall also be available for law enforcement. The Administrator shall make available for charges for space and services and those expenses of renovation and alteration of buildings and facilities which constitute public buildings and improvements in accordance with the Public Buildings Act of 1959 (73 Stat. 749), the Public Buildings Amendments of 1972 (87 Stat. 216), or other applicable law.

SEC. 806. In any fiscal year funds provided in this or any other Act, all Federal agencies are authorized to receive and use funds resulting from the sale of materials, including Federal records, that are disposed of and sold as a result of prohibition or recovery through recycling or waste prevention programs. Such funds shall be available until expended for the following purposes: (A) Acquisition, waste reduction and prevention, and recycling programs as described in Executive Order No. 13101 (September 14, 1998), including any such programs adopted prior to the effective date of the Executive order.

SEC. 807. In any fiscal year funds provided in this or any other Act, all Federal agencies are authorized to receive and use funds from the sale of materials, including Federal records, that are disposed of and sold as a result of prohibition or recovery through recycling or waste prevention programs. Such funds shall be available until expended for the following purposes:

SEC. 808. Funds made available by this or any other Act for administrative expenses in the current fiscal year of the corporations and agencies subject to chapter 91 of title 31, United States Code, shall be available, in addition to objects for which such funds are otherwise available, to reimburse expenses incurred in accordance with § 5 U.S.C. 3109 and the objects specified under this head, all the provisions of which shall be applicable to the expenditure of such funds except the provisions which prohibit the use of funds otherwise made available to such Federal agencies in the amount that exceeds the rate payable for the applicable grade and step of the applicable wage schedule in accordance with such section; and

SEC. 809. In any fiscal year funds provided in this or any other Act for administrative expenses in the current fiscal year of the corporations and agencies subject to chapter 91 of title 31, United States Code, shall be available, in addition to objects for which such funds are otherwise available, to reimburse expenses incurred in accordance with § 5 U.S.C. 3109 and the objects specified under this head, all the provisions of which shall be applicable to the expenditure of such funds except the provisions which prohibit the use of funds otherwise made available to such Federal agencies in the amount that exceeds the rate payable for the applicable grade and step of the applicable wage schedule in accordance with such section; and

SEC. 810. No part of any appropriation contained in this or any other Act shall be paid to any person for the filing of any position for which he or she has been nominated not to approve the nomination of said person.

SEC. 811. None of the funds made available pursuant to the provisions of this Act shall be used to implement, administer, or enforce any requirement or limitation on the basis of a rate of salary or basic pay, the rate
of salary or basic pay payable after the application of this section shall be treated as the rate of salary or basic pay.

(g) Nothing in this section shall be considered to permit the payment to any Federal employee covered by this section at a rate in excess of the rate that would be payable were this section not in effect.

(h) The Office of Personnel Management may provide for exceptions to the limitations imposed by this section if the Office determines that such exceptions are necessary to ensure the recruitment and retention of qualified employees.

SEC. 814. During the period in which the head of any department or agency, or any other officer or employee of the Government appointed by the President of the United States, holds office, no funds may be obligated or expended in excess of $5,000 to furnish or redecorate the office of such department, agency, head, officer, or employee, or to purchase furniture or make improvements for any such office, unless advance notice of such furnishing or redecoration is expressly approved by the Committees on Appropriations. For the purposes of this section, the term “office” shall include the entire suite of offices assigned to the individual, as well as the real property, the Federal Buil the individual or the use of which is directly controlled by the individual.

SEC. 815. Notwithstanding section 1346 of title 31, United States Code, or section 809 of this Act, funds made available for the current fiscal year by this or any other Act shall be available for the interagency funding of national security and non-military purpose intelligence activities that benefit multiple Federal departments, agencies, or entities, as provided by Executive Order No. 12472 (April 3, 1980).

SEC. 816. (a) None of the funds appropriated by this or any other Act may be obligated or expended by any Federal department, agency, or other instrumentality employing the Schedule C appointee that the Schedule C position was not created solely or primarily in order to detail the employee to the White House.

(b) The provisions of this section shall not apply to Federal employees or members of the armed services detailed to or from—

(1) the Office of the President;
(2) the National Security Agency;
(3) the Defense Intelligence Agency;
(4) the offices within the Department of Defense for the collection of specialized national foreign intelligence through reconnaissance programs;
(5) the Bureau of Intelligence and Research of the Department of State;
(6) any agency, office, or unit of the Army, Navy, Air Force, and Marine Corps, the Department of Energy, the Federal Bureau of Investigation and the Drug Enforcement Administration of the Department of Justice, the Department of Transportation, the Department of Health and Human Services, the Department of Energy performing intelligence functions; and
(7) the Director of National Intelligence or the Office of the Director of National Intelligence.

SEC. 817. Except as provided in paragraphs (c) and (f) of this section, Secretary of the Army, Secretary of the Navy, Secretary of the Air Force, and Secretary of the Department of Energy, or instrumentality of the United States receiving appropriated funds under this or any other Act for the current fiscal year shall obligate or expend any funds under a leave system, an employee retirement system, or any other program designed to provide for a Federal employee the continuation of any salary or other compensation, or service-related benefits, paid by the Federal Government when the employee is on leave in the case of an employee not under a leave system, an employee retirement system, or any other program, and for the preparation, distribution or use of names, telephone lists to any person or any organization outside of the United States without the approval of the Committees on Appropriations.

SEC. 827. Notwithstanding 31 U.S.C. 1346 and section 102 of title 5, United States Code, any other Act may be used for the payment of the salary of any officer or employee of the Government, or for the preparation, distribution or use of names, telephone lists to any person or any organization outside of the United States without the approval of the Committees on Appropriations.

SEC. 828. No part of any appropriation contained in this or any other Act shall be used by an agency for the interagency funding of national security and non-military purpose intelligence activities that benefit multiple Federal departments, agencies, or entities, as provided by Executive Order No. 12472 (April 3, 1980).

SEC. 829. None of the funds available under this or any other Act shall be used by any Federal employee or office, or to furnish or redecorate the office of such department, agency, head, officer, or employee, or to purchase furniture or make improvements for any such office, unless advance notice of such furnishing or redecoration is expressly approved by the Committees on Appropriations.

SEC. 830. No funds appropriated in this or any other Act may be used to provide a Federal employee’s home address to any labor organization except when the employee has authorized such disclosure or when such disclosure has been ordered by a court of competent jurisdiction.

SEC. 831. None of the funds made available in this or any other Act may be used by any Federal employee or office, or to purchase any non-public information such as mailing or telephone lists to any person or any organization outside of the United States without the approval of the Committees on Appropriations.

SEC. 832. No part of any appropriation contained in this or any other Act shall be used by an agency for the collection of specialized national foreign intelligence through reconnaissance programs.

SEC. 833. None of the funds appropriated in this or any other Act may be used for the preparation, distribution or use of names, telephone lists to any person or any organization outside of the United States without the approval of the Committees on Appropriations.

SEC. 834. No part of any appropriation contained in this or any other Act shall be used by an agency for the collection of specialized national foreign intelligence through reconnaissance programs.

SEC. 835. (a) In this section the term “agency”—

(1) means an Executive agency as defined under section 105 of title 5, United States Code; (2) includes a military department as defined under section 102 of such title, the Postal Service, and the Postal Rate Commission; and

(b) Unless authorized in accordance with law or regulations to use such time for other purposes, any employee of an agency shall use official time in an honest effort to perform official duties. An employee not under a leave system, including a President, or any other authorized under section 6301(d) of title 5, United States Code, has an obligation to expend an honest effort and a reasonable proportion of such employee’s time in the performance of official duties.

SEC. 836. Notwithstanding section 13 U.S.C. 1346 and section 410 of this Act, funds made available for the purposes of this Act shall be transferred to any office, department, or agency of the United States to any department or agency, which is a member of the Federal Accounting Standards Advisory Board (FASAB), shall be available to finance an appropriation and the performance of the United States Code, and section 4(h) of the Subversive Activities Act of 1950 (50 U.S.C. 783(b)). The definitions, requirements, obligations, rights, sanctions, and liabilities created by said Executive order shall be interpreted and applied in accordance with this agreement and are controlling.

Provided, That notwithstanding the preceding paragraph, a nondisclosure policy or form or agreement that is provided by a person with the conduct of an intelligence or intelligence-related activity, other than an employee or officer of the United States Government, may contain provisions appropriate to the particular activity for which such document is to be used. Such form or agreement shall, at a minimum, require that the person will not disclose any classified information received in confidence unless specifically authorized to do so by the United States Government. Such nondisclosure forms shall also make it clear that they do not bar disclosures to Congress or to an authorized official of an executive agency or the Department of Justice that are essential to reporting a substantial violation of law.
with the approval of the Director of the Office of Management and Budget, funds made available for the current fiscal year by this or any other Act, including rebates from charge card and other management innovations, initiatives, and activities, as approved by the Director of the Office of Management and Budget, in consultation with appropriate interagency groups nominated by the Director (including the Chief Financial Officers Council and the Joint Financial Management Improvement Program for fund management initiatives, the Chief Information Officers Council for information technology initiatives, the Chief Human Capital Officers Council for human capital initiatives, and the Federal Capital Investment Council for capital investment initiatives). The total funds transferred or reimbursed shall not exceed $10,000,000. Such transfers or reimbursements may only be made to a governmental entity whose access to or use of any non-Federal data, derived from any means, that includes any personally identifiable information is limited to providing the Internet site services or to the governmental operations and agency mission. The Director of the Office of Management and Budget shall provide a report describing the budget and of resources connected with the National Science and Technology Council to the Committee on Science, and the Senate Committee on Commerce, Science, and Transportation 90 days after enactment of this Act.

Consideration for proposals, solicitation, grant application, form, notification, press release, or other publications involving the distribution of Federal funds shall indicate the agencies involved in the Federal Government Domestic Assistance Number, as applicable, and the amount provided: Provided, That this provision shall not apply to the Department of Homeland Security.

SEC. 832. (a) PROHIBITION OF FEDERAL AGENCY MONITORING OF INDIVIDUALS’ INTERNET USE.—None of the funds made available in this or any other Act may be used by any Federal agency—

(1) to collect, review, or create any aggregation of data, including any personally identifiable information relating to an individual’s access to or use of any Federal Government Internet site of the agency;

(2) to enter into any agreement with a third party (including another government agency) to collect, review, or obtain any aggregation of data, including any personally identifiable information relating to an individual’s access to or use of any non-governmental Internet site;

(b) The limitations established in subsection (a) shall not apply to—

(1) any record of aggregate data that does not identify an individual;

(2) any voluntary submission of personally identifiable information;

(3) any action taken for law enforcement, regulatory, or supervisory purposes, in accordance with applicable law; or

(4) any action described in subsection (a)(1) that is taken by the operator of an Internet site and is incidentally incident to providing the Internet site services or to protecting the rights or property of the provider of the Internet site services.

(c) DEFINITIONS.—For the purposes of this section:

(1) The term “regulatory” means agency actions to implement, interpret or enforce authorities provided in law.

(2) The term “supervisory” means examinations conducted for the purpose of assessing safety and soundness, overall financial condition, management practices and policies and compliance with applicable standards as provided in law.

SEC. 833. (a) None of the funds appropriated by this Act may be used to enter into or renew a contract which includes a provision prescribing drug coverage, except where the contract also includes a provision for contraceptive coverage.

(b) Notwithstanding anything in law, a woman may breastfeed her child at any location in a Federal building or on Federal property, if the woman and her child are otherwise allowed to be present at the location.

SEC. 834. The Congress of the United States recognizes the United States Anti-Doping Agency (USADA) as the official anti-doping agency for Olympic, Pan American, and Paralympic sport in the United States.

SEC. 835. Notwithstanding any other provision of law, funds appropriated for official travel by Federal departments and agencies may be used by such departments and agencies, if consistent with Office of Management and Budget Circular A-126 regarding official travel for Government employees: (1) to purchase fractional aircraft ownership pilot program participation; (2) for the purposes described below, and to implement the proposed regulations of the Office of Personnel Management to add sections 301.311 through 301.316 to part 301 of title 5 of the Code of Federal Regulations in the Federal Register, volume 68, number 174, on September 9, 2003 (relating to the detail of executive branch employees to the legislative branch).

SEC. 837. (a) The head of each Federal agency shall submit a report to Congress on the amount of the acquisitions made by the agency from entities that manufactured the articles, materials, or supplies outside of the United States in that fiscal year.

(b) The report required by subsection (a) shall separately—

(1) the dollar value of any articles, materials, or supplies purchased that were manufactured outside of the United States;

(2) an itemized list of all waivers granted with respect to such articles, materials, or supplies under the Buy American Act (41 U.S.C. 10a et seq.); and

(3) a summary of the total procurement funds spent on goods manufactured in the United States versus funds spent on goods manufactured outside of the United States.

(c) The head of each Federal agency submitting a report under subsection (a) shall make the report publicly available to the maximum extent practicable.

SEC. 838. Notwithstanding any other provision of law, no executive branch agency shall purchase or receive any funds, grants, or other financial assistance, including financial assistance to other Federal agencies, except within or contiguous to existing locations, to be used for the purpose of conducting Federal law enforcement training without the advance approval of the Committees on Appropriations, except that the Federal Law Enforcement Training Center is authorized to conduct Federal law enforcement training.

SEC. 839. Notwithstanding section 1346 of title 31, United States Code, and section 809 of this Act and any other provision of law, the head of each appropriate executive department and agency shall transfer to or reimburse the Federal Aviation Administration upon the direction of the Director of the Office of Management and Budget, funds made available by this or any other Act for the purposes described below, and shall be available under this Act or any other Act.

These funds shall be administered by the Federal Aviation Administration, in consultation with the appropriate interagency groups designated by the Director and shall be used to ensure the uninterrupted, continuous operation of the Midway Atoll Airfield by the Federal Aviation Administration pursuant to an operational agreement with the Department of the Interior for the entirety of fiscal year 2006 and any period thereafter that precedes the enactment of the Transportation, Treasury, Housing and Urban Development, and Related Agencies Appropriations Act, 2007. The Director of the Office of Management and Budget shall mandate the necessary transfers after determining an equitable allocation between the appropriate executive departments and agencies of the responsibility for funding the continuous operation of the Midway Atoll Airfield based on the funds available for the purpose of maintaining aviation safety, and applicability to governmental operations and agency mission. The total funds transferred or reimbursed shall be available for operation of the airfield and related capital upgrades. The Director of the Office of Management and Budget shall notify the Committees on Appropriations of such transfers or reimbursements within 15 days of this Act. Such transfers or reimbursements shall begin within 90 days of enactment of this Act.

SEC. 840. Section 4(b) of the Federal Activities Improvement Act of 1998 (Public Law 105-270) as amended by the act at the following new paragraph:

“(5) Executive agencies with fewer than 100 full-time employees as of the first day of the fiscal year ending with the fiscal year in which the fiscal year beginning on October 1, 2005, ends.”

SEC. 841. (a) No funds shall be available for transfers or reimbursements to the E-Government Initiative sponsored by the Office of Management and Budget under this Act following submission of a report to the Committees on Appropriations by the Director of the Office of Management and Budget, funds made available by this Act, and any other Act.
of Management and Budget and receipt of approval to transfer funds by the House and Senate Committees on Appropriations.

(b) The report in (a) shall detail:

(1) the amount of funds to be transferred to any department and agency by program office, bureau, or activity, as appropriate;

(2) the specific use of funds;

(3) the accessible manner in which such funds are to be used to that department or agency and each bureau or office within, which is contributing funds; and

(4) any such activities for which funds were appropriated that will not be implemented or partially implemented by the department or agency as a result of the transfer.

SEC. 842. (a) REQUIREMENT FOR PUBLIC-PRIVATE COMPETITION.—

(1) Notwithstanding any other provision of law, none of the funds appropriated by this Act or any other Act shall be available to convert to contractor performance an activity or function of an executive agency, that on or after the date of enactment of this Act, is performed by more than 10 Federal employees unless:

(A) the conversion is based on the result of a public-private competition that includes a most efficient and cost effective organization plan developed pursuant to section 2 of the Javits-Wagner-O’Day Act (41 U.S.C. 47); or

(B) the Competitive Sourcing Official determines that, over all performance periods stated in the solicitation of offers for performance of the activity or function, contractor performance by a contractor would be less costly to the executive agency by an amount that equals or exceeds the lesser of—

(i) $10,000,000.

(ii) 20 percent of gross profit margins generated by Federal employees.

(2) This paragraph shall not apply to—

(A) the Department of Defense;

(B) section 4902D of title 49, United States Code;

(C) a commercial or industrial type function that is included on the procurement list established pursuant to section 2 of the Javits-Wagner-O’Day Act (41 U.S.C. 47); or

(D) depot contracts or contracts for depot maintenance as provided in sections 2469 and 2474 of title 10, United States Code;

(3) the specific use of funds; and

(4) the conversion of work from performance by Federal employees to performance by a contractor.

(b) SEC. 844. Unless otherwise authorized by existing law, none of the funds provided in this Act or any other Act may be used by an executive branch agency to produce any prepackaged news story intended for broadcast or distribution in the United States, unless the story includes a clear notification within the text or audio of the prepackaged news story that the prepackaged news story was prepared or funded by that executive branch agency.

(c) SEC. 845. None of the funds made available in this Act may be used to convert to contractor performance an activity or function that

(D) the conversion is based on the result of a public-private competition that includes a clear notification within the text or audio of the prepackaged news story that the prepackaged news story was prepared or funded by that executive branch agency.

(d) SEC. 846. Each Executive department and agency shall establish the creditworthiness of an individual before issuing a government travel charge card. The department or agency may not issue a government travel charge card to an individual that either lacks a credit history or is found to have an unsatisfactory credit history as a result of this evaluation: Provided, That this requirement shall not preclude issuance of a restricted-use charge, debit, or stored value card made in accordance with agency procedures to:

(1) an individual with an unsatisfactory credit history, if a credit card is to be used to pay travel expenses and the agency determines there is no suitable alternative payment mechanism available before issuing the card; or

(2) an individual who lacks a credit history, if each Executive department and agency shall establish guidelines and procedures for disciplinary actions to be taken against agency personnel for improper, fraudulent, or abusive use of government charge cards, which shall include appropriate disciplinary actions for use of government charge cards at establishments, that are inconsistent with the official business of the Department or agency or with applicable standards of conduct.

SEC. 847. Except as expressly provided otherwise, any reference to this Act contained in this division shall be treated as referring only to the provisions of this division.

This division may be cited as the “Transportation, Treasury, Housing and Urban Development, the Judiciary, and Independent Agencies Appropriations Act, 2006.”

DIVISION B—THE DISTRICT OF COLUMBIA

FEDERAL FUNDS

FEDERAL PAYMENT FOR RESIDENT TUTION SUPPORT

For a Federal payment to the District of Columbia, to be deposited into a statewide account, for a nationwide program to be administered by the Mayor, for District of Columbia resident tuition support, $33,200,000, to remain available until September 30, 2007, for the purposes of paying certain District of Co-

lumbia residents to pay an amount based upon the availability of funds, to pay up to $2,500 each year at eligible public and private institutions, shall be apportioned pursuant to chapter 15 of title 31, United States Code.

FEDERAL PAYMENT TO THE DISTRICT OF COLUMBIA COURTS

For salaries and expenses of the District of Columbia Courts, $218,912,000, to be allocated as follows: for the District of Columbia Court of Appeals, $9,369,000, of which not to exceed $1,500 is for official representation expenses; for the District of Columbia Superior Court, $87,342,000, of which not to exceed $1,500 is for official representation and reception expenses; for the District of Columbia Court of Appeals, $9,198,000, of which not to exceed $1,500 is for official representation expenses; for the District of Columbia Court of Appeals, $41,643,000, of which not to exceed $1,500 is for official representation expenses; and $80,729,000, to remain available until September 30, 2007, for capital improvements for District of Columbia courthouse facilities: Provided, That notwithstanding any other provision of law, a single contract or related contracts for development of facilities may be employed which collectively include the full scope of the project: Provided further, That the solicitation and contract shall include the clause “availability of Funds” found at 48 CFR 22.232-18: Provided further, That funds made available for capital improvements shall be expended consistent with the General Services Administration master plan study and building evaluation report: Provided further, That notwithstanding any other provision of law, all amounts under this heading shall be expended consistent with the General Services Administration master plan study and building evaluation report.

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such services shall include the preparation of monthly financial reports, copies of which shall be submitted directly by GSA to the President and to the Committees on Appropriations of the House and Senate; and the Committee on Government Reform of the House of Representatives, and the Committee on Governmental Affairs of the Senate; Provided further, That the funds provided under this heading shall be administered by the Joint Committee on Judicial Administration in the District of Columbia.

DEFENDER SERVICES IN DISTRICT OF COLUMBIA COURTS

For payments authorized under section 11–2604 and section 11–2605, D.C. Official Code (relating to representation provided under the District of Columbia Criminal Justice Act), payments for counsel appointed in proceedings under this heading shall be administered by the Joint Committee on Judicial Administration in the District of Columbia under chapter 23 of title 16, D.C. Official Code, or pursuant to contractual agreements to provide guardian ad litem representation or to provide such other services as are necessary to improve the quality of participation of children and adults subject to protection orders or the supervision of adults subject to protection orders or the supervision of offenders and defendants, and to the Committees on Appropriations of the House of Representatives and Senate, the District of Columbia Courts may reallocate not more than $1,000,000 provided under this heading for operations, and not more than 4 percent of the funds provided under this heading for salaries and expenses of other Federal agencies: Provided further, That the Director is authorized to accept and use gifts in the form of in-kind contributions of space and hospitality to support offender and defendant programs, and equipment and vocational training services to educate and train offenders and defendants: Provided further, That the Director shall keep accurate and detailed records of the acceptance and use of any gift or donation under the previous provision, and such records shall be made available for audit and public inspection: Provided further, That the Court Services and Offender Supervision Agency Director is authorized to accept and make payments described under this heading for space and services provided on a cost reimbursable basis: Provided further, That for this fiscal year and subsequent fiscal years, the Public Defender Service is authorized to charge fees to cover costs of materials distributed and training provided to attendees of educational events, including conferences, sponsored by the Public Defender Service, that are not otherwise required of the District of Columbia under section 2302 of title 31, United States Code, said fees shall be credited to the Public Defender Service account to be available for use without further appropriation.

FEDERAL PAYMENT TO THE DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

For a Federal payment to the District of Columbia Water and Sewer Authority, $7,000,000, to remain available until expended, to continue implementation of the Combined Sewer Overflow Long-Term Plan: Provided, That the District of Columbia Water and Sewer Authority provides a 100 percent match for this payment.

FEDERAL PAYMENT FOR THE ANACOSTIA WATERFRONT INITIATIVE

For a Federal payment to the Department of Transportation, $3,000,000, to remain available until September 30, 2007, for design and construction of a continuous pedestrian and bicycle trail system from the Potomac River to the District’s border with Maryland.

FEDERAL PAYMENT TO THE CRIMINAL JUSTICE COORDINATING COUNCIL

For a Federal payment to the Criminal Justice Coordinating Council, $1,500,000, to remain available until expended, to support initiatives related to the coordination of Federal and local criminal justice resources in the District of Columbia.

FEDERAL PAYMENT FOR TRANSPORTATION ASSISTANCE

For a Federal payment to the District of Columbia Department of Transportation, $1,000,000, to operate a downtown circular transit system.

FEDERAL PAYMENT FOR FOSTER CARE IMPROVEMENTS IN THE DISTRICT OF COLUMBIA

For a Federal payment to the District of Columbia for foster care improvements, $2,000,000 to remain available until expended: Provided, That $1,750,000 shall be for the Child and Family Services Agency, of which $1,000,000 shall be for a loan repayment program for social workers; of which $750,000 shall be for post-adoption support; and of which $300,000 shall be for a loan repayment program for the Washington Metropolitan Council of Governments, to continue a program in conjunction with the Foster and Adoptive Parents Association, to provide training and recruitment of foster parents: Provided further, That these Federal funds shall supplement and not supplant local funds for the purposes described in this Act.

FEDERAL PAYMENT TO THE OFFICE OF THE CHIEF FINANCIAL OFFICER OF THE DISTRICT OF COLUMBIA

For Federal payment to the Office of the Chief Financial Officer of the District of Columbia, $29,200,000: Provided, That these funds shall be available for the projects and in the amounts specified in the Statement of the Managers on the conference report accompanying this Act: Provided further, That each entry that receives funding under this heading shall submit to the Office of the Chief Financial Officer of the District of Columbia the CFO shall submit a comprehensive report to the Committees on Appropriations of the House of Representatives and the Senate no later than June 1, 2006.

FEDERAL PAYMENT FOR SCHOOL IMPROVEMENT PROGRAMS

For Federal payment for a school improvement program in the District of Columbia, $40,000,000, to be allocated as follows: for the District of Columbia Public Schools, $13,000,000 to be used for public schools in the District of Columbia; for the State Education Office, $13,000,000 to expand quality public charter schools in the District of Columbia, to remain available until September 30, 2007, for the Secretary of the Department of Education, $14,000,000 to provide opportunity scholarships for students in the District of Columbia in accordance with division C, title III of the District of Columbia Appropriations Act, 2004 (Public Law 108-199; 118 Stat. 126), of which up to $1,000,000 may be used to administer and fund applicable local programs.

FEDERAL PAYMENT FOR BIOTERRORISM AND FORENSICS LABORATORY

For a Federal payment to the District of Columbia, $5,000,000, to remain available until September 30, 2007, for construction of the District of Columbia National Guard Youth Challenge Program in the District of Columbia National Guard for activities under the National Guard Youth Challenge Program under section 509 of title 32, United States Code, of which not less than $4,500,000 shall be used for the construction of a bioterrorism and forensics laboratory: Provided, That the District of Columbia shall provide an additional $1,500,000 with local funds as a condition of the receipt of this Federal payment.

FEDERAL PAYMENT FOR THE NATIONAL GUARD YOUTH CHALLENGE PROGRAM

For a Federal payment for the National Guard Youth Challenge Program, $500,000: Provided, That the amount appropriated by this heading shall be transferred to the Secretary of Defense and made available to the Commanding General of the District of Columbia National Guard for activities under the National Guard Youth Challenge Program under section 509 of title 32, United States Code, of which not less than $4,500,000 shall be used for the construction of a bioterrorism and forensics laboratory: Provided, That the District of Columbia shall provide an additional $1,500,000 with local funds as a condition of the receipt of this Federal payment.

FEDERAL PAYMENT FOR MARRIAGE DEVELOPMENT AND IMPROVEMENT

For a Federal payment for marriage development and improvement in the District of Columbia, $3,000,000, to remain available until expended: Provided, That $1,750,000 shall be for the Capital Area Asset Building Corporation for the establishment of marriage development accounts in accordance with the requirements in the Fiscal Year 2003 Consolidated Appropriations Act.
SEC. 102. Appropriations in this Act shall be available for expenses of travel and for the payment of dues of organizations concerned with the work of the District of Columbia government, and no later than the end of the first quarter of fiscal year 2006, the Mayor of the District of Columbia shall submit to the Committees on Appropriations of the House of Representatives and Senate the new fiscal year 2006 revenue estimates as of the end of such quarter. These estimates shall be used in the budget request for fiscal year 2007 and any officially revised estimates at midyear shall be used for the midyear report.

SEC. 109. No sole source contract with the District of Columbia government or any agency thereof may be renewed or extended without opening that contract to the competitive bidding process as set forth in section 303 of the District of Columbia Procurement Practices Act of 1985 (D.C. Law 6-85; D.C. Official Code, section 2-393.63), except that the District of Columbia government or any agency thereof may renew or extend sole source contracts for which competition is not feasible or practical, but only if the determination as to whether to invoke the competitive bidding process has been made in accordance with duly promulgated rules and procedures and has been reviewed and certified by the Chief Financial Officer of the District of Columbia.

SEC. 110. None of the Federal funds provided in this Act may be used by the District of Columbia to provide for salaries, expenses, or other obligations issued for capital projects.

SEC. 103. There are appropriated from the Appropriations of the House of Representatives and Senate the new fiscal year 2007. The official estimates at midyear shall be used in the budget request for fiscal year 2007. The official estimates at midyear shall not be changed by the budget request for fiscal year 2007.

SEC. 111. None of the Federal funds made available in this Act may be used to implement any rule of the Health Care Payment Act of 1992 (D.C. Law 9-114; D.C. Official Code, section 32-701 et seq.) or to otherwise implement or enforce any system of registration of unmarried, cohabiting couples, including but not limited to registration for the purpose of extending employment, health, or governmental benefits to such couples on the same basis that such benefits are extended to legally married couples.

SEC. 112. (a) Notwithstanding any other provision of this Act, the Mayor, in consultation with the Chief Financial Officer of the District of Columbia, may accept, obligate, and spend funds received by the District government that are not reflected in the annual Appropriations Act or the budget request for fiscal year 2007.

(b)(1) No such Federal, private, or other grant may be obligated, or expended pursuant to subsection (a) until—

(1) the Chief Financial Officer of the District of Columbia submits to the Council a report setting forth detailed information regarding such grant; and

(2) the Council has reviewed and approved the obligation, and expenditure of such grant.

(2) For purposes of paragraph (1)(B), the Council shall be deemed to have reviewed and approved the obligation, and expenditure of a grant if—

(A) no written notice of disapproval is filed with the report of the Council not later than the 14th calendar day of the receipt of the report; or

(B) if such a notice of disapproval is filed within such deadline, the Council does not by resolution disapprove the obligation, or expenditure of the grant within 30 calendar days of the receipt of the report; the Chief Financial Officer under paragraph (1)(A); or

(c) No amount may be obligated or expended from the general fund or other funds of the District government for the payment of the costs associated with the offices of United States Representatives or Senators.
or receipt of a Federal, private, or other grant not subject to such subsection.

(d) The Chief Financial Officer of the District of Columbia may adjust the budget for Federal, private, or other grants received by the District government reflected in the amounts appropriated in this title, or approved and received under this Act, to reflect a change in the actual amount of the grant.

(e) The Chief Financial Officer of the District of Columbia shall prepare a quarterly report setting forth information regarding each Federal, private, and other grants subject to this section. Each such report shall be submitted to the Council of the District of Columbia and to the Committees of Appropriations of the House of Representatives and Senate not later than 15 days after the end of the quarter covered by the report.

SEC. 113. (a) Except as otherwise provided in this section, none of the funds made available by this Act or by any other Act may be used to provide any officer or employee of the District of Columbia with an official vehicle unless the officer or employee uses the vehicle only in the performance of the officer’s or employee’s official duties. For purposes of this paragraph, the term “official duties” does not include travel between the officer’s or employee’s residence and workplace, except in the case of an officer or employee of the Metropolitan Police Department who resides in the District of Columbia or is otherwise designated by the Chief of the Department.

(1) at the discretion of the Fire Chief, an officer or employee of the Metropolitan Police Department who resides in the District of Columbia;

(2) the Mayor of the District of Columbia; and

(3) the Chairman of the Council of the District of Columbia.

(b) The Chief Financial Officer of the District of Columbia shall submit by March 1, 2006, an inventory, as of September 30, 2005, of all vehicles owned, leased or operated by the District of Columbia government. The inventory shall include, but not be limited to, the number of vehicles to which the vehicle is assigned; the year and make of the vehicle; the acquisition date and cost; the general condition of the vehicle; annual operating and maintenance costs; current mileage; and whether the vehicle is allowed to be taken home by a District officer or employee and if so, the officer or employee’s title and residential location.

SEC. 114. None of the funds contained in this Act may be used for purposes of the annual independent audit required by the District of Columbia government for fiscal year 2006 unless—

(1) the audit is conducted by the Inspector General of the District of Columbia, in coordination with the Chief Financial Officer of the District of Columbia, pursuant to section 208(a)(4) of the District of Columbia Procurement Practices Act of 1985 (D.C. Official Code, section 2–302.8); and

(2) the audit includes as a basic financial statement a comparison of audited actual year-end results with the revenues submitted in the budget for the year and the appropriations enacted into law for such year using the format, terminology, and classifications contained in the law making the appropriations for the year and its legislative history.

SEC. 115. (a) None of the funds contained in this Act may be used by the District of Columbia Corporation Counsel or any other officer or entity of the District government to provide assistance for any petition drive or civil action which seeks to require Congress to provide for voting representation in Congress for the District of Columbia.

(b) Nothing in this section bars the District of Columbia Corporation Counsel from representing or consulting in private lawsuits or from consulting with officials of the District government regarding such lawsuits.

Sec. 116. (a) None of the funds contained in this Act may be used for any program of distributing sterile needles or syringes for the hypodermic injection of any illegal drug.

(b) Any individual who receives any funds contained in this Act and who carries out any program described in subsection (a) shall account for all funds used for such program separately from accounts in this Act.

Sec. 117. None of the funds contained in this Act may be used after the expiration of the 60-day period that begins on the date of the enactment of this Act to pay the salary of any chief financial officer of any office of the District of Columbia government (including any independent agency of the District government that has not filed a certification with the Mayor and the Chief Financial Officer of the District of Columbia that the officer understands the duties and restrictions applicable to that officer and they are not an officer’s agency as a result of this Act and the amendments made by this Act), including any duty to prepare a report requested either in the Act or in any of the reports accompanying the Act and the deadline by which each report must be submitted: Provided, That the Chief Financial Officer of the District of Columbia shall submit an annual report to the Committees of Appropriation of the House of Representatives and Senate by April 1, 2006 and October 1, 2006, a summary list showing each report, the due date, and the date submitted to the Committees.

Sec. 118. Nothing in this Act may be construed to prevent the Council or Mayor of the District of Columbia from addressing the issue of the prevention of the District of Columbia’s health insurance plans, but it is the intent of Congress that any legislation enacted on such issue should include a “conscience clause” which provides exemptions for religious beliefs and moral convictions.

Sec. 119. The Mayor of the District of Columbia shall submit to the Committees on Appropriations of the House of Representatives and Senate, the Committee on Government Reform of the House of Representatives, and the Committee on Government Affairs of the Senate quarterly reports addressing—

(1) crime, including the homicide rate, implementation of community policing, the number of police officers on local beats, and the closing down of open-air drug markets;

(2) access to substance and alcohol abuse treatment, including the number of treatment slots, the number of people served, the number of treatment, including the number of treatment centers, the number of police officers on local beats, and the closing down of open-air drug markets;

(3) management of parolees and pre-trial violent offenders where the Chief Financial Officer of the District of Columbia determines to have a pecuniary interest, either by way of an active investment or by way of an advisory role; or

(4) education, including access to special education services, schools, or other special education service providers.

In this section, the term “agency” includes any administrative proceeding and any ensuing or related proceedings before a court of competent jurisdiction.

Sec. 120. (a) None of the funds contained in this Act may be used—

(1) the fees of an attorney who represents a party in an action or an attorney who defends an action brought against the District of Columbia;

(2) the fees of an attorney or law firm on any administrative proceeding by the District of Columbia; or

(3) the fees of an attorney or law firm on any administrative proceeding by the District of Columbia.

(b) The Chief Financial Officer of the District of Columbia shall require all attorneys in IDEA cases to disburse any financial, corporate, legal, membership or insurance proceeds from any settlement or award with the District of Columbia to the District of Columbia Special Litigation Team, established pursuant to section 442 of the District of Columbia Home Rule Act (D.C. Official Code, section 1–204.42), for all agencies of the District of Columbia government for fiscal year 2006 that grants, contracts, or otherwise provides any Federal, private, or other grants to the District of Columbia to pay the salary of any chief financial officer of any office of the District of Columbia government (including any independent agency of the District government that has not filed a certification with the Mayor and the Chief Financial Officer of the District of Columbia that the officer understands the duties and restrictions applicable to that officer and they are not an officer’s agency as a result of this Act) and the amendments made by this Act).

(c) Notwithstanding any other law, in fiscal year 2007 and each fiscal year thereafter, the District of Columbia Courts shall transfer to the general treasury of the District of Columbia all fines levied and collected by the Circuits of Appeals of the District of Columbia Traffic Act (D.C. Official Code, section 50–2201.05(b)(1) and (2)): Provided, That the transferred funds are hereby made available and shall remain available until expended and shall be used by the Attorney General of the District of Columbia for enforcement and prosecution of District traffic offenses committed by any private individual.

(d) The District of Columbia Courts shall transfer to the general treasury of the District of Columbia all fines levied and collected by the Circuits of Appeals of the District of Columbia Traffic Act (D.C. Official Code, section 50–2201.05(b)(3)).

Sec. 121. (a) None of the funds contained in this Act may be used—

(1) the fees of an attorney who represents a party in an action or an attorney who defends an action brought against the District of Columbia; or

(2) the fees of an attorney or law firm on any administrative proceeding by the District of Columbia.

(b) The Mayor of the District of Columbia shall, at the expiration of fiscal year 2005, submit a revised appropriation request to the Committees of Appropriation of the House of Representatives and Senate by at least 60 days before the start of fiscal year 2006 and shall include—

(1) any proposed increase in the amount of any appropriations at the end of fiscal year 2005 unexpended general fund surplus. The District may obligate and expend these amounts only in accordance with the following conditions:

(i) The Chief Financial Officer of the District of Columbia shall certify that the use of any
such amounts is not anticipated to have a negative impact on the District’s long-term financial, fiscal, and economic vitality.

(2) The District of Columbia may only use these funds for the following expenditures: (A) One-time expenditures. (B) Expenditures to avoid deficit spending. (C) Debt Retirement. (D) Program needs. (E) Expenditures to avoid revenue shortfalls. (F) The amounts shall be obligated and expended according to laws enacted by the Council in support of each such obligation or expenditure.

(4) The amounts may not be used to fund the agencies of the District of Columbia government under court-ordered receivership.

(5) The amounts may not be obligated or expended unless the Mayor notifies the Committees on Appropriations of the House of Representatives and Senate not fewer than 30 days in advance of the obligation or expenditure.

SEC. 125. (a) The fourth proviso in the item relating to “Federal Payment for School Improvement” in the District of Columbia Appropriations Act, 2005 (Public Law 108–335; 118 Stat. 1277) is amended—

(1) by striking “$4,000,000” and inserting “$4,000,000, to remain available until expended,”; and

(2) by striking “$2,000,000 shall be for a new incentive fund” and inserting “$2,000,000, to remain available until expended, shall be for a new incentive fund”.

(b) The amendments made by subsection (a) shall take effect as if included in the enactment of the District of Columbia Appropriations Act, 2005.

SEC. 126. (a) To account for an unanticipated growth of revenue collections, the amount appropriated as District of Columbia Funds pursuant to this Act may be increased—

(1) by an aggregate amount of not more than 25 percent, in the case of amounts proposed to be allocated as “Other-Type Funds” in the Fiscal Year 2006 Proposed Budget and Financial Plan submitted to Congress by the District of Columbia on June 6, 2005; and

(2) by an aggregate amount of not more than 6 percent, in the case of any other amounts proposed to be allocated in such Proposed Budget and Financial Plan.

(b) The District of Columbia may obligate and expend any increase in the amount of funds authorized under this Act in accordance with the following conditions:

(1) The Chief Financial Officer of the District of Columbia shall certify—

(A) the increase in revenue; and

(B) that the use of the amounts is anticipated to have a negative impact on the long-term financial, fiscal, or economic health of the District.

(2) The amounts shall be obligated and expended in accordance with laws enacted by the Council of the District of Columbia in support of each such obligation and expenditure, consistent with the requirements of this Act.

(3) The amounts may not be used to fund any agency of the District government operating under court-ordered receivership.

(4) The amounts may not be obligated or expended unless the Mayor has notified the Committees on Appropriations of the House of Representatives and Senate not fewer than 30 days in advance of the obligation or expenditure.

SEC. 127. The Chief Financial Officer for the District of Columbia may, for the purpose of cash flow management, conduct short-term borrowing from the emergency reserve fund and from the contingency reserve fund established under the provisions of the District of Columbia Home Rule Act (Public Law 98–188). Provided, That the amount borrowed shall not exceed 50 percent of the total amount of funds contained in both the emergency and contingency reserve funds at the time of borrowing: Provided further, That the borrowing shall not deplete either fund by more than 50 percent: Provided further, That 100 percent of the funds borrowed shall be replenished within 9 months of the time of the borrowing or by the end of the fiscal year, whichever is earlier: Provided further, That in the event that short-term borrowing has been conducted and the emergency or the contingency funds are later depleted below 50 percent as a result of an emergency or an contingency, an amount equal to the amount necessary to restore reserve levels to 50 percent of the total amount of funds contained in both the emergency and contingency reserve funds shall be replenished from the amount borrowed within 60 days.

SEC. 128. (a) None of the funds contained in this Act may be used to enact or carry out any law, rule, or regulation to legalize or otherwise reduce penalties associated with the possession, use, or distribution of any schedule I substance under the Controlled Substances Act (21 U.S.C. 802) or any other law of the United States.

(b) The Legalization of Marijuana for Medical Treatment Initiative of 1998, also known as Initiative 59, approved by the electors of the District of Columbia on November 3, 1998, shall not take effect.

SEC. 129. None of the funds appropriated under this Act or provided under any other Act contained in this division shall be expended for any abortion except where the life of the mother would be endangered if the fetus were carried to term or where the pregnancy is the result of rape or incest.

SEC. 130. Section 7 of the District of Columbia Stadium Act of 1937 (Public Law 85–200, 71 Stat. 619), as amended, is further amended by inserting after paragraph (1) the following:

“(c)(1) Upon receipt of a written description from the District of Columbia of not more than 15 contiguous acres (hereinafter referred to as ‘the 15 acres’), within the area designated ‘D’ on the revised map entitled ‘Map to Designate Transfer of Stadium and Lease of Parking Lots to the District’ and bounded by 21st Street, NE, Oklahoma Avenue, NE, Benning Road, NE, the Metro line, and C Street, NE, and execution of a long-term lease by the Mayor of the District of Columbia that is contingent upon the Secretary’s conveyance of the 15 acres and for the purpose consistent with this paragraph, the Secretary shall convey the 15 acres described land to the District of Columbia for the purpose of siting, developing, and operating an educational institution for the public welfare, with first preference given to a pre-collegiate public boarding school.

“(2) Upon conveyance, the portion of the stadium lease that affects the 15 acres on the property and all the conditions associated therewith shall be removed from the ‘Map to Designate Transfer of Stadium and Lease of Parking Lots to the District’, and the long-term lease described in paragraph (1) shall take effect immediately. The Mayor of the District of Columbia shall execute and deliver a quitclaim deed to effectuate the District’s responsibilities under this section.”

SEC. 131. The authority that the Chief Financial Officer of the District of Columbia exercised with respect to personnel and the preparation of fiscal impact statements during a control period (as defined in Public Law 104–4) shall remain in effect until September 30, 2006.

SEC. 132. The entire process used by the Chief Financial Officer to acquire any and all kinds of goods, works and services by any contractual means, including but not limited to purchase, lease or rental, shall be exempt from all of the provisions of the District of Columbia’s Procurement Practices Act: Provided, That provisions made by this subsection shall take effect as if enacted in D.C. Law 11–259 and shall remain in effect until September 30, 2006.

SEC. 133. Section 401 of the Uniform Student Funding Formula for Public Schools and Public Charter Schools Amendment Act of 2005, passed and enacted on May 19, 2005 (enacted version of Bill 16–200), is hereby enacted into law.
The conference agreement retains provisions proposed by both the House and the Senate limiting transfers among each office to not more than five percent of any transfer greater than five percent must be submitted for approval to the House and Senate Committees on Appropriations. Bill language included by the Department to spend up to $60,000 within the funds provided for official reception and representation expenses. The conferees direct the Senate to notify the House and Senate Committees on Appropriations of no less than three full business days before any grant totaling $1,000,000 or more is made. The conferees clarify that such notifications shall be based on the grants full-year funding level, not just the incremental amount being released. The conferees reiterate the need for better budget language set forth in the Senate bill. The conference agreement provides $15,000,000 for transportation planning, research, and development as proposed by the Senate and instead of $9,030,000 as proposed by the House. Adjustments to the budget request are as follows:

- Ballast Water Study—UWS $500,000
- Delaware State University—Hydrogen Storage Research $400,000
- DOT privacy assessment—Innovative Materials Research at Lawrence Tech University, Southfield, MI $1,175,000
- Integrated Commercial Vehicle Safety Excellence Technology Initiative, MI $900,000
- Intermodal Transportation Research, Mississippi State University $425,000
- Maritime Domain Awareness Pilot Project, WA $425,000
- National Center for Manufacturing Science, Ark. MI $1,175,000
- PVTA Hydrogen Bus or PVTA Electric Bus $750,000
- Traffic Improvement for Association of Oakland County, MI $250,000
- Transportation Laboratory—The Detroit Science Center, Detroit, MI $400,000
- TTI Pipeline Safety Research $500,000
- UW Superior—START $700,000

The conferees agree to no more than 5 percent and requiring that proper precautions are taken by airports and air carriers to recognize and prevent the spread of avian flu, as directed by the Senate. The provision relating to Love Field, Texas, that was proposed by the Senate is addressed in the Title I administrative provisions.

The conference once again urge the Department and the FAA to make it their highest priority to consider allocating permanent slot leases at LaGuardia Airport, as allowed under 49 U.S.C. 4716(b), to allow the communities of Akron-Canton, Ohio, and Newport News-Williamsburg, Virginia, to each have permanent third roundtrips to LaGuardia that stage III aircraft will no less than 110 and no more than 125 seats.
The conference agreement includes bill language, as proposed by the House, which allows the secretary to take into consideration the subsidy requirements of carriers when selecting between carriers competing to provide service to a community. Should the total amount of overnight fees collected not be sufficient to meet all the funding needs of the program in the fiscal year, then the secretary is authorized to transfer funds from the available balances of any program appropriated to, or directly administered by the office of the secretary to the essential air service program. The conference directs the office of the secretary to consult with the House and Senate Committees on Appropriations if such a transfer is necessary and identify the source of the funds of said transfer subject to normal reprogramming guidelines.

The provisions relating to the transfer of funds to and from the FAA for the EAS program, as proposed by the House, are addressed in the FAA administrative provisions, as proposed by the Senate.

NEW HEADQUARTERS BUILDING

The conference agreement provides $50,000,000 for construction and buildout of the new headquarters building as proposed by the Senate and instead of $55,000,000 as proposed by the House.

FEDERAL AVIATION ADMINISTRATION OPERATIONS

The conference agreement includes $8,186,000,000 for operations of the Federal Aviation Administration instead of $8,396,020,000 as proposed by the House and $8,176,000,000 as proposed by the Senate. Of the total amount provided, $5,541,000,000 is to be derived from the airport and airway trust fund instead of $4,986,000,000 proposed by the House and $8,686,500,000 proposed by the Senate. Funds are distributed in the bill by budget activity, as proposed by the Senate.

Contract tower cost-sharing.—The bill specifies $7,500,000 for continuation of the contract tower cost-sharing program as proposed by the House and Senate.

Transfers between budget activities.—The conference agreement retains Senate language that allows transfers of no greater than two percent from any budget activity, excluding aviation regulation and certification, to any budget activity. Transfers of more than two percent are subject to reprogramming procedures contained in this Act.

Flight service station transition costs.—The conference agreement provides an additional $150,000,000 for flight service station transition costs as proposed by the Senate, instead of $91,000,000 as proposed by the House.

The following table compares the conference agreement to the President's budget request and the levels proposed in the House and Senate bills by budget activity:
Safety inspectors.—The conferees provide a total of $685,845,000 for flight standards safety inspectors and $162,271,000 for aircraft certification services to address staffing reductions. This funding level represents an increase over the budget request of $8,000,000 for flight standards safety inspectors and $4,000,000 for aircraft certification services.

The conference agreement modifies reporting requirements proposed by the House and Senate regarding safety inspector staffing in the offices of flight standards and aircraft certification, and directs FAA to submit semi-annual reports in fiscal year 2006 identifying baseline staffing levels, staffing goals, number of new hires on board, number of new hires in the pipeline, and the use of funds provided for these offices.

Information services.—The conference agreement provides $38,112,000 for information services, as proposed by the Senate, and modifies Senate language directing that no funds be transferred to another agency in support of the e-gov initiative without prior notification of the House and Senate Committees on Appropriations.

On-airport mobile refuelers.—The conferees recommend that the U.S. Department of Transportation (DOT) work with the Environmental Protection Agency (EPA) to establish reasonable methods of compliance for the EPA’s Spill Prevention Control and Countermeasure (SPCC) requirements as they relate to on-airport mobile refuelers.

On-airport mobile refueling vehicles already incorporate significant spill prevention protections. The design of refuelers is regulated by DOT and incorporates numerous safety systems, including emergency cut-off switches, interlock systems, and over-fill prevention devices for minimizing the potential for spills. In addition, the FAA extensively regulates the operations of mobile refuelers and other ground vehicles at airports to ensure safe operations. Moreover, mobile refueler operations at airports are subject to EPA regulations governing stormwater discharges, and airports have response plans in place to address potential spills. The conferees urge DOT and EPA to work together to ensure that the regulations do not impose unreasonable cost burdens on the operators of the refueling vehicles.

Non-precision GPS approaches.—The conference agreement includes up to $5,000,000 for development of additional approaches and flight procedures at non-part 139 certified airports.

Air charter safety management system.—The conference agreement provides $1,000,000 for the government and industry cooperative program to improve safety for America’s Part 135 on-demand air taxi industry. This program provides proactive tools for industry participants to prevent accidents and to improve and measure safety management by Part 135 on-demand air carriers.

Department of Defense schools.—FAA organizations have traditionally staffed their overseas facilities with employees who have return rights to the U.S. mainland, making their dependents qualified to attend DOD schools. In 2004, FAA reviewed the eligibility of FAA employees in Puerto Rico and determined that many were ineligible to attend these schools. The majority of employees in Puerto Rico are local hires or employees that have stayed so long that they have forfeited their return rights.

The FAA worked with DOD and its employees to allow the dependent of ineligible employees to enroll for one more year under a “good cause” continuation for the 2004–2005 school year. After FAA’s determination in June 2004, another “good cause” extension was requested from DOD for the 2005–2006 school year. The conferees understand that the second extension was granted to provide adequate time to plan for the 2007 school year. FAA should continue to provide DOD school access for the dependents of eligible employees, consistent with its policies. Further, the conferees direct that the FAA provide a report to the House and Senate Committees on Appropriations by March 15, 2006 detailing the justification for its determination, assistance it provided to employees determined as ineligible, and the tuition expenses that are provided for all FAA dependents living outside of the U.S.

FACILITIES AND EQUIPMENT

The conference agreement includes $2,540,000,000 instead of $3,053,000,000 as proposed by the House and $2,448,000,000 as proposed by the Senate. Of the total amount available, $429,210,500 is available until September 30, 2006, and $2,110,789,500 is available until September 30, 2008. The conference agreement includes language proposed by both the House and Senate directing FAA to transmit a detailed five-year capital investment plan to Congress with its fiscal year 2007 budget submission.

The following table provides a breakdown of the House and Senate bills and the conference agreement by program:
VerDate Aug 31 2005

November 17, 2005

CONGRESSIONAL RECORD — HOUSE

05:47 Nov 19, 2005

Jkt 049060

PO 00000

Frm 00292

Fmt 7634

Sfmt 0634

E:\CR\FM\A17NO7.240

H17NOPT2

Insert offset folio 1005/345 here EH17NO05.023

H10828


VerDate Aug 31 2005

05:47 Nov 19, 2005

H10829

CONGRESSIONAL RECORD — HOUSE

Jkt 049060

PO 00000

Frm 00293

Fmt 7634

Sfmt 0634

E:\CR\FM\A17NO7.240

H17NOPT2

Insert offset folio 1005/346 here EH17NO05.024

November 17, 2005


<table>
<thead>
<tr>
<th>BLI</th>
<th>Program Name</th>
<th>FY 2006 Estimate</th>
<th>House bill</th>
<th>Senate bill</th>
<th>Conference</th>
</tr>
</thead>
<tbody>
<tr>
<td>4A01</td>
<td>System Engineering and Development Support</td>
<td>$32,240,000</td>
<td>$32,240,000</td>
<td>$27,595,000</td>
<td>$27,595,000</td>
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<tr>
<td>4A02</td>
<td>Safety Management System</td>
<td>$3,000,000</td>
<td>$3,000,000</td>
<td>$3,000,000</td>
<td>$3,000,000</td>
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<tr>
<td>4A03</td>
<td>Program Support Leases</td>
<td>$45,000,000</td>
<td>$45,000,000</td>
<td>$45,000,000</td>
<td>$45,000,000</td>
</tr>
<tr>
<td>4A04</td>
<td>Logistic Support Services (LSS)</td>
<td>$9,700,000</td>
<td>$9,700,000</td>
<td>$9,700,000</td>
<td>$9,700,000</td>
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<tr>
<td>4A05</td>
<td>Mike Monroney Aeronautical Center Leases</td>
<td>$13,500,000</td>
<td>$13,500,000</td>
<td>$13,500,000</td>
<td>$13,500,000</td>
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<tr>
<td>4A06</td>
<td>Transition Engineering Support</td>
<td>$24,000,000</td>
<td>$24,000,000</td>
<td>$24,000,000</td>
<td>$24,000,000</td>
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<tr>
<td>4A07</td>
<td>Frequency and Spectrum Engineering</td>
<td>$8,600,000</td>
<td>$8,600,000</td>
<td>$8,600,000</td>
<td>$8,600,000</td>
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<tr>
<td>4A08</td>
<td>Permanent Change of Station (PCS) Moves</td>
<td>$500,000</td>
<td>$500,000</td>
<td>$500,000</td>
<td>$500,000</td>
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<tr>
<td>4A09</td>
<td>Technical Support Services Contract (TSSC)</td>
<td>$33,000,000</td>
<td>$33,000,000</td>
<td>$33,000,000</td>
<td>$33,000,000</td>
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<tr>
<td>4A10</td>
<td>Center for Advanced Aviation System Development (CAASD)</td>
<td>$69,600,000</td>
<td>$69,600,000</td>
<td>$69,600,000</td>
<td>$77,600,000</td>
</tr>
<tr>
<td>4A11</td>
<td>NOTAMS and Aeronautical Information Programs</td>
<td>$10,000,000</td>
<td>$10,000,000</td>
<td>$10,000,000</td>
<td>$10,000,000</td>
</tr>
<tr>
<td>4A12</td>
<td>Flight Service Facilities - Improve</td>
<td>$1,163,100</td>
<td>$1,163,100</td>
<td>$1,163,100</td>
<td>$1,163,100</td>
</tr>
<tr>
<td></td>
<td>Total - Activity 4</td>
<td>$247,803,100</td>
<td>$266,703,100</td>
<td>$243,156,100</td>
<td>$253,858,100</td>
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<tr>
<td></td>
<td>Activity 5 - Personnel Compensation, Benefits and Travel</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5A01</td>
<td>Personnel and Related Expenses</td>
<td>$435,000,000</td>
<td>$435,000,000</td>
<td>$423,421,000</td>
<td>$429,210,500</td>
</tr>
<tr>
<td></td>
<td>Accountwide Adjustment</td>
<td>$0</td>
<td>$447,400,000</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td></td>
<td>GRAND TOTAL</td>
<td>$2,448,000,000</td>
<td>$3,053,000,000</td>
<td>$2,448,000,000</td>
<td>$2,540,000,000</td>
</tr>
</tbody>
</table>
Advanced technology development and prototyping.—The conference agreement includes $68,210,000 for advanced technology development and prototyping instead of $41,900,000 as proposed by the House and $70,400,000 as proposed by the Senate. The following table compares the conference agreement to the House and Senate bills by budget activity:

<table>
<thead>
<tr>
<th>Project</th>
<th>House</th>
<th>Senate</th>
<th>Conference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Runway Project</td>
<td>10,000,000</td>
<td>10,000,000</td>
<td>10,000,000</td>
</tr>
<tr>
<td>Air Traffic Control tower</td>
<td>10,000,000</td>
<td>10,000,000</td>
<td>10,000,000</td>
</tr>
<tr>
<td>Airport Cooperative Research</td>
<td>10,000,000</td>
<td>10,000,000</td>
<td>10,000,000</td>
</tr>
<tr>
<td>GPS Anti-jam Technologies</td>
<td>1,000,000</td>
<td>1,000,000</td>
<td>1,000,000</td>
</tr>
<tr>
<td>Mobile Object Infrastructure</td>
<td>1,000,000</td>
<td>1,000,000</td>
<td>1,000,000</td>
</tr>
<tr>
<td>Airport Terminal Automation</td>
<td>10,000,000</td>
<td>10,000,000</td>
<td>10,000,000</td>
</tr>
<tr>
<td>Vertical Flight Technology</td>
<td>4,000,000</td>
<td>4,000,000</td>
<td>4,000,000</td>
</tr>
<tr>
<td>Total</td>
<td>41,460,000</td>
<td>75,960,000</td>
<td>68,210,000</td>
</tr>
</tbody>
</table>

Airport runway research.—Of the funds provided, $4,000,000 is for the airfield improvement program authorized under section 905 of Public Law 106-181.

Safe flight 21.—The conference agreement includes $42,950,000 for Safe Flight 21, of which $10,000,000 is to augment ADS-B funding. The conference directs the FAA to submit to a special House and Senate committee on Appropriations within 30 days of enactment.

Exroute automation.—The conference agreement provides $335,550,000 for exroute automation. FAA is given the discretion to reallocate the reduction to $8,000,000 among projects within this program.

Airport surface detection equipment—Model X (ASDE-X).—The conference agreement provides $30,200,000 for ASDE-X, instead of $27,200,000 as proposed by both the House and Senate. The conferees note that the ASDE-X deployment schedule has slipped by two years. Although the FAA recently announced that, at 15 major airports, the conferees remain concerned about runway incursions and provide an additional $3,000,000 to expedite installation and deployment of ASDE-X equipment.

Airport traffic control tower TRACON facilities.—The conference provides $41,233,830, instead of $51,469,000 as proposed by the House and Senate. The conferees note the reduction is due to the prohibition of ARAC consolidation into the Oklahoma City TRACON.

House Area Air Traffic System (HAATS).—The conference agreement provides $12,000,000 for the HAATS.

DOD/FAA facilities transfer.—The conference agreement includes $2,000,000 to continue the FAA contribution for operation of the airport radar approach control at Lawton/Fort Sill Regional Airport in Oklahoma.

Integrated control and monitoring system (ICMS).—The conference agreement includes $4,000,000 for ICMS. Although the system has been deployed successfully at six airports, the FAA is conducting an operational safety assessment of ICMS. The conferees concur with the FAA’s decision to spend no more than $3,000,000 on this assessment, and FAA used a portion of the fiscal year 2005 appropriation for this purpose. The conferees expect the FAA to fund the remaining $7,000,000 within three months of enactment of this Act.

Terminal automation modernization replacement (TAMR).—The conference agreement provides $13,900,000 for the modernization of display systems replacement at two terminal radar approach control facilities and their associated air traffic control towers. The funding level was consistent with the House request; however, the conference agreement provides $2,000,000 under TAMR instead of the terminal automation program. The conferees note that on September 9, 2005, the FAA requested interested companies with automation systems in the NAS for descriptions of their systems. The notice includes four critical airports: Denver, Colorado; St. Louis, Missouri; and Minneapolis—St. Paul, Minnesota, with an expected award date of January 2007. The sites were identified by the FAA as critical to upgrade. The conferees are concerned that the competition for the replacement of these four aging systems, which is only being offered to a limited number of vendors, is expected to take up to 15 months. The conferees encourage the FAA to expedite consideration of proposals and make an award or awards, as the case may be, in a timely and efficient manner. The FAA is encouraged to independently evaluate bids based on the unique circumstances and situations at each location. Furthermore, the conferees note that if the FAA determines that air traffic control equipment at other facilities poses a critical safety and security risk, the conferees will consider and promptly respond to a request to reprogram funds to accommodate additional facilities if safety critical.

Terminal automation program.—The conference agreement provides $24,300,000 for the terminal automation program instead of $310,000,000 as proposed by the Senate. The conference agreement transferred $20,000,000 provided by both the House and Senate to TAMR to reflect that FAA will complete the display modernization. The funding level includes a total of $22,000,000 to continue to sustain software at the busiest facilities in the NAS.

Terminal air traffic control facilities replacement.—The conference agreement provides $124,000,000 for this program. Funds shall be distributed as follows:

<table>
<thead>
<tr>
<th>Project</th>
<th>Conference agreement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Addison Field, Dallas, Texas</td>
<td>$150,000</td>
</tr>
<tr>
<td>Battle Creek, Michigan</td>
<td>1,600,000</td>
</tr>
<tr>
<td>Billings, Montana</td>
<td>1,800,000</td>
</tr>
<tr>
<td>Boise, Idaho</td>
<td>7,700,000</td>
</tr>
<tr>
<td>Broomfield, Colorado</td>
<td>1,220,000</td>
</tr>
<tr>
<td>Chicago, Illinois</td>
<td>2,200,000</td>
</tr>
<tr>
<td>Cleveland, Ohio</td>
<td>18,225,000</td>
</tr>
<tr>
<td>Dayton, Ohio</td>
<td>13,000,000</td>
</tr>
<tr>
<td>Deer Valley, Arizona</td>
<td>23,000,000</td>
</tr>
<tr>
<td>Dulles International, Virginia</td>
<td>4,500,000</td>
</tr>
<tr>
<td>Fort Wayne, Indiana</td>
<td>13,000,000</td>
</tr>
<tr>
<td>Gulfport/Biloxi, Mississippi</td>
<td>5,000,000</td>
</tr>
<tr>
<td>Honolulu, Hawaii</td>
<td>4,000,000</td>
</tr>
<tr>
<td>Huntsville, Alabama</td>
<td>2,216,000</td>
</tr>
<tr>
<td>Jefferson Airport, Colorado</td>
<td>4,000,000</td>
</tr>
<tr>
<td>Kona, Hawaii</td>
<td>2,000,000</td>
</tr>
<tr>
<td>Las Vegas, Nevada</td>
<td>10,000,000</td>
</tr>
<tr>
<td>Liege, Belgium</td>
<td>2,000,000</td>
</tr>
<tr>
<td>Manchester, New Hampshire</td>
<td>1,300,000</td>
</tr>
<tr>
<td>McCarran, Nevada</td>
<td>4,000,000</td>
</tr>
<tr>
<td>Las Vegas, Nevada</td>
<td>3,000,000</td>
</tr>
<tr>
<td>Memphis, Tennessee</td>
<td>2,300,000</td>
</tr>
<tr>
<td>Memphis, Tennessee</td>
<td>16,100,000</td>
</tr>
<tr>
<td>Morrow, Georgia</td>
<td>8,200,000</td>
</tr>
<tr>
<td>Morristown, New Jersey</td>
<td>1,150,000</td>
</tr>
<tr>
<td>Newport News, Virginia</td>
<td>2,300,000</td>
</tr>
</tbody>
</table>

Approach lighting system improvement program.—The conference agreement provides $9,000,000 for the approach lighting system improvement program. Of the amount provided, $3,000,000 is to continue the program of proceeding with multilateration (M-PLR) system to improve airport capacity in inclement weather conditions. Since then, FAA has begun to limit PRM deployment in favor of multilateration technology. Since the need for capacity improvements at Detroit Metro remains valid and FAA is moving away from PRM deployments, the conference agreement provides $6,000,000 to develop and implement multilateration technology at this airport.

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In addition to the conference agreement includes $1,400,000 for the cost sharing initiative and $600,000 for the FAA to conduct site surveys to determine costs and feasibility for installing instrument landing systems at the following airports: Reno/Tahoe International, Nevada; University Park, Pennsylvania; Aiken Municipal, South Carolina; Wendenor, Utah; Menomonicie—Score Field, Wisconsin; and Taylor County, Wisconsin.

Frequency and spectrum engineering.—The conference agreement includes $8,600,000 for frequency and spectrum engineering, of which $2,500,000 is for the national airspace interference detection location and mitigation project.

Center for advanced systems development (CAASD).—The conference agreement provides $77,000,000 for CAASD. The conference agreement encourages the use of funds to support simulations and technical analysis to ensure implementation of constant descent arrivals using aircraft based spacing and merging.

Transponder landing system.—The conference agreement does not provide funds for this program.

RESEARCH, ENGINEERING AND DEVELOPMENT

The conference agreement provides $258,000,000 for research, engineering, and development instead of $130,000,000 as proposed by the House and $134,500,000 as proposed by the Senate. The following table compares the conference agreement to the House and Senate bills by budget activity.

<table>
<thead>
<tr>
<th>Program</th>
<th>House bill</th>
<th>Senate bill</th>
<th>Conference agreement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improve Aviation Safety: Fire research and safety</td>
<td>$6,244,000</td>
<td>$6,244,000</td>
<td>$6,244,000</td>
</tr>
<tr>
<td>Propulsion and fuel systems</td>
<td>$4,049,000</td>
<td>$4,049,000</td>
<td>$5,799,000</td>
</tr>
<tr>
<td>Atmospheric hazards/structural safety</td>
<td>$2,613,000</td>
<td>$3,133,000</td>
<td>$3,941,000</td>
</tr>
<tr>
<td>Aging aircraft</td>
<td>$3,441,000</td>
<td>$3,441,000</td>
<td>$3,441,000</td>
</tr>
<tr>
<td>Aircraft catastrophic failure prevention research</td>
<td>$19,007,000</td>
<td>$20,007,000</td>
<td>$20,007,000</td>
</tr>
<tr>
<td>Flightdeck mainframe/safety integration</td>
<td>$3,340,000</td>
<td>$3,340,000</td>
<td>$3,340,000</td>
</tr>
<tr>
<td>Flightdeck mainframe/safety integration</td>
<td>$8,181,000</td>
<td>$8,181,000</td>
<td>$8,181,000</td>
</tr>
<tr>
<td>Air traffic control</td>
<td>$4,932,000</td>
<td>$4,932,000</td>
<td>$4,932,000</td>
</tr>
<tr>
<td>Aerosol medical research</td>
<td>$9,654,000</td>
<td>$9,654,000</td>
<td>$9,654,000</td>
</tr>
<tr>
<td>Aeromedical research</td>
<td>$8,889,000</td>
<td>$8,889,000</td>
<td>$8,889,000</td>
</tr>
</tbody>
</table>

Propulsion and fuel systems.—Of the funds provided, $500,000 is to continue the evaluation of molecular markers for detecting the adulteration or dilution of jet fuel; $300,000 is for research into modifying general aviation piston engines to enable their safe operation using unleaded aviation fuel; $500,000 is for research into aviation grade ethanol fuels at South Dakota State University; $400,000 for the Center of Excellence for General Aviation Research, and $750,000 is for simulation of containment of airplane engine failure at the George Washington University in Virginia.

Advanced materials/structural safety.—Of the funds provided, $4,000,000 is for research and equipment at the National Institute for Aviation Research at Wichita State University and $400,000 is for advanced materials research at the University of Washington.

Aging Aircraft.—Of the funds provided, $1,000,000 is for the Center for Aviation Systems Reliability; $1,260,000 is for the Aging Aircraft Nondestructive Inspection Validation Center; $1,000,000 is for the National Institute for Aviation Research; $1,325,000 is for Center for Aviation Research and Aerospace Technology; and $1,000,000 is for the Center of Excellence for General Aviation Research.

Flightdeck safety/systems integration.—Of the funds provided, $235,000 is to continue developing in-flight simulator training for commercial pilots at the Flight Research Training Center.

Aeromedical research.—Of the funds provided, $2,000,000 is to conduct studies related to cabin air quality to be conducted by the Center of Excellence for Cabin Environment Research.
<table>
<thead>
<tr>
<th>Airport Name</th>
<th>Project Description</th>
<th>Conference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sitka Rocky Gutierrez Airport, AK</td>
<td>Design airport improvements</td>
<td>$ 325,000</td>
</tr>
<tr>
<td>Abbeville Municipal Airport, AL</td>
<td>Rehabilitate runways</td>
<td>1,000,000</td>
</tr>
<tr>
<td>Huntsville International - Jones Field Airport, AL</td>
<td>Construct taxiway L</td>
<td>2,000,000</td>
</tr>
<tr>
<td>Richard Arthur Field Airport, AL</td>
<td>Hangar development</td>
<td>300,000</td>
</tr>
<tr>
<td>Boone County Regional Airport, AR</td>
<td>Ramp rehabilitation</td>
<td>300,000</td>
</tr>
<tr>
<td>Texarkana Regional Airport, AR</td>
<td>Construct ARFF building</td>
<td>1,000,000</td>
</tr>
<tr>
<td>Phoenix Deer Valley Airport, AZ</td>
<td>Land acquisition</td>
<td>3,000,000</td>
</tr>
<tr>
<td>Phoenix Sky Harbor Airport, AZ</td>
<td>Noise reduction</td>
<td>1,000,000</td>
</tr>
<tr>
<td>Phoenix Sky Harbor Int'l Airport, AZ</td>
<td>Taxiway reconstruction</td>
<td>3,250,000</td>
</tr>
<tr>
<td>Williams Gateway Airport, AZ</td>
<td>Perimeter road construction</td>
<td>1,500,000</td>
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<tr>
<td>Kern Valley Airport, CA</td>
<td>Runway extension</td>
<td>1,250,000</td>
</tr>
<tr>
<td>Meadows Field Airport, CA</td>
<td>Cargo apron</td>
<td>2,000,000</td>
</tr>
<tr>
<td>Nut Tree Airport, CA</td>
<td>Airport expansion</td>
<td>800,000</td>
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<td>San Bernardino International Airport, CA</td>
<td>Various improvements</td>
<td>4,000,000</td>
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<tr>
<td>Stockton Airport, CA</td>
<td>Master plan update</td>
<td>500,000</td>
</tr>
<tr>
<td>Delaware Airpark</td>
<td>Construct runway and taxiway system phase III and land acquisition</td>
<td>2,500,000</td>
</tr>
<tr>
<td>Fort Lauderdale Hollywood International Airport, FL</td>
<td>Broward County automated people mover</td>
<td>750,000</td>
</tr>
<tr>
<td>Airport Name</td>
<td>Project Description</td>
<td>Conference</td>
</tr>
<tr>
<td>--------------------------------------------------</td>
<td>-----------------------------------------------------------</td>
<td>------------</td>
</tr>
<tr>
<td>Gainesville Regional Airport, FL</td>
<td>Runway and taxiway renovations and various improvements</td>
<td>2,000,000</td>
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<tr>
<td>Jacksonville International Airport, FL</td>
<td>Reconstruct terminal apron and taxiway improvements</td>
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<td>Miami International Airport Runway, FL</td>
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<td>Space Coast Regional, FL</td>
<td>Rehabilitation of apron</td>
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<td>Augusta Regional Airport, GA</td>
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<td>Greene County Regional Airport, GA</td>
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<td>Southwest Georgia Regional Airport, GA</td>
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<td>Ankeny Regional Airport, IA</td>
<td>Safety improvements, apron and runway expansion and various improvements</td>
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<td>Council Bluffs Municipal Airport, IA</td>
<td>Extend and rehabilitate crosswind runway 14/32</td>
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<td>Fairfield Municipal Airport, IA</td>
<td>Construct runway 18/36</td>
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<td>DeKalb Taylor Municipal Airport, IL</td>
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<td>Lewis University Airport, IL</td>
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<td>Quad City International, IL</td>
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<td>Gary/Chicago Airport, IN</td>
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<tr>
<td>Independence Municipal Airport, KS</td>
<td>Various improvements</td>
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<td>Airport Name</td>
<td>Project Description</td>
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<td>Ottawa Municipal Airport, KS</td>
<td>Apron reconstruction</td>
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<td>Barkley Regional Airport, KY</td>
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<td>Louisville International - Standiford Field, KY</td>
<td>Noise mitigation.</td>
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<td>Somerset Airport, KY</td>
<td>Kit Cowan Road relocation</td>
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<td>Baton Rouge Metropolitan Airport, LA</td>
<td>Rehabilitate taxiway lighting and various improvements</td>
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<td>Houma-Terrebonne Airport, LA</td>
<td>Widen taxiway</td>
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<td>Lafayette Airport, LA</td>
<td>Construct taxiway B, phase 2</td>
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<tr>
<td>Monroe Regional Airport, LA</td>
<td>New passenger terminal</td>
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<tr>
<td>New Orleans International Airport, LA</td>
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<td>Baltimore-Washington International, MD</td>
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<td>Auburn-Lewiston Municipal Airport, ME</td>
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<td>LifeFlight Airport, Bangor, ME</td>
<td>LifeFlight helipad improvements</td>
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<td>Airport Name</td>
<td>Project Description</td>
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<td>Minneapolis-St. Paul International Airport, MN</td>
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<td>Jefferson City Airport, MO</td>
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<td>Mexico Memorial Airport, MO</td>
<td>Jet fuel improvements and terminal renovations</td>
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<td>Moberly Airport, MO</td>
<td>Airport improvements</td>
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<td>Nevada Airport, MO</td>
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<td>Springfield Branson Airport, MO</td>
<td>Replacement Terminal Construction</td>
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<td>Bruce Campbell Field, MS</td>
<td>Construct terminal and access road</td>
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<td>Corinth-Alcorn County Airport, MS</td>
<td>Land acquisition</td>
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<tr>
<td>Golden Triangle Regional Airport, MS</td>
<td>Various improvements</td>
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<td>Gulfport-Biloxi International Airport, MS</td>
<td>Perimeter Road and taxiway rehabilitation</td>
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<td>Iuka Airport, MS</td>
<td>Runway and facility improvements</td>
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<td>Jackson Evers International Airport, MS</td>
<td>Airfield improvements</td>
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<td>Tunica Airport, MS</td>
<td>Runway extension, lighting, and ILS</td>
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<td>Billings Logan International Airport, MT</td>
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<tr>
<td>Concord Regional Airport, NC</td>
<td>Runway and various improvements</td>
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<td>Airport Name</td>
<td>Project Description</td>
<td>Conference</td>
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<td>Halifax-Northampton Regional Airport, NC</td>
<td>Construct new runway</td>
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<td>Johnston County Airport, NC</td>
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<td>Monroe Airport, NC</td>
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<td>Rockingham County Airport, NC</td>
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<td>Rowan County Airport, NC</td>
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<td>Stanly County Airport, NC</td>
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<td>Statesville Airport, NC</td>
<td>Runway extension and environmental assessment</td>
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<td>Wilmington International Airport, NC</td>
<td>Rehabilitate runway 6/24</td>
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<td>Bismarck Municipal Airport, ND</td>
<td>Rehabilitate/expand apron and taxiway</td>
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<td>Devils Lake Municipal Airport, ND</td>
<td>Perimeter Fence, ARFF Building, taxiway extension and various improvements</td>
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<td>Jamestown Municipal Airport, ND</td>
<td>Perimeter Fence, ARFF Building, taxiway extension and various improvements</td>
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<td>Western Nebraska Regional Airport, NE</td>
<td>Airport improvements</td>
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<td>Alexander Municipal Airport, NM</td>
<td>Crosswind runway</td>
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<td>Greater Buffalo International Airport, NY</td>
<td>Construct glycol treatment reed beds</td>
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<td>Greater Rochester International Airport, NY</td>
<td>Construct taxiway</td>
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<td>Niagara Falls International Airport, NY</td>
<td>Construct access road and apron</td>
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<td>Westchester County Airport, NY</td>
<td>ILS System upgrade and various improvements</td>
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<td>Airport Name</td>
<td>Conference</td>
<td>Hallmark</td>
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<td>Akron-Canton Regional Airport, OH</td>
<td>2,400,000</td>
<td>Centralized deicing pad and glycol runoff containment facility</td>
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<td>Put-in-Bay Airport, OH</td>
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<td>The Ohio University Airport, OH</td>
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<td>Toledo Express Airport, OH</td>
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<td>Admire Municipal Airport, OK</td>
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<td>R.L. Jones Jr. Airport, OK</td>
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<td>West Woodward Airport, OK</td>
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<td>Rode Valley Airport, OR</td>
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<td>Doyestown Airport, PA</td>
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<td>Fayette County Airport Authority, PA</td>
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<td>Philadelphia International Airport, PA</td>
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<td>Pittsburgh International Airport, PA</td>
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<td>Venango Regional Airport, PA</td>
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<td>Dillon County Airport, SC</td>
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<td>Black Hills Clyde Ice Field, SD</td>
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<td>Chattanooga Airport, TN</td>
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<td>Everett Stewart Airport, TN</td>
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<td>Airport Name</td>
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<td>Upper Cumberland Regional Airport, TN</td>
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<td>Alliance Airport, TX</td>
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<td>Collin County Regional Airport, TX</td>
<td>Rehabilitate parallel taxiway</td>
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<tr>
<td>Denton Municipal Airport, TX</td>
<td>Runway 17/35 extension and parallel taxiway extension</td>
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<tr>
<td>Easterwood Airport, TX</td>
<td>Rehabilitate Runway 16/34</td>
<td>2,700,000</td>
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<tr>
<td>Granbury Municipal Airport, TX</td>
<td>Construct new runway 18/36</td>
<td>1,000,000</td>
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<tr>
<td>La Porte Municipal Airport, TX</td>
<td>Rehabilitate taxiway, aircraft parking apron, and install security fencing</td>
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<td>Waco International, TX</td>
<td>Construct taxiway and airport service road</td>
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<td>Breaks Interstate Regional Airport, VA</td>
<td>Environmental assessment for new airport</td>
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<td>Lee County Airport, VA</td>
<td>Construction of partial taxiway</td>
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<td>Snohomish County (Paine Field), WA</td>
<td>Kilo One taxiway ADG-V improvements</td>
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<tr>
<td>L.O. Simenstad Municipal Airport, WI</td>
<td>Reconstruct and extend runway, construct parallel taxiway and develop hangar area</td>
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<tr>
<td>La Crosse Municipal Airport, WI</td>
<td>Construct taxiway F</td>
<td>1,325,000</td>
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<td>Manitowoc County Airport, WI</td>
<td>Reconstruction of runway 17/35</td>
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<td>Merrill Municipal Airport, WI</td>
<td>Construct parallel taxiways, hangar area and terminal building</td>
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<tr>
<td>New Richmond Regional Airport, WI</td>
<td>Apron rehabilitation</td>
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<tr>
<td>Airport Name</td>
<td>Project Description</td>
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<td>Rhinelander-Oneida County Airport, WI</td>
<td>Extend and reconstruct runway 15/33</td>
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<td>Rice Lake Regional Airport, WI</td>
<td>Strengthen primary runway and parallel taxiway</td>
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<td>Sheboygan County Memorial Airport, WI</td>
<td>Land Acquisition; construct primary runway extension</td>
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<td>Taylor County Airport, WI</td>
<td>Expand runway</td>
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<tr>
<td>WV Statewide</td>
<td>Airport improvements</td>
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</tr>
</tbody>
</table>
The conference agreement includes a re- 
revision of contract authority of $1,032,000,000 
instead of $469,000,000 proposed by the House 
and $1,174,000,000 as proposed by the Senate.

**ADMINISTRATIVE PROVISIONS—FEDERAL 
AVIATION ADMINISTRATION**

Section 101 retains a provision authorizing 
a pilots to transfer instrument landing sys-
tems and other equipment purchased with 
federal airport grants to the FAA, subject to 
certain conditions, as proposed by the House 
and Senate.

Section 102 allows 375 technical staff-years 
at the Center for Advanced Aviation Sys-
tems Development as proposed by the House 
and Senate.

Section 103 prohibits funds for adopting 
standards or regulations to cover airport 
spreads and other issues under section 109.

Section 104 retains a provision proposed by 
the Senate that allows reimbursement of 
senior personnel fees collected and 
credited under 49 USC 45903. The House bill 
contained no similar provision.

Section 105 retains a provision proposed in 
the Senate that allows reimbursement of 
funds for technical assistance to 
foreign aviation authorities to be credited to 
the Operations account. The House bill 
contained no similar provision.

Section 106 retains a provision proposed by 
the Senate prohibiting funds to change 
weight restrictions or prior permission rules 
at Teterboro Airport in New Jersey. The 
Senate bill contained no similar provision.

Section 107 retains a provision proposed by 
the House prohibiting funds for engineering 
work related to an additional runway at 
Louis Armstrong New Orleans International 
Airport in Louisiana. The Senate bill 
contained no similar provision.

Section 108 includes a provision as 
posed by the House and modifies a Senate 
provision concerning the continuation and 
mandatory extension of the war risk insur-
ance program. The conference agreement ex-
tends the existing terms and conditions of 
the program for one year, until December 31, 
2006. The conference notes that, under the pro-
visions of section 106 of Public Law 108-176, 
the Secretary continues to have the authority 
to extend war risk insurance to aircraft 
manufacturers at his discretion. The Senate 
provision extending the virtual primary air-
port subsidies is addressed under section 109.

Section 109 modifies a Senate provision re-
garding extending virtual primary airport 
subsidies for fiscal year 2006. It is the con-
ference intent that this will be the last exten-
sion for such subsidies.

**FEDERAL HIGHWAY ADMINISTRATION**

**LIMITATION ON ADMINISTRATIVE EXPENSES**

The conference agreement limits adminis-
trative expenses of the Federal Highway Ad-
ministration (FHWA) to $364,638,000, as 
posed by the Senate instead of $36,287,100,000 
as proposed by the House and $49,194,259,000 
as proposed by the Senate.

The conference agreement limits obliga-
tions for the federal-aid highways program 
to $35,022,543,903 instead of $36,287,100,000 as 
proposed by the House and $49,194,259,000 as 
proposed by the Senate.

The conference agreement includes 
Federal Guaranty of Loans, as proposed by 
the House, which allows the Secretary to charge and collect 
service fees from the applicant for a direct loan, 
guaranteed loan, or line of credit to cover the cost of the 
financial and legal analyses performed on behalf of the Department as 
authorized under section 609(b) of title 23, 
United States Code. The fees so collected are 
not subject to any obligation limitation or 
the limitation on administrative expenses 
for the infrastructure finance program 
under section 608 of title 23, United States Code.

The conferees recognize the importance of 
permitting States to use transportation 
enhancement funds for historic preservation. 
The conferees direct the FHWA to continue 
approving the use of transportation enhance-
ment funds for the preservation and restora-
tion of historic courthouses when there is 
linkage to transportation, consistent with 
past practices.

**LIMITATION ON TRANSPORTATION RESEARCH**

The conference agreement includes a gen-
eral limitation on transportation research 
of $429,600,000 instead of $485,000,000 as 
proposed by the House and $408,491,420 as 
proposed by the Senate. Within this level, the conference 
agreement includes funding for the following activities:

- Surface transportation research, development, 
development, and deployment program .......... $396,400,000
- Training and education program .................. 26,700,000
- Bureau of Transportation Statistics ................. 27,000,000
- University transportation research ................. 69,700,000
- Intelligible transportation systems research .......... 110,000,000

**BUREAU OF TRANSPORTATION STATISTICS**

Under the obligation limitation of the 
FHWA, and within the sublimitation for 
transportation research, the conference 
agreement provides $27,000,000 for the 
Bureau of Transportation Statistics (BTS). Since the 
passage of the Norman Y. Mineta Research 
and Special Programs Improvement Act, 
Public Law 108-226, on November 30, 2004, 
BTS is a part of the Research and Innovative 
Technology Administration (RITA) within 
the Department. Accordingly, additional in-
formation regarding BTS is included in the 
RITA section of this report.

**FERRY BOATS AND FERRY TERMINAL FACILITIES**

Within the funds available for ferry 
boats and ferry terminal facilities, funds are to be 
available for the following projects and activ-
ities:

<table>
<thead>
<tr>
<th>Project</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Beale Street Landing/Docking Facility, Memphis, TN</td>
<td>$2,500,000</td>
</tr>
<tr>
<td>Bridgeport High Speed Ferry, CT</td>
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<tr>
<td>Delaware Ferry Terminal, NJ</td>
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<tr>
<td>Ferry Boat New Construction, WA</td>
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<tr>
<td>Ferryboat Acquisition, Erie, PA</td>
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<tr>
<td>Fire Island Ferry Terminal, Saltaire, NY</td>
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<tr>
<td>Harbor Commission Car Ferry, Corvallis, OR</td>
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<tr>
<td>Homer-Halibut Cove-Jakolof Bay-Seldovia Ferry, AK</td>
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<tr>
<td>Iowa-Illinois Regional Ferry Service, IA</td>
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<tr>
<td>Kiteap Transit, a low-wage passenger-only ferry, WA</td>
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<tr>
<td>Kiteap Transit, Rich-Pas- sage Wake Impact Study, Bremerton, WA</td>
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<tr>
<td>LaGuardia Airport Ferry, NY</td>
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<tr>
<td>Long Branch Ferry Pier, NJ</td>
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<tr>
<td>Lorain Port Authority Black River Excursion Vessel, OH</td>
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<tr>
<td>Manns Harborbell Maintenance Facility, NC</td>
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<td>Mayport Vessel Replacement, Jacksonville, FL</td>
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<td>Oklahoma City Water Transport System, OK</td>
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<tr>
<td>Port Aransas Ferryboat, TX</td>
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<tr>
<td>Replacement of Kennedy Class Ferries, NY</td>
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<tr>
<td>San Francisco Bay Area Water Transit Ferry Boat Oyster Point, CA</td>
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<tr>
<td>Savannah Water Ferry, GA</td>
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<tr>
<td>Sound Class Ferry, Ocracoke, NC</td>
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<tr>
<td>Stamford High Speed Ferry, CT</td>
<td>2,750,000</td>
</tr>
<tr>
<td>Staten Island Fast Ferry Purchase, NY</td>
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<tr>
<td>Thames Shipyard Sound Ferry Terminal, CT</td>
<td>500,000</td>
</tr>
<tr>
<td>Vashon Island Passenger Ferry, WA</td>
<td>1,400,000</td>
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</table>

**TRANSPORTATION AND COMMUNITY AND SYSTEM 
PRESERVATION PROGRAM**

Within the funds made available for the 
transportation and community systems 
preservation program, funds are to be distri-
buted to the following projects and activi-
ties:
<table>
<thead>
<tr>
<th>Project</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bridge for Kids, Carbon River Pedestrian Bridge, Orting, WA</td>
<td>$750,000</td>
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<tr>
<td>Bristol Chestnut Street Resurfacing, Sidewalks, and Drainage, RI</td>
<td>$600,000</td>
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<tr>
<td>Brooklyn Queens Express Mitigation Study, NY</td>
<td>$300,000</td>
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<tr>
<td>Cambridge Rail Yard Revitalization, NY</td>
<td>$600,000</td>
</tr>
<tr>
<td>Chocaw Roads, MS</td>
<td>$3,000,000</td>
</tr>
<tr>
<td>City of Clinton Downtown Revitalization, MO</td>
<td>$500,000</td>
</tr>
<tr>
<td>City of Guin Industrial Commercial Park, AL</td>
<td>$150,000</td>
</tr>
<tr>
<td>City of Newburgh, NY</td>
<td>$350,000</td>
</tr>
<tr>
<td>City of Parsons Streetscape Improvements, WV</td>
<td>$1,520,000</td>
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<tr>
<td>City of Vermillion Downtown Streetscape Project, SD</td>
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<tr>
<td>Clark County Fairgrounds Improvements, OH</td>
<td>$450,000</td>
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<tr>
<td>Clean Fuel Service Station, NY</td>
<td>$320,000</td>
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<tr>
<td>Colchester, VT Route 15 Streetscape and Pedestrian Crossing Signal, VT</td>
<td>$250,000</td>
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<tr>
<td>Columbus Train Depot, Columbus, GA</td>
<td>$250,000</td>
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<tr>
<td>Connecticut River Scenic Byway, MA</td>
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<tr>
<td>Construction of an elevated rail corridor from Douglas Avenue to 17th Street North, Wichita, KS</td>
<td>$900,000</td>
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<tr>
<td>Construction on Watterson Trail and Plantside Drive, KY</td>
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<tr>
<td>Corridor Access Management on Route 7/20 Pittsfield/Lenox, MA</td>
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<td>County Highway A, Douglas County, WI</td>
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<td>Creation of a pedestrian/bike path, Thompson, CT</td>
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<td>Daniel Webster College, NH</td>
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<tr>
<td>Design and construction of Portzer Road connector, PA</td>
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<tr>
<td>Downtown Dodge City Core Streetscaping, KS</td>
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<tr>
<td>Downtown Parking Garage in Windham, CT</td>
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<tr>
<td>Extension of River Road, KY</td>
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<tr>
<td>Flagler Drive Improvement Project, West Palm Beach, FL</td>
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<tr>
<td>Fort Eustis Gateway Improvements, VA</td>
<td>$850,000</td>
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<tr>
<td>Grand Avenue Traffic Improvements, Grover Beach, CA</td>
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<tr>
<td>Greenville Borough Streetscape Enhancements, PA</td>
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<tr>
<td>Harden Street, SC</td>
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<tr>
<td>Highway 165 Stuttgart Railroad Overpass, AR</td>
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<tr>
<td>Historic District Streetscape and Transportation Improvements, Port Townsend, WA</td>
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<tr>
<td>Holmes County Trail Enhancements, OH</td>
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<tr>
<td>Honeybranch Industrial Park Road, Martin County, KY</td>
<td>$400,000</td>
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<tr>
<td>Houghton Road Corridor Transportation Initiative, Pima County, AZ</td>
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<tr>
<td>Houston Computerized Traffic Signal System, TX</td>
<td>$1,500,000</td>
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<tr>
<td>Hummelstown East Main Street and Walton Avenue Improvements, PA</td>
<td>$750,000</td>
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<tr>
<td>I-73, SC</td>
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<td>Improvements to Junction Bridge, AR</td>
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<td>Inman Parkway Extension, Beloit, WI</td>
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<tr>
<td>Intersection Improvements near Plano Extension Center, Plano, IL</td>
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<tr>
<td>Lemon Grove Lighting Project, CA</td>
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<tr>
<td>Lincoln South and West Beltway, NE</td>
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<tr>
<td>Logan Southwest Gateway Project, Logan, UT</td>
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<tr>
<td>Project Description</td>
<td>Funding Amount</td>
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<td>------------------------------------------------------------------------------------</td>
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<tr>
<td>Martinsburg Roundhouse Center, WV</td>
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<td>Mason County Tourism Mural Project, WV</td>
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<tr>
<td>Mount Greylock Scenic Byway Road Improvements, MA</td>
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<tr>
<td>Natchez Historical Trail, MS</td>
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<td>National Guard Armory Road, Haleyville, AL</td>
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<td>New Orleans City Park Roadway Improvements, LA</td>
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<tr>
<td>Newberg-Dundee Transportation Improvement Project, OR</td>
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<td>North Broadway Streetscape Project, CA</td>
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<td>North Hempstead Hybrid Vehicle Fleet, NY</td>
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<td>Old Montauk Highway, NY</td>
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<td>Olmsted Parks Historic Bridges, KY</td>
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<td>Park Forest Street Lighting, IL</td>
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<td>Pedestrian Tunnel and Trail, Stockbridge, GA</td>
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<td>Pedestrian Walkway Project, Calimesa, CA</td>
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<td>Pembroke Rail Feasibility Study, NC</td>
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<tr>
<td>Queen's Medical Center H-1 Off-ramp, HI</td>
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<tr>
<td>Reading River Road Extension, PA</td>
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<tr>
<td>Reconstruction of Main Street, Duvall, WA</td>
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<tr>
<td>Resurface San Juan County Road 4990, NM</td>
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<tr>
<td>Resurfacing and sidewalks Chesnut Street, Bristol, RI</td>
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<tr>
<td>Richmond Downtown Revitalization, MO</td>
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<tr>
<td>Robeson County Rail Spur Feasibility Study, NC</td>
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<td>Safety improvements Fruit Hill Road, Providence, RI</td>
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<td>Santa Monica Boulevard/Western Intersection Safety Project, CA</td>
<td>155,000</td>
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<td>Shelby Intermodal Hub, MT</td>
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<td>Sidewalk Enhancement, Buckhannon, WV</td>
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<td>Sidewalk replacement, Superior, WI</td>
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<td>SLU Streetscape Improvements, MO</td>
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<td>Snow plows for the Mackinac Island State Park Commission, MI</td>
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<td>Springfield Downtown Streetscape Improvements, MO</td>
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<td>SR-154 Memorial Drive, construct sidewalks, GA</td>
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<td>St. Louis Central Business District Street Improvements, MO</td>
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<td>Street Improvements, Lower Moreland Township, PA</td>
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<td>Street Road PA Route 132 Expansion Project, PA</td>
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<td>Swamp Road Improvement Project, PA</td>
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<tr>
<td>Syracuse Connective Corridor, Syracuse, NY</td>
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<tr>
<td>Tampa Bay regional transportation vision and planning for six county metro area,</td>
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<tr>
<td>Pinellas County, FL</td>
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<tr>
<td>Texas Medical Center Emergency Services Access, TX</td>
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<tr>
<td>Town of Frisco West Main Street Safety Study, CO</td>
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<tr>
<td>Town of North Kingstown Main Street Improvements, RI</td>
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<tr>
<td>Twin Peaks Road Corridor Design and Engineering, AZ</td>
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<tr>
<td>U.S. Route 150 entrance Galesburg Logistics Park, IL</td>
<td>400,000</td>
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<tr>
<td>US 90 Beautification Project, TX</td>
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<tr>
<td>US Highway 54 Improvements, Kingman County, KS</td>
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<tr>
<td>Walnut Grove Ave Traffic Light, Rosemead, CA</td>
<td>85,000</td>
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</table>
Washington State Transit Car Sharing Job Access Project, WA......................... 500,000
West City Park Road Resurfacing, Festus, MO.............................................. 160,000
Widening of 20th Street and 20th Avenue, Haleyville, AL................................. 1,000,000
Winooski East Bicycle and Pedestrian Path in VT......................................... 150,000
### FEDERAL LANDS

Within the funds available for the federal lands program, funds are to be available for the following projects and activities:

<table>
<thead>
<tr>
<th>Project</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>4th Street Bridge Corridor Improvements, VA</td>
<td>$3,800,000</td>
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<tr>
<td>17-Mile Road Reconstruction, WY</td>
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<tr>
<td>200 Line Road Project, Makah Indian Tribe, WA</td>
<td>$1,500,000</td>
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<tr>
<td>A. Teague Parkway Extension, Red River Refuge, LA</td>
<td>$1,250,000</td>
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<tr>
<td>Agua Caliente Cultural Museum Road Improvements, CA</td>
<td>$750,000</td>
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<tr>
<td>Alaska Trails Initiative, AK</td>
<td>$2,525,000</td>
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<tr>
<td>Battlefield Parkway Expansion from Kincaid Boulevard to Route 7, Leesburg, VA</td>
<td>$3,000,000</td>
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<tr>
<td>Bear River Migratory Bird Refuge Access Road, UT</td>
<td>$750,000</td>
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<tr>
<td>BIA Route 27 Reconstruction, SD</td>
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<tr>
<td>Blackstone River Bikeway, RI</td>
<td>$3,650,000</td>
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<tr>
<td>Bluff Street Corridor (SR-18), UT</td>
<td>$575,000</td>
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<tr>
<td>Boston Harbor Islands, Accessible Floats and Ramps, MA</td>
<td>$1,000,000</td>
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<tr>
<td>Campobello International Park paving of main road and parking area</td>
<td>$1,500,000</td>
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<tr>
<td>Chickasaw Museum and Cultural Center, Natchez Trace Parkway, MS</td>
<td>$450,000</td>
</tr>
<tr>
<td>City of Rocks Back Country Byway, ID</td>
<td>$3,000,000</td>
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<tr>
<td>Craig Road Grade Separation, Las Vegas, NV</td>
<td>$5,400,000</td>
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<tr>
<td>Crow’s Neck Environmental Education Center, Tishomingo County, MS</td>
<td>$150,000</td>
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<tr>
<td>Elm Street Garage Improvements, New Bedford, MA</td>
<td>$300,000</td>
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<tr>
<td>FDA Access Road, Montgomery County, MD</td>
<td>$500,000</td>
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<tr>
<td>FR-24, Banks to Lowman, ID</td>
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<tr>
<td>Forest Road 235 in Magdalena Ridge, NM</td>
<td>$1,165,000</td>
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<tr>
<td>Fort Campbell U.S. 41A Force Protection Barrier Project in Fort Campbell, KY</td>
<td>$1,600,000</td>
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<tr>
<td>Fort Peck Reservoir Fishing Access Roads, MT</td>
<td>$800,000</td>
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<tr>
<td>Ft. George Island Traffic Study, FL</td>
<td>$300,000</td>
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<tr>
<td>Golden Gate National Parks Conservancy Parks and Trails, CA</td>
<td>$600,000</td>
</tr>
<tr>
<td>HCRH Improvements, Cascade Locks, OR</td>
<td>$500,000</td>
</tr>
<tr>
<td>Hoover Dam Bypass Bridge, Arizona and Nevada</td>
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<tr>
<td>Hoover Dam Bypass Bridge, AZ</td>
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<tr>
<td>Hopi Navajo Route 69 in Navajo County, AZ</td>
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<tr>
<td>Hwy 49-Hwy 7 Connector Road, Leflore County, MS</td>
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<tr>
<td>Hyde Park Information and Transportation Center, NY</td>
<td>$1,625,000</td>
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<tr>
<td>Improvements to Tongue River Trail BIA Route 4, AZ</td>
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<tr>
<td>Interstate 280 Freeway Extension, CA</td>
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<tr>
<td>Jamestown 2007 Project, VA</td>
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<tr>
<td>LA Highway 117 Environmental Assessment, LA</td>
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<tr>
<td>Lake Mead Parkway Improvements, City of Henderson, NV</td>
<td>$1,000,000</td>
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<tr>
<td>Lone Pine Dam, Navajo County, AZ</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>Marine Corps Heritage Center Interchange, VA</td>
<td>$500,000</td>
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<tr>
<td>Navajo Route 13 Rehabilitation, NM</td>
<td>$1,540,000</td>
</tr>
<tr>
<td>Needles Highway, San Bernardino, County, CA</td>
<td>$1,000,000</td>
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<tr>
<td>Northern Virginia Recreation Trail Connections, VA</td>
<td>$500,000</td>
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<tr>
<td>Ocean County Route 539 Crossing Resurfacing Upgrade, NJ</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>Pikes Peak Erosion and Sedimentation Control, CO</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>Preston North and South in Richardson County, NE</td>
<td>$1,500,000</td>
</tr>
<tr>
<td>Reconstruction of S-323, Alzada to Ekalaka, MT</td>
<td>$500,000</td>
</tr>
<tr>
<td>Repaving of Delta/Drummond Road, US Forest Highway 35, WI</td>
<td>$1,200,000</td>
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<tr>
<td>Riverwalk construction, Lowell, Middlesex, MA</td>
<td>$1,000,000</td>
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<tr>
<td>Road to the Lower Elwha Klallam Tribe Reservation, WA</td>
<td>$1,000,000</td>
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<tr>
<td>Salmon Falls Creek Bridge, ID</td>
<td>$800,000</td>
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<tr>
<td>San Juan County Road 442 in the Navajo Nation, UT</td>
<td>$2,300,000</td>
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<tr>
<td>San Juan County Road 444 in the Navajo Nation, UT</td>
<td>$1,200,000</td>
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<tr>
<td>San Juan County Road 470 in the Navajo Nation, UT</td>
<td>$3,000,000</td>
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<tr>
<td>SD 40 Resurfacing from Hermosa, South Dakota to Shannon County, Line, SD</td>
<td>$750,000</td>
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<tr>
<td>Sequoia National Park Wildfire Protection Barrier, OK</td>
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<tr>
<td>SH 145 Dolores to Stoner, CO</td>
<td>$4,800,000</td>
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<tr>
<td>Skiatook Lake Access Roads, OK</td>
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<tr>
<td>South Access to Golden Gate Bridge, CA</td>
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<tr>
<td>South Dupree Road BIA Route 15, SD</td>
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<tr>
<td>Spirit Lake Reservation Tokiop-Ephriam Road, ND</td>
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<tr>
<td>SR 160 Blue Diamond Highway Widening, Valley View to Rainbow, NV</td>
<td>$3,750,000</td>
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<tr>
<td>SR 4-Wagon Trail realignment, CA</td>
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<tr>
<td>SR 92-1 Interchange, Utah County, UT</td>
<td>$1,500,000</td>
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<tr>
<td>SR-82, I-15 Interchange to SR-146, UT</td>
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<tr>
<td>Stones River National Battlefield Tour Route, TN</td>
<td>$500,000</td>
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<tr>
<td>Summit Valley Road, San Bernardino County, CA</td>
<td>$1,000,000</td>
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<tr>
<td>Sumpter Valley Railroad Restoration, Baker County, OR</td>
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<td>Taholah School Access Road Project, Quinault Indian Nation, WA</td>
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<td>Thomas Cole National Historic Site, NY</td>
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<td>Toko Oodham highway improvements, AZ</td>
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<tr>
<td>Trail Forever Golden Gate Conservancy, CA</td>
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<tr>
<td>US 93 Evaro to Polson Corridor, MT</td>
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<tr>
<td>US 6 West Vail Pass Vegetated Wildlife Overpass, CO</td>
<td>$600,000</td>
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<tr>
<td>Wilson Lake Cedar Creek Bridge Crossing, KS</td>
<td>$1,475,000</td>
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### INTERSTATE MAINTENANCE DISCRETIONARY

Within the funds available for the interstate maintenance discretionary program, funds are to be available for the following projects and activities:
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<th>Project</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Bluff Street and I-15 Interchange near St. George, UT</td>
<td>$1,400,000</td>
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<tr>
<td>Cactus Avenue/ I-15 Interchange Project, NV</td>
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<tr>
<td>El Paso's Great Streets, TX</td>
<td>300,000</td>
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<tr>
<td>Fairmont Gateway Connector System, WV</td>
<td>3,000,000</td>
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<tr>
<td>Frontage Road Construction, Lake Charles, LA</td>
<td>1,500,000</td>
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<tr>
<td>Highway 156, Monterey County, CA</td>
<td>500,000</td>
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<tr>
<td>I-10 Cypress Avenue Overcrossing, Fontana, CA</td>
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<tr>
<td>I-15 Bluff Street Interchange, St. George, UT</td>
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<tr>
<td>I-15 Reconstruction Salt Lake County, UT</td>
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<td>I-15/Base Line Road Interchange, Rancho Cucamonga, CA</td>
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<tr>
<td>I-20 from MS River Bridge thru Vicksburg, MS</td>
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<tr>
<td>I-205, OR</td>
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<tr>
<td>I-205/Highway 213 Interchange, OR</td>
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<tr>
<td>I-215/I-515 Interchange, NV</td>
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<tr>
<td>I-235 storm water management project, IA</td>
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<tr>
<td>I-235/US 54 design and construction and I-235/Central Avenue Interchange, KS</td>
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<td>I-25 Corridor through the Pikes Peak Region, CO</td>
<td>1,250,000</td>
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<td>I-25, Tramway north to Bernalillo, NM</td>
<td>775,000</td>
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<td>I-35/Lone Elm Rd./159th St. Interchange, Olathe, KS</td>
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<td>I-40/77 Interchange in Iredell County, NC</td>
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<tr>
<td>I-5 Blaine Exit Interchange and Border Crossing Improvements, WA</td>
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<tr>
<td>I-55 South Nissan Interchange, MS</td>
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<td>I-64 Harrison County Interchange study, IN</td>
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<td>I-66 Northern Bypass around Somerset, KY</td>
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<td>I-66 Pike County, KY</td>
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<td>I-66 Somerset to London, KY</td>
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<td>I-70 Improvement Project: Frederick, MD</td>
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<td>I-70 Interchange Improvements, Bentleyville, PA</td>
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<td>I-75 Corridor Border between Exit 38 and Exit 41, KY</td>
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<td>I-80 Colfax Narrows Project, NV</td>
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<td>I-93 Interchange, Andover, Tewksbury and Wilmington, MA</td>
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<td>I-94: Marquette Interchange, WI</td>
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<td>I-95/SC-327 Interchange Improvements, SC</td>
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<td>Interchange at Interstate 80 at Fernley, NV</td>
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<td>KY 52 project in the City of Beatyville, KY</td>
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<td>KY 9 Extension in Campbell County, KY</td>
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<td>Laredo - Scott and Sanchez Streets Grade Separation Project, TX</td>
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<td>Lee County I-20 Frontage Road, U.S. 15 to SC-341, SC</td>
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<td>Louise Avenue I-5 Interchange Improvements Project, CA</td>
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<td>Lynnwood I-5 City Center Exit, WA</td>
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<td>Mahoning County US-224, Ohio Safety Improvements, OH</td>
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<td>Ohio River Bridges, IN</td>
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Paseo del Volcan I-40 Interchange, NM ................................................................. 5,000,000
Pearl Harbor Bridge Replacement Project, CT ...................................................... 1,250,000
Pennsylvania Turnpike I-95 Interchange Project, Bucks County, PA .................... 2,000,000
Pickens-Battiest Road, McCurtain County, OK .................................................. 900,000
Prospect Road Widening, Polk County, GA .......................................................... 650,000
Reconstruct Interchange at South Dakota Highway 42 and Interstate 29, Sioux Falls, SD ........................................................................................................ 3,000,000
Renovate I-65/Brook Street Ramp, KY .................................................................. 500,000
Reyes Adobe Interchange Project, Agoura Hills, CA ............................................ 850,000
Rock Springs I-80 Marginal, WY ........................................................................... 500,000
Route 116 Modernization, ME ................................................................................ 500,000
SR 19 Improvements, Morrisville, PA .................................................................. 1,000,000
SR 704/I-5 Cross Base Highway, Pierce County, WA .......................................... 2,500,000
State Route 180 E Improvements, CA .................................................................. 900,000
Texas DOT - I-69 Environmental Studies, TX ...................................................... 1,750,000
Triangle Project, I-5/SR 18/SR 161, Federal Way, WA ......................................... 3,000,000
US 67 Super Two Design, La Entrada al Pacifico Trade Corridor, TX .................. 1,250,000
US 68 at Highland Glen Industrial Park in Barren County, KY ......................... 200,000
US 77 Highway Overpass Reconstruction, TX .................................................... 500,000
Widen Route 82 in Norwich, CT .......................................................................... 625,000
Widening of Interstate Highway 10, El Paso, TX ................................................. 1,000,000
The conference agreement provides a liquidating cash appropriation of $30,032,343,903 to pay the outstanding obligations of the various highway programs at levels provided in this Act and prior appropriations Acts, instead of $36,000,000,000 as proposed by the House and $40,194,259,000 as proposed by the Senate.

The conference agreement includes a rescission of $1,999,999,000 of the unobligated balances of obligations apportioned to the States under chapter 1 of title 23, United States Code, excluding safety programs and funds set aside within the State for population areas. The conference directs the FHWA to administer the rescission by allowing each State maximum flexibility in making adjustments among the apportioned highway programs.

APPALACHIAN DEVELOPMENT HIGHWAY SYSTEM

The conference agreement provides $20,000,000 for the Appalachian Development Highway System to be allocated for West Virginia.

ADMINISTRATIVE PROVISIONS—FEDERAL HIGHWAY ADMINISTRATION

Section 110 includes a provision similar to language proposed by the Senate that modifies the distribution of Federal-aid highway obligation limitation. The House did not include a similar provision.

Section 111 retains the provision, as proposed by both the House and Senate, that allows funds received by the Bureau of Transportation Statistics from the sale of data products to be credited to the Federal-aid highway trust fund.

Section 112 includes a new provision that establishes an administrative takedown and sets the funding levels for activities of the National Highway Traffic Safety Administration. The remaining amounts shall be distributed for the following purposes:

**SURFACE TRANSPORTATION PROJECTS**

<table>
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<tr>
<th>Project</th>
<th>Amount</th>
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<tr>
<td>12th Street Bridge Replacement, Plain Township, OH</td>
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<tr>
<td>203 West from Syracuse Road to Midland Drive, Davis and Weber Counties, UT</td>
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<td>2nd Street/Andreas Avenue/3rd Street Enhancements, Ft. Lauderdale, FL</td>
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<tr>
<td>31st Street, Hakesell Ave., to O’Connell Rd., Lawrence, KS</td>
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<td>55th Street Bridge Replacement, Plain Township, OH</td>
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<td>56th Avenue Improvements, Denver, CO</td>
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<tr>
<td>A-B Street NW Corridor Connector, Auburn, WA</td>
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<td>Airport Road Expansion, Phase II, Jasper, AL</td>
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<td>Airline Terminal Roadway Improvements, Broward County, FL</td>
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<td>A-17NO7.246 H17NOPT2</td>
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<td>Allendale Road Improvement Project, TX</td>
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<tr>
<td>San Gabriel Valley, CA</td>
<td>$4,200,000</td>
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<tr>
<td>Ali Community Park Rehabilitation Project, TX</td>
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<td>Alliance Transportation Research, University of New Mexico, NM</td>
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<td>Atus Falcon Road Improvements, OK</td>
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<tr>
<td>200,000</td>
<td>American Discovery Trail, Coralville, IA</td>
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<td>Andrews Air Force Base Gateway Beautification, MD</td>
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<tr>
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<td>Antelope Valley Transportation Improvements, NE</td>
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<td>Arthur Avenue Retail Market, NY</td>
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<td>Ashburnon Avenue Reconstruction, City of Yonkers, NY</td>
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<tr>
<td>450,000</td>
<td>Ashland Common Town of Lapointe, reconstruct Rice street with storm sewer, sidewalk and parking, WI</td>
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<tr>
<td>1,300,000</td>
<td>Assembly Street Railroad Relocation, SC</td>
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<td>Anthony Avenue Extension, NY</td>
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<td>Austin Road Extension, Prospect, CT</td>
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<td>Baldwin County Highway 85 Evacuation Route Project, AL</td>
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<td>Baldwin Road, Oakland County, MI</td>
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<td>Baltimore Regional Transit System Expansion, MD</td>
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<td>Barnhart Road Extension, Unadilla County, OH</td>
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<td>Bass River Park Gateway, Dennis, MA</td>
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<td>Back and Wixom Road/1-96 Interchange Improvement, MI</td>
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<td>Beckley Exhibition Coal Mine, WV</td>
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<td>Belleville and Ecore Road Intersection, MI</td>
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<td>Bird Springs Road/Bridge Rehabilitation, AZ</td>
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<td>Bob Jones/Palmetto Parkway, SC</td>
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<td>Borough Res. MS.</td>
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<td>Bobby Jones/Palmetto Parkway, SC</td>
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<td>Bobby Jones/Palmetto Parkway, SC</td>
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<td>Bob Jones/Palmetto Parkway, SC</td>
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<tr>
<td>Project</td>
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<tr>
<td>Creation of Pedestrian/bike paths on Route 190 Bridge, Enfield, CT</td>
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<td>Cromwell Industrial Park road construction in Cromwell, CT</td>
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<tr>
<td>Creek Road, from 14 Mile Road to Elmdorf Road/Meijer Drive, Clawson, MI</td>
<td>2,200,000</td>
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<tr>
<td>Crystal Lake Mitigation, Manchester, NH</td>
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| CAA of America Nationwide project, Bernalillo Coun-
ty, NM | 3,000,000 |
| Culvert Replacement on Roads, AK | 2,000,000 |
| Curry College Area Road Improvements, MA | 750,000 |
| Dakota Turkey Plant Access Road US 14 in Huron, SD | 500,000 |
| Dayton Avenue and City Highway Improvements, Penfield, NY | 2,000,000 |
| Dedes Road, Gulfport, MS | 500,000 |
| Delaware Welfare to Work Program, DE | 1,100,000 |
| Denton I-35E Bridge at Loop 288/U.S. 77, TX | 1,500,000 |
| Des Moines (Principal) Riverwalk, Des Moines, IA | 750,000 |
| Design and construction of union street rail under-
nerpass, West Springfield, MA | 1,000,000 |
| Development and construction of SR37/SR145, IN | 2,000,000 |
| Downtown Multi-modal Transportation System, Hunts-
vilie, AL | 500,000 |
| Downtown Road Improvement, Indianapolis, IN | 750,000 |
| Dualization of MD 404, MD | 500,000 |
| Dualization of US 113, MD | 2,000,000 |
| Dublin Boulevard and Doughty Avenue, City of Dub-
lin, CA | 900,000 |
| E. Genesee Avenue streetscape project, Saginaw, MI | 1,000,000 |
| East Lake Sammamish Parkway, Sammamish, WA | 700,000 |
| Eastern Hills Corridor road construction, Clarence, Erie County, NY | 2,000,000 |
| Edith Boulevard Improvements, Bernalillo Coun-
ty, NM | 1,500,000 |
| El Camino East/West Corridor, LA | 3,000,000 |
| Eleven Mile Road, Berklely, Oak Park, and Hun-
tington Woods, MI | 400,000 |
| Environmental System, Shield, Brooklyn Queens Ex-
pressway, NY | 1,000,000 |
| Essential road improvements, Desert Hot Springs, CA | 650,000 |
| Evacuation Plan Funding, LA | 1,000,000 |
| Evansville I-69 Viaducts reconstruction, IL | 750,000 |
| Evansville Indiana Downtown Transit Study, IN | 200,000 |
| Expansion of access and parking adjacent to Post Office, City of Jacksonville, FL | 110,000 |
| Expansion of Highway 431, Town of roanoke, AL | 150,000 |

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<td>Extend I-759 East to US Highway 278, Gadsden, AL</td>
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<td>FAS/C-TRAC SCATS signal installations, Oakland County, MI</td>
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<td>Flamino Road Reconstruction, Laguna Beach, CA</td>
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<td>Fort Bragg Bike Path, CA</td>
<td>750,000</td>
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| Fort Campbell Variable Message Board/Direc-
tional Signs in Fort Campbell, KY | 250,000 |
| Fort Worth Transportation Improvement Projects, TX | 750,000 |
| Forticaiston Street Rehabilitation, Jackson, MS | 1,500,000 |
| Great Explorers Bridge, San Francisco, CA | 500,000 |
| Great Explorers Bridge, Marion, IN | 900,000 |
| Great River Road, Renovating Old Fort Mad-
son, IA | 1,000,000 |
| Grand Trafalgar Highways Project, WY | 750,000 |
| Great River Road, Scenic Byways, Montrose, IA | 300,000 |
| Greene Co. Demonstration Bridge, MO | 1,000,000 |
| Greene County, GA | 500,000 |
| Greene Lake Bridge, Gre-
 nada, MS | 2,000,000 |
| Guaranteed Ride Home Prog, Santa Clara Coun-
ty, CA | 3,000,000 |
| Hapeville rail facilities and corridor, GA | 400,000 |
| Hapeville rail facilities and corridor, CA | 1,000,000 |
| Hattlesburg Int
lent Transportation System, MS | 650,000 |
| Highway 100 Trail Bridge and 28th Street Pedes-
trian Bridge, St. Louis Park, MN | 1,000,000 |
| Highway 149 Improvements, Richland, MS | 800,000 |
| Highway 45 Bypass, Colum-
bus, MS | 1,750,000 |
| Highway 49 Widening from the University of North Carolina to the Yadkin River Bridge, Charlotte, NC | 5,000,000 |
| Highway 49/Highway 7 Con-
nector Road, Greenwood, MS | 1,500,000 |
| Highway 6 Bypass, TX | 2,250,000 |
| Highway 6 from Bataville to Clarksdale, MS | 3,250,000 |
| Highway 63: Interstate 55–Jonesboro, AR | 2,000,000 |
| Highway 71: Texarkan-
a–DeQueen | 2,000,000 |
| Highway 77 Rail Grade Separation, Marion, AR | 350,000 |
| Highway 82 Frontage Road, Leland, MS | 500,000 |
| Highway-rail grade crossing, Spring, Silver, NY | 600,000 |
| Highway-rail grade crossing, Spring, (Silver, TX) | 250,000 |
| Historic Court Square Impro-
vements, Charlottesville, VA | 140,000 |
| Hoboken Waterfront Walk-
way along North Sinatra Drive, NJ | 400,000 |
| Honolulu Ways to Work, HI | 250,000 |
| Hossier Heartland High-
way, Cass/Carroll Coun-
ty, IA | 1,300,000 |
| Hossier Heartland High-
way, IN | 1,500,000 |
| Hoover Nature Trail, Ely, IA | 1,000,000 |
| Houston Flood Improve-
ment Projects, TX | 1,500,000 |
| Howard Road Improvements, TX | 750,000 |
| Howell, Sharon, Tanner and Butler Counties, Route 60, MO | 500,000 |
| Hudson River Waterfront Walkway, NJ | 750,000 |
| HWY 133 from Valdosta to Monticello to Albany, GA | 1,000,000 |
| I-15 Layton Interchange, Layton, UT | 1,500,000 |
| I-15 North & Commuter Rail Coordination study; Davis County, UT | 1,500,000 |
| I-15 (Falchion Rd)/SR 18 Interchange, CA | 1,000,000 |
| I-15 Corridor Program, Lincoln Parish, LA | 600,000 |
| I-26/US 1 Airport Inter-
modal Connector, Lex-
ington, SC | 750,000 |
| I-275/M-5 corridor eco-
nomic development study for Oakland and Wayne Counties by the I-
275/M-5 Transportation Alliance, Farmington Hills, MI | 500,000 |
| I-4 Crosstown Connector, FL | 850,000 |
| I-4 Land Acquisition (Or-
lando Metropolitan Area), FL | 1,500,000 |
| I-40/Az S 95 Inter-
connect, Needles, CA | 2,000,000 |
| I-49 North, LA | 500,000 |
| I-49 Highway/Freeway Ramp and Street Capacity Improve-
ments, OR | 2,000,000 |
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<td>Corridor, Phase I, IN</td>
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<td>Joplin</td>
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<td>Downtown Streetscape Development, MO</td>
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<td>K-18 4-lane Improvement, Preliminary Engineering and Design, Riley County, KS</td>
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<td>Kalkberg Commerce Park, NY</td>
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<td>Kendall Square Transportation Improvements, MA</td>
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<td>Keystone Drive Reconstruction and Upgrade, AK</td>
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<td>KY1494 widening in Bullitt County, KY</td>
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<td>LA 1 Replacement, LA</td>
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<td>LA Highway 28 from Ft. Polk to Alexandria, LA</td>
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<td>La Velle Road Reconstruction, North Bonnerard NM</td>
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<td>Lagoon Pond Inlet Bridge, Martha’s Vineyard, MA</td>
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<td>Lake County Passage, IL</td>
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<td>Lenexa Prairie Star Parkway, KS</td>
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<td>Lexington Connector, SC</td>
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<td>Liberty Street Reconstruction, McDonel, PA</td>
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<td>Library Lane Project, NY</td>
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<td>Lincoln Bypass, CA</td>
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<td>Lincoln South Belt, NE</td>
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<td>Little Bay Bridges</td>
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<td>Little Sugar Creek Greenway, NC</td>
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<td>Livernois Road, from South Bonnerard to Avon Road, Rochester Hills, MI</td>
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<td>Long Branch Village Center Access Improvements, Silver Spring, MD</td>
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<td>Longfellow Bridge Rehabilitation, Boston, MA</td>
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<td>Main Street Extension Realignment, Freemansburg, PA</td>
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<td>Malden Industrial Park Improvement Programs, MO</td>
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<td>Maple Road lane addition and road improvements between Drake and Beck, MI</td>
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<td>Martin Novato Narrows Highway 101 Corridor Widening, CA</td>
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<td>Maryland 4 Suitland Parkway Exchange, MD</td>
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<td>Maryland 5 at Maryland 373, MD</td>
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<td>MD 266, MD 238 to Saratoga Drive, MD</td>
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<td>MD69, Cavan to Ridgely Road, MD</td>
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<td>Mechanical Civil Aerospace Engineering Complex, Rolla, MO</td>
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<td>Medford Downtown Traffic and Pedestrian Redevelopment, MA</td>
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<td>Meredith Village Improvement Project, NH</td>
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<td>Mexico Brandon Line Improvement Project, MO</td>
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<td>Middle Reservation Road Improvements, Wyoming County, NY</td>
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<td>Missouri Avenue Reconstruction, Keokuk, IA</td>
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<td>Monaville Road Bridge, Tunnel, IL</td>
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<tr>
<td>Montana Automated Crash Notification Research, MT</td>
<td>400,000</td>
</tr>
<tr>
<td>Monterey Bay Sanctuary Scenic Trail, CA</td>
<td>750,000</td>
</tr>
<tr>
<td>Montour Trail completion project, PA</td>
<td>1,000,000</td>
</tr>
<tr>
<td>Morgan County Bridges Improvement Project in Morgan County, KY</td>
<td>2,000,000</td>
</tr>
<tr>
<td>Morgan State University Transportation Center, MD</td>
<td>500,000</td>
</tr>
<tr>
<td>Mountain Avenue Bridge Road Realignment, Duarte, CA</td>
<td>2,500,000</td>
</tr>
<tr>
<td>MSU South Entrance Loop, MS</td>
<td>500,000</td>
</tr>
<tr>
<td>Myrtle Avenue Streetscape Project, Monrovia, CA</td>
<td>250,000</td>
</tr>
<tr>
<td>N.A. Sandifer Highway, Lincoln County, KY</td>
<td>1,000,000</td>
</tr>
<tr>
<td>Navy Yard Reconstruction of Broad Street Quaywall, PA</td>
<td>900,000</td>
</tr>
<tr>
<td>Nebraska Highway 39, NE</td>
<td>5,000,000</td>
</tr>
<tr>
<td>New Hampshire Route 111A Intersection Safety Improvements, NH</td>
<td>750,000</td>
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<tr>
<td>New Haven Missouri River bore project, MO</td>
<td>1,000,000</td>
</tr>
<tr>
<td>New Mexico State University Bridge Research Center, NM</td>
<td>1,300,000</td>
</tr>
<tr>
<td>Ninth StreetArterial Connector, Prineville, OR</td>
<td>750,000</td>
</tr>
<tr>
<td>Norris Viaduct Project, KY</td>
<td>700,000</td>
</tr>
<tr>
<td>North Cass Parkway Corridor Improvement from U.S. 71 to Mullen Road, Belton, MO</td>
<td>800,000</td>
</tr>
<tr>
<td>North County 1-5 interchanges and Arch Sperry Road, San Joaquin County, CA</td>
<td>2,000,000</td>
</tr>
<tr>
<td>North County 1-5 interchanges and Arch Sperry Road, San Joaquin County, CA</td>
<td>2,000,000</td>
</tr>
<tr>
<td>Northgate Bridge Improvement Project, MO</td>
<td>3,000,000</td>
</tr>
<tr>
<td>North Oak Corridor Improvement Project, MO</td>
<td>500,000</td>
</tr>
<tr>
<td>Northern Corridor Widening, St. George, UT</td>
<td>850,000</td>
</tr>
<tr>
<td>Northside Dr, Clinton, MS</td>
<td>2,500,000</td>
</tr>
<tr>
<td>North-South Wacker Drive, Chicago, IL</td>
<td>350,000</td>
</tr>
<tr>
<td>Northwest Butler Transportation Improvement District, Butler County, OH</td>
<td>1,000,000</td>
</tr>
<tr>
<td>Northwestern Highway Extension, Oakland County, MI</td>
<td>750,000</td>
</tr>
<tr>
<td>Ohio to Erie Trail/Camp Perry, OH</td>
<td>2,000,000</td>
</tr>
<tr>
<td>Old Orchard Road Overpass, MO</td>
<td>2,000,000</td>
</tr>
<tr>
<td>Orange County SR 280 Improvements, FL</td>
<td>950,000</td>
</tr>
<tr>
<td>Orange County, FL</td>
<td>400,000</td>
</tr>
<tr>
<td>Project Description</td>
<td>Amount</td>
</tr>
<tr>
<td>---------------------</td>
<td>--------</td>
</tr>
<tr>
<td>Reconstruct Barnes Street/Eastern Avenue, Rhinelander, WI</td>
<td>1,475,000</td>
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<tr>
<td>Reconstruction of Eleven Mile Road, MI</td>
<td>1,500,000</td>
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<td>Reconstruction of Main Street, Utica, NY</td>
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<tr>
<td>Reconstruction of Main Street, Stoneham, MA</td>
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<tr>
<td>Reconstruction of Old Hwy 77, Geneva County, KS</td>
<td>400,000</td>
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<tr>
<td>Portion of University Drive from the Crittenton Hospital Medical Center east to Main Street (M-150) in the City of Rochester, MI</td>
<td>2,000,000</td>
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<tr>
<td>Remediation, Route 1(a), Bridge, Hampton, NH</td>
<td>850,000</td>
</tr>
<tr>
<td>Renovations on Dixon Road, City of Cocoa, FL</td>
<td>400,000</td>
</tr>
<tr>
<td>Renovations on Industry Road, City of Cocoa, FL</td>
<td>400,000</td>
</tr>
<tr>
<td>Repair of Route 9 Bridge and Vanderbilt Wall, NY</td>
<td>1,100,000</td>
</tr>
<tr>
<td>Replace Ash Street/Fillsbury Road Bridge, Londonderry, NH</td>
<td>500,000</td>
</tr>
<tr>
<td>Replace Milford Road Bridge, Anderson, SC</td>
<td>500,000</td>
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<tr>
<td>Replacement of Makakupia Stream Bridge, Holikia, HI</td>
<td>500,000</td>
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<tr>
<td>Reunion Parkway Environmental Assessment, Madison, MS</td>
<td>500,000</td>
</tr>
<tr>
<td>Richmond Bypass, McHenry, IL</td>
<td>500,000</td>
</tr>
<tr>
<td>Rio Grande Bike Trail, Garfield County, CO</td>
<td>1,000,000</td>
</tr>
<tr>
<td>RTTC Magna Country Roads, MA</td>
<td>650,000</td>
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<tr>
<td>Road/Overpass Improvements at Adriaen's Landing and CT Science Center, Hartford, CT</td>
<td>4,000,000</td>
</tr>
<tr>
<td>Roadway improvements to Old Laurens Road, Laurens, SC</td>
<td>250,000</td>
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<tr>
<td>Rochelle Park and Paramus, Bergen County, NJ</td>
<td>1,300,000</td>
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<tr>
<td>Route 31 Ashby State Road, Fitchburg, MA</td>
<td>1,800,000</td>
</tr>
<tr>
<td>Route 112 Scenic Byway, MA</td>
<td>750,000</td>
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<tr>
<td>Route 195 Corridor Study, Tolland, CT</td>
<td>300,000</td>
</tr>
<tr>
<td>Route 23 Hardyston Road Improvements, NJ</td>
<td>1,700,000</td>
</tr>
<tr>
<td>Route 290 Commercial Road, Carlinville, IL</td>
<td>750,000</td>
</tr>
<tr>
<td>Route 67 and Route 60 from I-110 to US 49, MS</td>
<td>500,000</td>
</tr>
<tr>
<td>Route 67 and SR 605 from I-110 to US 49, MS</td>
<td>500,000</td>
</tr>
<tr>
<td>Route 67 and SR 605 from I-110 to US 49, MS</td>
<td>500,000</td>
</tr>
<tr>
<td>Saratoga RR Overpass, Simpson Cnty, MS</td>
<td>1,250,000</td>
</tr>
<tr>
<td>School Pedestrian Safety, Alameda County, CA</td>
<td>650,000</td>
</tr>
<tr>
<td>SCERA Sealed Corridor Program, CA</td>
<td>500,000</td>
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<tr>
<td>SE Connector/Martin Luther King Jr. Parkway, East, Des Moines, IA</td>
<td>3,000,000</td>
</tr>
<tr>
<td>Second Street Bridge Replacement project, MO</td>
<td>864,000</td>
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<tr>
<td>Senior Transportation Project, OH</td>
<td>800,000</td>
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<tr>
<td>SH7/FM20 to I-90 Interchange, Rocklin, CA</td>
<td>300,000</td>
</tr>
<tr>
<td>Sierra College Boulevard/ accustomed Bridge replacement, CA</td>
<td>500,000</td>
</tr>
<tr>
<td>Sister M. Francis P. Assumption College, Scranton, PA</td>
<td>300,000</td>
</tr>
<tr>
<td>SJTTA Vehicle Access Roadway, Palmilla, CA</td>
<td>2,000,000</td>
</tr>
<tr>
<td>Special Services Transportation Agency, Chittenango, NY</td>
<td>300,000</td>
</tr>
<tr>
<td>Springfield Evening Bus Service, IL</td>
<td>375,000</td>
</tr>
<tr>
<td>SR 146, Saint Rose Parkway (Phase 2) Reconstruction &amp; Widening, NY</td>
<td>3,000,000</td>
</tr>
<tr>
<td>SR 27/SR1012 Valley View Business Park, Lackawanna County, PA</td>
<td>1,000,000</td>
</tr>
<tr>
<td>SR 4 widening and bridge replacement, Brentwood, CA</td>
<td>2,500,000</td>
</tr>
<tr>
<td>SR 62 Lloyd Expressway, Vanderburgh County, IN</td>
<td>750,000</td>
</tr>
<tr>
<td>SR 67 and SR 605 from I-110 to US 49, MS</td>
<td>500,000</td>
</tr>
<tr>
<td>SR-51(N) Northbound Widening Project, San Diego, CA</td>
<td>400,000</td>
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<tr>
<td>SR-91 Chokepoint Elimination in Cora, CA</td>
<td>1,000,000</td>
</tr>
<tr>
<td>St. Francois, Madison and Wayne Counties, Route 67, MO</td>
<td>500,000</td>
</tr>
<tr>
<td>St. Georges Avenue Improvements, Roselle/Linden, NJ</td>
<td>500,000</td>
</tr>
<tr>
<td>St. Louis and Garden District Community Transportation Improvement Initiative, MO</td>
<td>3,000,000</td>
</tr>
<tr>
<td>Project Description</td>
<td>Project Amount</td>
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<tr>
<td>----------------------------------------------------------------------------------</td>
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</tr>
<tr>
<td>Tucson Wash Crossings Improvements, AZ</td>
<td>750,000</td>
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<tr>
<td>St. Louis Science Center Streetscape Improvements, MO</td>
<td></td>
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<tr>
<td>St. Louis Zoo Public Safety and Transportation Improvements Project, MO</td>
<td></td>
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<tr>
<td>Star Landing Road Corridor, Desoto County, MS</td>
<td></td>
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<tr>
<td>State Route 79 Realignment, Riverside County, CA</td>
<td></td>
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<tr>
<td>State Street Redesign, Madison, WI</td>
<td></td>
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<tr>
<td>Steiger Street Improvements, IL</td>
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<tr>
<td>STH 29/WSH 51, Marathon County, Waushau, WI</td>
<td></td>
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<tr>
<td>Subway Hub Access, Museum of Arts and Design, NY</td>
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<tr>
<td>Sybiak Farm Mitigation, Derry, NH</td>
<td></td>
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<tr>
<td>Tacoma Rail Mountain Division Rail-line Improvements from Frederickson to Morton, WA</td>
<td></td>
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<tr>
<td>Tanana River Bridge Replacement, AK</td>
<td></td>
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<tr>
<td>Third Avenue resurfacing Project, Ranchester, AL</td>
<td></td>
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<tr>
<td>Tibbee Road Project, Clay County, MS</td>
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<tr>
<td>Tolt Bridge Replacement, King County WA</td>
<td></td>
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<tr>
<td>Tower Bridge Pedestrian/Bike Improvements, CA</td>
<td></td>
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<tr>
<td>Trowell Trail to Downtown Cleveland, OH</td>
<td></td>
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<tr>
<td>Traffic Calming Project in Plainfield, NJ</td>
<td></td>
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<tr>
<td>Traffic congestion mitigation at I-210 and Highway 1A, Lake Chabot, CA</td>
<td></td>
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<tr>
<td>Traffic study for Mystic Seaport, Stonington, CT</td>
<td></td>
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<tr>
<td>Trailways Station Revitalization and Visitors Center, GA</td>
<td></td>
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<tr>
<td>Transportation Access, Northlake, IL</td>
<td></td>
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<tr>
<td>Transportation and Engineering Research Facility, Columbia, MO</td>
<td></td>
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<tr>
<td>Transportation for Evacuee Impacted Communities, LA</td>
<td></td>
</tr>
<tr>
<td>Transportation Infrastructure Improvements and Expansion for Green River, WY</td>
<td></td>
</tr>
<tr>
<td>Trinity River Visions Neighborhood Linkage, TX</td>
<td></td>
</tr>
<tr>
<td>Truman Boulevard Feasibility Study, MO</td>
<td></td>
</tr>
<tr>
<td>Truman Boulevard Planning Improvements to I-670, MO</td>
<td></td>
</tr>
<tr>
<td>Trump Avenue/Georgetown Street Canton Township, OH</td>
<td></td>
</tr>
<tr>
<td>Trunk Highway 82/10, MN</td>
<td></td>
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<tr>
<td>TTC-69 Environmental and Route Location Studies, TX</td>
<td></td>
</tr>
<tr>
<td>TTI FY 2007 Cooperative ISTS Pilot for mid-size studies, TX</td>
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</tbody>
</table>

The conference agreement provides $1,500,000 to be...
made available as a grant to the Louisiana Department of Transportation and Development to establish a program under which the Louisiana Department of Transportation and Development shall provide grants to parish and municipal governments in the State of Louisiana that experience a significant spike in population of at least 10 percent because of an unexpected influx of hurricane evacuees, as determined by the Louisiana Department of Transportation and Development, to quickly implement smart and innovative plans to alleviate traffic congestion and to address increased transportation demands in the affected communities.

Illinois Trails.—The conference agreement provides $12,000,000 to the Illinois Department of Transportation (IDOT) for various transportation enhancement projects throughout the State. The conferees expect IDOT to provide funding to the following projects: Springfield Interurban Trail, Urbana to Danville Trail, Galena River Trail, Camp Sacajawea Trail, and the Genoa Route 66 Prairie Trail.

HIGHWAY PRIORITY PROJECTS

Section 113 includes a new provision that makes certain projects and activities eligible to receive fiscal year 2006 grants.

Section 114 retains the provision, as proposed by the Senate, that allows Nevada and Arizona to reimburse debt service payment on the Bypass Bridge at Hoover Dam project with future apportionments, in accordance with title 23, United States Code. The House did not include a similar provision.

Section 115 includes a provision similar to language proposed by the Senate that exempts over-the-road bus and public transit vehicles from axle weight limitations.

Section 116 retains the provision, as proposed by the Senate, that provides access for solid waste vehicles to a “transit only” ramp in Washington State following the completion of necessary safety improvements to the ramp. The House did not include a similar provision.

Section 117 includes a new provision that designates the name of a Michigan highway.
<table>
<thead>
<tr>
<th>Project</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Briggs-DeLaine-Pearson Connector, SC</td>
<td>$2,000,000</td>
</tr>
<tr>
<td>City of Monticello sidewalks and bikeways, GA</td>
<td>500,000</td>
</tr>
<tr>
<td>City of Sylvester streetscape, GA</td>
<td>500,000</td>
</tr>
<tr>
<td>Construction of new roads at University Park, PA</td>
<td>1,000,000</td>
</tr>
<tr>
<td>County Road 390 Widening Project, FL</td>
<td>1,000,000</td>
</tr>
<tr>
<td>Detroit Area Regional Transportation Authority, MI</td>
<td>1,500,000</td>
</tr>
<tr>
<td>I-40 and Morgan Road Interchange Improvements, Oklahoma City, OK</td>
<td>500,000</td>
</tr>
<tr>
<td>I-40 reconstruction, I-240 E to Choctaw Road, OK</td>
<td>500,000</td>
</tr>
<tr>
<td>I-405/Beach/Edinger Interchange, CA</td>
<td>1,000,000</td>
</tr>
<tr>
<td>I-73 Corridor project from North Carolina State line to Myrtle Beach, SC</td>
<td>800,000</td>
</tr>
<tr>
<td>I-94 Reconstruct and Widen, Kalamazoo, MI</td>
<td>1,000,000</td>
</tr>
<tr>
<td>Intelligent Transportation System, Monroe County, NY</td>
<td>1,500,000</td>
</tr>
<tr>
<td>John Street Extension, Henrietta, Monroe County, NY</td>
<td>1,500,000</td>
</tr>
<tr>
<td>Maritime Guaranteed Loans (Title XI)</td>
<td>5,000,000</td>
</tr>
<tr>
<td>MN Valley Regional Rail Authority Track Rehab</td>
<td>500,000</td>
</tr>
<tr>
<td>Neighborhood Initiative, Beloit, WI</td>
<td>500,000</td>
</tr>
<tr>
<td>North Rhett Boulevard Extension, Charleston, SC</td>
<td>200,000</td>
</tr>
<tr>
<td>Olympia Intermodal Infrastructure Enhancement, WA</td>
<td>1,000,000</td>
</tr>
<tr>
<td>Pedestrian Connection Project, Greenport, NY</td>
<td>500,000</td>
</tr>
<tr>
<td>Promenade Street Improvements, Mason County, IL</td>
<td>500,000</td>
</tr>
<tr>
<td>Route 22 Sustainable Corridor, Somerset County, NJ</td>
<td>1,000,000</td>
</tr>
<tr>
<td>Springdale Cemetery, Peoria, IL</td>
<td>500,000</td>
</tr>
<tr>
<td>State Route 60/Potrero Road Interchange, Beaumont, CA</td>
<td>1,000,000</td>
</tr>
<tr>
<td>STRA3P Phase II, IA</td>
<td>1,000,000</td>
</tr>
</tbody>
</table>
### Motor Carrier Safety Grants (Liquidation of Contract Authorization) (Limitation on Obligations) (Highway Trust Fund)

The conference agreement provides a liquidation, cash appropriation and a limitation on obligations of $282,000,000 for motor carrier safety grants, instead of $286,000,000 as proposed by the House and $278,620,000 as proposed by the Senate.

The conference agreement provides funding for motor carrier safety grants as follows:

| Amount          | Motor carrier safety assistance program | Border enforcement grants | Performance and registration information system management grants | 5,000,000 | Commercial driver’s license (CDL) program improvement grants | 25,000,000 | Commercial vehicle information systems and networks deployment | 25,000,000 | CDL information system modernization | 5,000,000 | Safety data improvement grants | 2,000,000 |
|-----------------|----------------------------------------|----------------------------|---------------------------------------------------------------|----------|-------------------------------------------------------------|-----------|---------------------------------------------------------------|-----------|-----------------------------------|-----------|-------------------------------|

The conference agreement directs that $29,000,000 of the funds provided for the motor carrier safety assistance program shall be distributed as grants to States and local governments for new entrant motor carrier audits.

### Administrative Provisions—Federal Motor Carrier Safety Administration

Section 120 retains the provision as proposed by the House and the Senate that subjects funds appropriated in this Act to the terms and conditions of section 350 of Public Law 107–87, including that the Secretary submit a report on Mexico-domiciled motor carriers.

The conference agreement deletes a provision proposed by the Senate that prohibited the Administrator of the Federal Highway Administration from entering into contracts with States, local government, other persons for CVARS.

### Highway Safety Programs

The conference agreement provides the following amounts for highway safety programs:

<table>
<thead>
<tr>
<th>Impaired Driving</th>
<th>12,800,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Impaired Driving</td>
<td>12,800,000</td>
</tr>
<tr>
<td>Judicial and prosecutorial awareness</td>
<td>1,100,000</td>
</tr>
<tr>
<td>Pedestrian, Bicycle, and Pupil Transportation</td>
<td>2,065,000</td>
</tr>
<tr>
<td>WFI Center for Human Impact Protection Systems</td>
<td>(400,000)</td>
</tr>
<tr>
<td>Motorcycle Safety</td>
<td>800,000</td>
</tr>
<tr>
<td>National Occupant Protection</td>
<td>11,774,000</td>
</tr>
<tr>
<td>Enforcement and Justice Services</td>
<td>2,237,000</td>
</tr>
<tr>
<td>Emergency Medical Services</td>
<td>3,655,000</td>
</tr>
</tbody>
</table>

### Research and Analysis

The conference agreement provides the following amounts for research and analysis:

<table>
<thead>
<tr>
<th>Safety Systems</th>
<th>$9,226,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Biomechanics</td>
<td>14,000,000</td>
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</table>

### Subtotal, Crash Worthiness

<table>
<thead>
<tr>
<th>Heavy Vehicles</th>
<th>4,515,000</th>
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</table>

### Subtotal, Fatality Analysis Reporting System

<table>
<thead>
<tr>
<th>National Motor Vehicle Crash Causation Survey</th>
<th>8,000,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>NHTSA Research and Development Center</td>
<td>1,012,000</td>
</tr>
<tr>
<td>FastFARS</td>
<td>1,000,000</td>
</tr>
<tr>
<td>Crash Avoidance Initiative</td>
<td>500,000</td>
</tr>
<tr>
<td>Plastic and composite automobiles</td>
<td>250,000</td>
</tr>
<tr>
<td>Hydrogen Fuel Cell and Alternative Fuel Vehicle Safety</td>
<td>925,000</td>
</tr>
</tbody>
</table>

### Subtotal

<table>
<thead>
<tr>
<th>Total, Research and Analysis</th>
<th>72,632,000</th>
</tr>
</thead>
</table>

### NEMSIS Implementation

- University of South Alabama rural vehicular trauma research (350,000)
- Traffic Records and Driving License Licensing (2,660,000)
- Highway Safety Research (7,690,000)
- Bridgewater State College (200,000)
- Emerging Traffic Safety Issues (1,178,000)
- NOPUS (1,656,000)
- International Activities in Behavioral Safety (100,000)

### NEMSIS Implementation

- The conference agreement retains a provision in the Senate report directing that not less than $3,000,000 be provided for the National Advanced Driving Simulator.

### Driver Distraction

- The conference directs NHTSA to undertake an effort to consolidate current knowledge on driver distraction for use by policy makers that would assist state and local governments to formulate effective policies, regulations and laws. Such an effort should also identify areas in which scientific evidence is weak or lacking, thus helping to focus the federal research effort in the most productive directions.
The conference agreement provides $10,000,000 for the rehabilitation expenses of the Alaska Railroad instead of no funding as proposed by the House and $20,000,000 as proposed by the Senate.

The conference agreement continues reporting and grant-making provisions contained in prior appropriations Acts, including the withholding of $50,000,000 for direct service orders if Amtrak fails to meet the terms and conditions set forth in this Act. The conference agreement encourages the Secretary of Transportation to make quarterly operating subsidy payments to Amtrak, upon submission of grant requests. Amtrak and the Secretary are reminded that the quarterly grants need not be equal in size, and that Amtrak should submit grant requests that align to seasonal operating needs.

Earlier in the year, the Appropriations Committees received testimony from the Department of Transportation Inspector General (IG) indicating that Amtrak would require an appropriation between $1,300,000,000 and $1,500,000,000 in order to fulfill existing services through fiscal year 2006. More recently, however, the conference agreement received a communication from the IG indicating that Amtrak failed to avail itself of multiple cost-saving opportunities, particularly in the areas of food and beverage and first class services. These findings prompted the IG to conclude that Amtrak's current revenue projections do not reflect the current cost structure and, as a result, the IG determined a new subsidy level of $1,275,000,000 in FY 2006—without cutting routes. In total, the conference agreement provides $1,315,000,000, $50,000,000 more than the level cited by the Inspector General.

The conference agreement provides $5,000,000 for development of a managerial system that Amtrak achieves operational efficiencies, and directing the DOT Inspector General to submit quarterly reports to Congress tracking Amtrak’s progress in this area. The conference agreement also includes a provision prohibiting Amtrak from discounting tickets by more than 50 percent of regular fare after March 1, 2006, consistent with Amtrak’s recently announced plan for the SmartFare program.

The conference agreement provides $5,000,000 for development of a managerial cost accounting system, as proposed by the Senate. Finally, the conference agreement includes bill language that prohibits federal subsidies for food and beverage and sleeper service if the IG cannot certify by the July 1, 2006 quarterly report that Amtrak has achieved operational savings. The conference agreement also includes a provision prohibiting Amtrak from discounting tickets by more than 50 percent of regular fare after March 1, 2006, consistent with Amtrak’s recently announced plan for the SmartFare program.

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to language that provides not more than $230,000,000 for debt service payments. If Amtrak is able to refinance its debt and reduce the size of its payments, the conference agreement provides savings to be used toward the capital program. The conference includes language carried in previous appropriations Acts requiring the Secretary to approve capital expenses.

The conference agreement also includes a provision directing the Secretary to determine the capital and maintenance cost to Amtrak associated with the use of Amtrak-owned infrastructure on the Northeast Corridor by the commuter railroads that operate on that corridor. The provision requires the Secretary to determine what appropriate fees on the commuter railroads based on that use. The revenues from these fees will be merged with the capital appropriation and be used for the appropriate capital investments along the Northeast Corridor. In establishing the level of such fees, the Secretary will account fully for the contributions that commuter railroads currently make toward these costs. The conferences expect the Secretary to establish these fees expeditiously and through an open and transparent process that achieves the maximum extent possible, to yield a consensus on the part of all stakeholders as to the allocation of costs between said stakeholders. The conferences expect the Inspector General to include an assessment of the appropriate distribution of costs between the Secretary and the appropriate State.

The conference agreement directs the Inspector General to conduct an audit of Amtrak’s efforts in assessing and making additional operating assistance available under that program. The conference agreement directs Amtrak to report to both the House and Senate Committees on Appropriations on the status of this demonstration not later than April 14, 2006 and monthly thereafter.

FEDERAL TRANSPORTATION ADMINISTRATION

The House and Senate Committees on Appropriations both reported out committee version legislation which provided appropriations for the Federal Transit Administration (FTA), prior to the August 10, 2005 enactment of the Public Service Accountability, Flexible, Efficient Transportation Equity Act: A Legacy for Users or “SAFETEA-LU.” Both the House and the Senate structured the appropriate funding for the authorities contained in Public Law 105-106, the Transportation Equity Act for the 21st Century or “TEA-21” and split the funds accorded to the General Fund and the Mass Transit Account of the Highway Trust Fund. Besides various changes to the transit programs, SAFETEA-LU changed the funding mechanism for FTA such that accounts are funded completely from either the General Fund or the Mass Transit Account. The conference agreement follows the structure of SAFETEA-LU.

EFFICIENCY INCENTIVE GRANTS

The conference agreement provides a total of $80,000,000 from the General Fund for the administrative expenses of the Federal Transit Administration. Of the amount provided, the conferences direct the funds for the following offices:

- Administrator: $925,000
- Chief Counsel: $7,325,000
- Communications Director: $1,058,200
- General Counsel: $1,359,500
- Program Management: $8,765,000
- Research, Development, and Innovation: $4,763,900
- Civil Rights: $5,153,100
- Planning: $4,127,300
- Regional Offices: $20,774,000
- Central Account: $16,815,000

The conference agreement retains provisions proposed by both the House and the Senate that permit the transfer of up to five percent of funds from one office to another. In addition, the conference directs FTA to submit approval of any proposal for a permanent office of transit security, directing FTA to reimburse up to $2,000,000 to the Office of the Inspector General, and directing the submission of the annual new starts report. As proposed by the House, funds for the National Transit Database are included under the formula program.

ADMINISTRATIVE EXPENSES—FEDERAL RAILROAD ADMINISTRATION

Section 130 retains a provision included by the House that permits the FRA to purchase promotional items for Operation Lifesaver. The Senate did not include a similar provision.

The conference agreement makes several changes to FRA to purchase promotional items for Operation Lifesaver. The Senate did not include a similar provision.

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### CONGRESSIONAL RECORD — HOUSE

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</tr>
<tr>
<td>Paramount Easy Rider Clean-Air Buses, Paramount, California</td>
<td>875,000</td>
</tr>
<tr>
<td>Park and Ride Facility, Ashland, Kentucky</td>
<td>300,000</td>
</tr>
<tr>
<td>Park-and-Ride Lot, Springfield, VA</td>
<td>1,200,000</td>
</tr>
<tr>
<td>Pace Community Transit Facilities Project, FL</td>
<td>2,500,000</td>
</tr>
<tr>
<td>Pace County Public Transportation Bus Purchase, FL</td>
<td>1,000,000</td>
</tr>
<tr>
<td>Pace County Transit Construction, FL</td>
<td>750,000</td>
</tr>
<tr>
<td>Petersburg Multi-Modal Transit Center, VA</td>
<td>3,000,000</td>
</tr>
<tr>
<td>Petersburg Transit Intermodal Facility, VA</td>
<td>1,000,000</td>
</tr>
<tr>
<td>Phoenix Chevos II, Phoenix, Arizona</td>
<td>500,000</td>
</tr>
<tr>
<td>Phoenix Avondale/Glendale Bus Expansion, Arizona</td>
<td>1,500,000</td>
</tr>
<tr>
<td>Phoenix-Glendale West Valley Operating Facility, Arizona</td>
<td>1,000,000</td>
</tr>
<tr>
<td>Pine Ridge Transit System, South Dakota</td>
<td>500,000</td>
</tr>
<tr>
<td>Placerville Station II Poplar Transit Facility Renovation, Montana</td>
<td>750,000</td>
</tr>
<tr>
<td>Port Angeles International Gateway Project, Washington</td>
<td>1,000,000</td>
</tr>
<tr>
<td>Port Authority of Allegheny County Bus Acquisition, Pennsylvania</td>
<td>450,000</td>
</tr>
<tr>
<td>Potomac and Rappahannock Transit Commission Buses for service expansion, VA</td>
<td>1,250,000</td>
</tr>
<tr>
<td>Prospect and East 21st Street Intermodal Transportation Center, OH</td>
<td>600,000</td>
</tr>
<tr>
<td>Public Bus and Parking Facility, MT</td>
<td>1,250,000</td>
</tr>
<tr>
<td>Public Transit for STCC College Students, Massachusetts</td>
<td>2,200,000</td>
</tr>
<tr>
<td>Pullman Transit Center, Pennsylvania</td>
<td>300,000</td>
</tr>
<tr>
<td>Pullman Transit, Washington</td>
<td>2,500,000</td>
</tr>
<tr>
<td>Purchase of Five Transit Buses, Pasco County, FL</td>
<td>850,000</td>
</tr>
<tr>
<td>Purchase of 21 Local Bus for Macon Transit Authority, Georgia</td>
<td>2,000,000</td>
</tr>
<tr>
<td>Putnam County FL, FRIDE Solutions Buses</td>
<td>1,500,000</td>
</tr>
<tr>
<td>Puuyallup Transit Center Park and Ride, Washington</td>
<td>250,000</td>
</tr>
<tr>
<td>Rapid Transit Handicap Accessibility, Newton, Massachusetts</td>
<td>5,600,000</td>
</tr>
<tr>
<td>Ray County Transit Buses and Bus Equipment, Missouri</td>
<td>250,000</td>
</tr>
<tr>
<td>Redondo Beach Coastal Shuttle Transit Vehicles, California</td>
<td>300,000</td>
</tr>
<tr>
<td>Regional Intermodal Transportation, South Amboy, New Jersey</td>
<td>200,000</td>
</tr>
<tr>
<td>Regional Intermodal Transportation Terminals, UT, including Gateway TRAX station</td>
<td>1,100,000</td>
</tr>
<tr>
<td>Regional Intermodal Transportation, South Amboy, New Jersey</td>
<td>500,000</td>
</tr>
<tr>
<td>Renaissance Square, NY</td>
<td>400,000</td>
</tr>
<tr>
<td>Rio Grande and Amtrak Intermodal Transportation Terminals and Related Development</td>
<td>1,100,000</td>
</tr>
<tr>
<td>RGRTA Hampton Corners, Livingston County, NY</td>
<td>600,000</td>
</tr>
<tr>
<td>Rhode Island Public Transit Authority, Elmwood Avenue Maintenance Facility Improvements</td>
<td>1,240,000</td>
</tr>
<tr>
<td>Rhode Island Public Transit Authority Transit Security Improvements</td>
<td>200,000</td>
</tr>
<tr>
<td>Rhode Island Statewide Vehicle Replacement Service</td>
<td>500,000</td>
</tr>
<tr>
<td>Richmond Highway Public Transportation Initiative, VA</td>
<td>1,000,000</td>
</tr>
<tr>
<td>Riverside Transit Center, CA</td>
<td>2,400,000</td>
</tr>
<tr>
<td>RiverSphere Multimodal Facility, Louisiana</td>
<td>750,000</td>
</tr>
<tr>
<td>Rolling Stock for HCTD Urban System, TX</td>
<td>200,000</td>
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<tr>
<td>Roscommon Transportation Authority Service</td>
<td>1,500,000</td>
</tr>
<tr>
<td>Rosemary Children's Services' Transportation Program, California</td>
<td>200,000</td>
</tr>
<tr>
<td>RTC Transit Maintenance Facility, NV</td>
<td>500,000</td>
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<tr>
<td>Rural Bus Program, HI</td>
<td>4,000,000</td>
</tr>
<tr>
<td>Saint Peter's McGriner Square Intermodal Facility, New Jersey</td>
<td>700,000</td>
</tr>
<tr>
<td>San Diego Bus Rapid Transportation Demonstration Project, California</td>
<td>700,000</td>
</tr>
<tr>
<td>San Francisco Muni Buses and Bus Facilities, California</td>
<td>2,000,000</td>
</tr>
<tr>
<td>San Luis Rey Transit Center</td>
<td>500,000</td>
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<tr>
<td>Sandy Transit Facility, Oregon</td>
<td>375,000</td>
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<tr>
<td>Sanilac Co. Transit Authority, MI</td>
<td>500,000</td>
</tr>
<tr>
<td>Santa Clara Valley Transportation Authority Paratransit Vehicle, California</td>
<td>500,000</td>
</tr>
<tr>
<td>Services for Senior and Disabled Persons in Bell Gardens, California</td>
<td>100,000</td>
</tr>
<tr>
<td>Sankey Bus and Bus Facilities, Pennsylvania</td>
<td>250,000</td>
</tr>
<tr>
<td>Shasta County Bus Facility, Norwalk, CT</td>
<td>1,000,000</td>
</tr>
<tr>
<td>Shenando Valley Shuttle Service, Pennsylvania</td>
<td>500,000</td>
</tr>
<tr>
<td>Shuttle bus to transportation centers in Bell Gardens, California</td>
<td>100,000</td>
</tr>
<tr>
<td>Silver Spring Transit Center, Maryland</td>
<td>3,000,000</td>
</tr>
<tr>
<td>Simi Valley Public Transit Radio Communications, CA</td>
<td>250,000</td>
</tr>
<tr>
<td>Skagit Transit Bus Acquisition, Washington</td>
<td>425,000</td>
</tr>
<tr>
<td>Skagit Transit Chuckanut Dr. Station in Burlington, Washington</td>
<td>425,000</td>
</tr>
<tr>
<td>Skagit County Intermodal Facility, Alaska</td>
<td>1,000,000</td>
</tr>
<tr>
<td>SMART Multi-Modal Transit Center and Bus Maintenance Facility, Oregon</td>
<td>500,000</td>
</tr>
<tr>
<td>Solana Beach Bus Facility, Solana Beach, CA</td>
<td>500,000</td>
</tr>
<tr>
<td>Sound Transit, Eastgate Transit Access, Washington</td>
<td>1,500,000</td>
</tr>
<tr>
<td>South East Missouri Transportation Service, Missouri</td>
<td>1,500,000</td>
</tr>
<tr>
<td>SouthNorwalk Transit Facility, Norwalk, CT</td>
<td>1,000,000</td>
</tr>
<tr>
<td>Southeast Tennessee Human Resource Agency, Southern and Eastern Kentucky Bus and</td>
<td>500,000</td>
</tr>
<tr>
<td>Southern Maryland Commuter Bus Initiative, Southern Maryland Buses and Facilities</td>
<td>500,000</td>
</tr>
<tr>
<td>Southern Missouri Buses and Facilities</td>
<td>1,500,000</td>
</tr>
</tbody>
</table>
The conferees provide $8,000,000 to the Illinois Department of Transportation for $500,000 for the Champaign Day Care Center/University Center program facilities in Bloomington, Galesburg, Macomb, Peoria, and Rock Island, including $500,000 for the Champaign Day Care Center. The conferees expect IDOT to provide appropriate funds for bus facilities in Bloomington, Galesburg, Macomb, Peoria, and Rock Island.

The conferees direct FTA to refrain from reallocating funds provided in this Act for grant programs. The conferees note that the recently enacted surface transportation authorization bill, SAFETEA-LU, (Public Law 109-59) sets aside more than $442,000,000 of the formula funds made available in this Act for specific bus and bus related facility projects. These projects include eight high priority ferry boat system projects and 64 separate high priority bus projects. Included among those projects is annual funding of $5,000,000 for a statewide grant and bus related facilities in the State of West Virginia.

The conferees are aware that hybrid buses offer reduced fuel consumption while utilizing existing infrastructure, a significant benefit particularly at a time when fuel conservation is paramount. Also, reduced maintenance for hybrid buses equates to significant cycle cost benefits. Accordingly, the conferees believe that FTA should develop a program for encouraging and incentivizing a far greater number of transit systems to adopt this technology. The FTA is directed to develop such an initiative, which is to be submitted with the fiscal year 2007 budget submission.

The conference agreement provides $75,200,000 from the General Fund for research activities. Of the amounts provided, $4,300,000 is for the National Transit Institute, and $7,000,000 is for the Transit Cooperative Research Program. The conference agreement provides additional funds over and above the guaranteed level in order to preserve the core research program, which was inadvertently reduced under SAFETEA-LU.
The conferees note that the recently enacted surface transportation authorization bill, SAFETEA-LU, (Public Law 109-59) sets aside research funds made available in this Act for specific research and university projects. Of the remaining funds provided for the national planning and research program, the conference agreement directs funds for the following:

American Cities Transportation Institute, PA .......... $500,000
CTAA of America-wide Joblinks .................. $800,000
CALSTART/WESTART Advanced Transit Technol-
ogy ................................ ........................ $2,000,000
Boston-Fitchburg, MA Rail Corridor ..... $640,000
Automation Alley BSolution .................. $1,500,000
Advanced Transportation Technology Institute, TN Research Hybrid Fuel Technology Transit System, CA .........
Wichita State University: mass transit vehicle $250,000
Hennepin Community Works .......................... $1,000,000
Advanced Vehicle Emission reduction sensor pro-
gram, Ohio ........................................ $500,000
Biodiesel hybrid bus research, AL ALCIMERC, PA ........................ $1,000,000
City of Mount Vernon, WA—transit and development $200,000
Low cost carbon fiber production technology, TN ... $1,000,000
Center for Transportation and the Environment—Southern Fuel Cell Coalition/Flywheel Development ........................ $1,650,000
Transport 2020, WI Washington State ferries ferries over water project ............. $1,000,000
WV exhaust emission testing initiative, WV .... $400,000

The conference agreement provides $1,455,234,000 from the General Fund for capital investment grants:

ACE Gap Closure San Joaquin County, California .......... $5,000,000
Alaska and Hawaii ferry projects .................. ........................... 5,000,000
Ann Arbor/Detroit Commuter Rail, Michigan .............. $5,000,000
Atlanta Beltline-C-Loop, Georgia .......................... $1,000,000
Baltimore Central Light Rail Double Track Project, Maryland .... $12,420,000
Baltimore Red Line and Green Line, Maryland ............ 2,000,000
Boston/Fitchburg, Massachusetts Rail Corridort ........................ $2,000,000
Central Corridor to Minneapolis, Minnesota $2,000,000
Central Florida Commuter Rail ............................... 1,100,000
Central Florida Expressway Authority, Val-
ley LRT, Arizona .................. $900,000
Charlotte South Corridor Light Rail Project, North Carolina .... 55,000,000
City of Miami Streetcar, Florida .............................. $2,000,000
City of Rock Hill Trolley Study, South Carolina ..... $400,000
Commuter Rail, Albuquerque to Santa Fe, New Mexico $500,000
Commuter Rail, Utah .................................. 9,000,000
CORRIDOR rape Regional Rail Project, Pennsyl-
vania ........................................ 1,500,000
CTA Douglas Blue Line, Illinois .......................... 45,150,000
CTA Ravenswood Brown Line, Illinois .................. 40,000,000
CTA Yellow Line, Illinois ............................. 10,000,000
Dallas North/South East Light Rail MOS, Texas ........ 12,000,000
Detroit Center City Loop, Michigan ................. 4,000,000
Dulles Corridor Rapid Transit Project, Virginia 30,000,000
East Corridor Commuter Rail, Nashville, Ten-
nessee ........................................ 6,000,000
East Side Access Project, New York .................. 24,774,513
Euclid Corridor Transportation Project, Ohio ........ 1,000,000
Ft. Lauderdale Downtown Rail Link, Florida ......... $2,000,000
Gainesville-Haymarket VRE Service Extension, Virginia ........................ $1,500,000
Hartford-New Britain Busway, Connecticut ......... $1,450,000
Houston METRO, Texas ............................ 6,000,000
Hudson-Bergen Light Rail MOS 2, New Jersey .... 12,000,000
Kansas City, MO, Southtown BRT .................. 100,000,000
Metra, Illinois ........................................ $2,000,000
Metro Gold Line Eastside Light Rail Extension, California $2,000,000
Miami Dade County Metro-rail Extension, Florida ... $12,300,000
Mid-Coast Light Rail Transit Extension, California $18,110,000
Mid-Jordan Light Rail Transit Line, Utah .............. 500,000
Mission Valley East, California .................. 7,700,000
N. Indiana Commuter Transit District Recapita-
larization, New Jersey Trans-Hudson Midtown Corridor, New $500,000
North Corridor Interstate MAX Light Rail Project, Oregon ...... 1,425,000
North Connect, Pennsylvania .......................... $5,000,000
North Shore Corridor and Blue Line Extension, Massachu-
setts ............................... 2,000,000
Northeast Corridor Commuter Rail Project, Delaware $1,210,000
Northern Branch Bergen County, New Jersey .... 2,500,000
Northstar Corridor Commuter Rail Project, Min-
nesota ........................................ 2,000,000
Northwest New Jersey Northeast Pennsylvania Passenger Rail $10,000,000
Oceanside Escondido Rail Project, California .... 12,210,000
Odgen Avenue Transit Rider/Light Rail Project, Chicago $10,000,000
Regional Fixed Guideway Project, Nevada .......... $1,000,000
Rhoine Island Integrated Commuter Rail Project, Rhode Island $3,000,000
San Francisco Bart Extension to San Francisco International Airport, California $3,000,000
San Francisco Muni Third Street Light Rail Project, California .... 81,360,000
San Juan Tren Urbano, Puerto Rico .............................. $8,045,487
Santa Barbara Coast Rail Track Improvement Project, California $1,000,000
Schuykill Valley Metro, Pennsylvania .......................... $4,000,000
Seattle Sound Transit, Washington .......................... $80,000,000
Second Avenue Subway, New York .......................... $25,000,000
Silicon Valley Rapid Transit Corridor Project, Santa Clara County, California $6,000,000
Silver Line Phase III, Massachusetts .......................... $4,000,000
Sounder Commuter Rail, Washington ...... 5,000,000
Southeast Corridor Multi-Modal Project (T-BEX), Colorado $80,000,000
Stamford Urban Transitway, Connecticut .......................... $10,000,000
Triangle Transit Authority Regional Rail System (Raleigh-Durham), North Carolina $20,000,000
Washington County Commuter Rail Project, Oregon $15,000,000
West Corridor Light Rail, Colorado .................. 5,000,000
Denali Commission .................................. 5,000,000

The conferees direct FTA to refrain from reallocating funds provided in fiscal years 2003 and prior year appropriations Acts for the Department of Transportation as follows:

Minnesota, MN Northstar Corridor $80,000,000
Kenoesa-Racine-Milwaukee Rail Extension Project $10,000,000
Washington Dulles Corridor Project $7,160,000
Bridgeport, Connecticut, Intermodal Transpor-
tation Center $500,000
Albuquerque/Greater Albuquerque, New Mex-
ico Mass Transit and Light Rail Las Vegas, Nevada, Resort Corridor Fixed $5,000,000
San Francisco Light Rail, San Francisco-Metro $12,315,000
Indiana and Lafayette, Indiana $11,000,000
Wilmington, DE, Downtown Corridor Project $18,110,000
Wilmington, DE, Train Station Improvements................ $55,000,000

The conferees agree that FTA needed to change the new starts criteria, but reiterate the concern of the Senate in the way FTA implemented the new policy. The conferences direct FTA to report back to the House and Senate Committees on Appropriations as directed by the Senate on how FTA will address similar changes in the future.

The conferences direct FTA to refrain from signing any full funding grant agreement with a maximum Federal share higher than 80 percent.

ADMINISTRATIVE PROVISIONS—FEDERAL TRANSIT ADMINISTRATION

Section 140 exempts previously made transit grants from limitations on obligations proposed by both the House and the Senate.

Section 141 allows funds appropriated for capital investment grants not obligated by September 30, 2008, plus other recoveries, to be available for other projects under 49 U.S.C. 5209 as proposed by the Senate. The House did not include a similar provision.

Section 142 allows transit funds appropriated prior to October 1, 2005 that remain available for expenditure to be transferred to
another eligible purpose as proposed by the House and the Senate.

Section 143 allows prior year funds available for capital investment grants to be used in this fiscal year. Spent nuclear fuel and high-level radioactive waste shipments.—The conference denies funding for new four positions for activities related to assuring the safety of shipments of spent nuclear fuel and high-level radioactive waste to Skull Valley, Utah, as was requested in the budget. The conferees note the fact that the Bureau of Land Management still has not yet to approve the transportation route to the site, which raises significant doubts about the ability for the site to be opened during fiscal year 2006 and the need for the requested positions. House proposes to help ensure compliance with current hazardous material regulations and the associated half-year funding.

PIPELINE SAFETY
(Pipeline Safety Fund)

The conference agreement provides $73,010,000 for the office of pipeline safety (OPS), instead of $72,860,000 as proposed by the House and $73,165,000 as proposed by the Senate.

The conference approves seven of the additional positions requested for OPS, instead of five as proposed by both House and eight as proposed by the Senate.

Oil Spill Liability Trust Fund.—The conferees strongly agree with language contained in both the House and Senate reports expressing concern over the significant increases in the request of funds from the oil spill liability trust fund and the lack of justification for these increases in the budget documentation. The conferees once again direct the agency to include an itemization of how funds from the oil spill liability trust fund are being allocated within the OPS in the fiscal year 2007 budget justification.

EMERGENCY PREPAREDNESS GRANTS
(EMERGENCY PREPAREDNESS FUND)

The conference agreement provides a total of $14,500,000 for Emergency Preparedness Grants, as proposed by both the House and the Senate.

RESEARCH AND INNOVATIVE TECHNOLOGY
ADMINISTRATION

The conference agreement provides $5,774,000 to continue research and development activities in fiscal year 2006, instead of $6,495,000 as proposed by both the Senate. The Senate, and stipulates that $1,121,000 of the funds provided shall be available until September 30, 2006. The agreement supports training and education at the Federal Highway Administration. The conferees note the fact that the Bureau of Transportation Statistics (BTS) has not yet to approve the transportation route to the site, which raises significant doubts about the ability for the site to be opened during fiscal year 2006 and the need for the requested positions. House proposes to help ensure compliance with current hazardous material regulations and the associated half-year funding.

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The conference agreement provides $26,450,000 for the Surface Transportation Board to fund salaries and expenses from a direct appropriation, instead of $30,652,000 as proposed by the House and $24,388,000 as proposed by the Senate. The conference agreement includes language that allows the Board to expend up to 5% of this appropriation from fees collected during the fiscal year, as proposed by both the House and the Senate.

**Administrative Provisions—Department of Transportation (including transfers of funds)**

Section 160 retains the provision as proposed by both the House and Senate that allows the Department of Transportation (DOT) to use funds for aircraft, motor vehicles, liability insurance, uniforms, or allowances, as authorized by law. Section 161 retains the provision that limits appropriations for services authorized by 5 U.S.C. 3109 to the rate for an Executive Level IV, as proposed by the House and Senate.

Section 162 retains the provision that prohibits funds for salaries and expenses of more than 108 political and Presidential appointees as proposed by the House and 109 appointees as proposed by the Senate. The provision also requires that none of the personnel provided pursuant to the provision may be designated on temporary detail outside DOT, as proposed by the House and Senate.

Section 163 retains the provision as proposed by the House and Senate that prohibits funds from being used to implement section 404 of title 23, United States Code. Section 164 retains the provision as proposed by the House and Senate that prohibits recipients of funds made available in this Act from using such funds as determined by the DOT to comply with section 409 of title 23, United States Code, to purchase personal property or services the purchase of which is determined by the DOT to not be essential.

Section 165 retains the provision that permits funds from being used to make a grant unless the Secretary of Transportation notifies the appropriate Senate Committee and Appropriations no less than three days in advance of any discretionary grant award, letter of intent, or full funding grant agreement totaling $1,000,000 or more.

Section 166 retains the provision as proposed by the House and Senate that prohibits funds from being used to make a grant unless the Secretary of Transportation notifies the appropriate Senate Committee and Appropriations no less than three days in advance of any discretionary grant award, letter of intent, or full funding grant agreement totaling $1,000,000 or more.

Section 167 retains the provision as proposed by the House and Senate that prohibits funds from being used to make a grant unless the Secretary of Transportation notifies the appropriate Senate Committee and Appropriations no less than three days in advance of any discretionary grant award, letter of intent, or full funding grant agreement totaling $1,000,000 or more.

Section 168 retains the provision that allows funds received from rebates, refunds, and similar sources to be credited to appropriations of the DOT, as proposed by the House and Senate.

Section 169 retains the provision as proposed by the House and Senate that allows amounts from improper payments to a third party contractor that are lawfully recovered by the DOT to be available to cover expenses incurred in the course of performing the contract.

Section 170 retains the provision that allows the Secretary of Transportation to transfer unexpended sums from “Office of the Secretary, Salaries and Expenses” to “Minority Business Outreach”, as proposed by the House and Senate.

Section 171 retains the provision as proposed by the House and Senate that prohibits the Office of the Secretary of Transportation from approving assessments or reauthorizing the use of funds appropriated to the modal administrations in this Act, unless such assessments or agreements have completed the normal reprogramming process for Congressional notification.

Section 172 retains the provision as proposed by the House that prohibits the use of funds to reimburse service providers of local cost share participation pilot program. The Senate included a similar provision in title VII.

Section 173 includes a provision similar to what was proposed by the Senate that amends section 171(1) of title 49 to allow DOT to be substituted for a State in civil actions to enforce consumer protection provisions. The House did not include a similar provision.

Section 174 includes a provision similar to what was proposed by the Senate that modifies title 23 relating to contracting for engineering and design services to no longer permit an engineering services qualification. The House did not include a similar provision.

Section 175 retains a Senate provision amending section 14527 of title 49 to make FAA’s Airport Improvement Program a project meeting certain specified requirements. The House did not include a similar provision.

Section 176 retains a Senate provision that allows a small hub to be eligible to receive terminal funding if the airport received a discretionary grant while the airport was designated as a large facility or large airport. The House did not include a similar provision.

Section 177 retains a Senate provision amending title 49 to deem an air tour operator flying over the Hoover Dam to the Grand Canyon National Park as flying solely as a transportation route. The House did not include a similar provision.

Section 178 retains a Senate provision extending a requirement for air carriers to honor tickets for suspended air passenger service. The House did not include a similar provision.

Section 179 retains a Senate provision that allows former flight service station employees who were laid off to remain temporary FAA employees until they reach retirement eligibility. The House did not include a similar provision.

Section 180 retains a Senate provision that authorizes conveyance of land to establish a heliport in Clark County, Nevada. The House did not include a similar provision.

Section 181 retains a Senate provision amending section 29(c) of the Public Law 96-192. The House did not include a similar provision.

Section 182 includes a new provision that modifies a provision relating to the delivery of budget Justifications.

Section 183 includes a new provision that modifies a provision relating to processing of reprogramming.

Section 184 includes a new provision that modifies a provision relating to budgeting.

Section 185 modifies House language to provide up to a total of $17,000,000 to reimburse large participants in the Transportation Support Fines Program and providers of general aviation ground support services at five facilities that incurred financial losses when the Federal government closed the airspace from September 11, 2001 terrorist attacks. Each of the five facilities was closed to general aviation operations on September 11, 2001. Three airports in Maryland were reopened to such operations on March 2, 2002; the South Capitol Street Heliport was permanently closed to general aviation; and Ronald Reagan National Airport was reopened to general aviation operations on October 18, 2003.

It is the conferees intent that reimbursement for the unilateral actions taken at these facilities after September 11, 2001. It is not the conferees intent to reimburse for closures resulting from a business operation or facility action or inaction. The conferees note without prejudice that DOT’s September 2005 report estimated losses incurred through January 23, 2004 at $10,453,896. The Senate did not include a similar provision.

The language specifies that of the amount provided, up to $5,000,000 will be distributed, if necessary, to the fixed based operators and providers of general aviation ground support services at the three affected Maryland airports. Further, DOT is directed to verify direct and incremental financial losses through an independent audit no later than July 14, 2006 before any funds are provided. In addition, obligation and expenditure of funds are conditional upon full release of the government for all current claims from the closing of these facilities.

Section 186 includes a new provision that modifies section 112 of this Act from releasing certain personal information and photographs from a driver license or motor vehicle record, without express consent of the person to whom such information pertains; and prohibits the withholding of funds provided in this Act for any grantee if a State is in noncompliance with this provision.

Section 187 includes a provision similar to what was proposed by the Senate that would have reduced the fiscal year 2006 working capital fund limitation of DOT by $1,000,000.

The conference agreement deletes a provision proposed by the Senate that would have reduced the fiscal year 2006 working capital fund limitation of DOT by $1,000,000.

The conference agreement deletes a provision proposed by the Senate that would have designated the city of Norman, Oklahoma, to be considered part of the Oklahoma City Transportation urbanized area.

The conference agreement deletes a provision proposed by the Senate that would have required the use of a sliding scale match ratio for certain transportation projects in the States of Idaho and Washington.

The conference agreement deletes a provision proposed by the Senate that would have modified the designation relating to a certain project in the State of New York.

The conference agreement deletes a provision proposed by the Senate that would have modified the designation relating to a certain project in the State of New York.

**Title II—Department of the Treasury**

**Departmental Offices**

**Salaries and Expenses (Including Transfer of Funds)**

The conference agreement provides $196,592,000 for departmental salaries and expenses instead of $157,452,000 as proposed by the House and $179,100,000 as proposed by the Senate. Of the amount provided, not more than $3,500,000 is for travel expenses, not more than $3,000,000 is for information technology modernization, $258,000 is for emergency or activities of a confidential nature, $5,175,000 is for Treasury-wide financial audits, and $150,000 is for reception and representation expenses.

For the activities under this heading, the conference recommends the following funding levels:

**Executive Direction**

- $6,642,000
- $1,642,000
- $2,115,000
- $3,011,000
- $26,574,000
The conference agreement includes a provision allowing the Department to transfer up to two percent of funds available between activities. In addition, the conferees direct the Department, including all bureaus and offices and the Internal Revenue Service, to submit an operating plan 60 days after enactment of this Act for fiscal year 2006 resources. The plan must include by office and by activity, a comparison of fiscal year 2005 actual expenditures, the fiscal year 2006 budget request, and the fiscal year 2006 resources. The plan must include equivalent appropriations and appropriated funds, and all initiatives underway at the Department.

The conference agreement includes $1,000,000 available until expended, for combating trade violations, including currency manipulation as similarly proposed by the Senate. The conference agreement does not include an increase of $172,000 for the Treasury media room and $1,000,000 for the building fund. The conferees agree that the Department must budget for capital expenses of the building, but have instead provided funds for the completion of the building renovation under a different account. The conferees direct the Department to include in the fiscal year 2007 budget request a proposal to fund building operations and maintenance expenses.

The conferees direct the Secretary to submit a report to the House and Senate Committees on Appropriations providing a legal basis for the application of section 1.148-1(c) of the Treasury Regulations (regarding arbitrage bond regulations) to the reserve funds held by the Clean Water and Safe Drinking Water State revolving funds which remain available for expenditures or capital replacements but not bond proceeds. This report should be submitted by no later than 90 days after the date of enactment of this Act.

The conferees direct in consultation with the National Taxpayer Advocate to not enter the tax preparation market. The conferees direct IRS not to proceed with any such activity unless explicitly approved by the Senate. The conferees direct IRS to consult with the House and Senate Committees on Appropriations prior to enacting, consolidating, or reorganizing tax enforcement activities.

The conference agreement includes language providing $22,032,016 for salaries and expenses as proposed by both the House and the Senate. The conference agreement includes a report to the House and Senate Committees on Appropriations prior to enacting, consolidating, or reorganizing tax enforcement activities.

The conference agreement provides $72,938,000 for costs associated with administering the public debt. The conferees agree that $29,300 is for administration of the Taxpayer Advocate Service and $176,923,000 as proposed by the House. The conference agreement provides $29,300 is for administration of the Taxpayer Advocate Service and $176,923,000 as proposed by the House.

The conference agreement includes $13,000,000 for salaries and expenses of the Office of Inspector General for the Office of the Inspector General.

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spending, workload indicators, direct tax enforcement-related revenue and an explanation of the methodology and accuracy of the estimates provided. The report shall be submitted more than 90 days after the date of enactment of this Act.

INFORMATION SYSTEMS

The conference agreement provides $1,598,967,000 for information systems instead of $1,575,717,000 as proposed by the House and $1,597,717,000 as proposed by the Senate. Within the amount provided, the conferees provide funding for a vulnerability management solution that continuously discovers network exposures through an appliance-based technology, running a hardened operating system.

BUSINESS SYSTEMS MODERNIZATION

The conference agreement provides $199,000,000 for Business Systems Modernization as proposed by both the House and the Senate. Language is retained, proposed by both the House and the Senate, requiring a spend plan from the IRS prior to the release of these funds.

HEALTH INSURANCE TAX CREDIT ADMINISTRATION

ADMINISTRATIVE PROVISIONS—INTERNAL REVENUE SERVICE

Section 201 retains a provision included by both the House and the Senate that provides transfer authority.

Section 202 retains a provision included by both the House and the Senate that requires IRS to maintain training in taxpayer service.

Section 203 retains a provision included by both the House and the Senate that requires IRS to safeguard taxpayer information.

Section 204 retains a provision included by both the House and the Senate prohibiting funds to reduce taxpayer services until TIGTA completes a study on impacts to compliance.

Section 206 retains a provision included by the Senate that specifies $6,447,000,000 for enhanced tax enforcement. The House did not include a similar provision.

Section 207 amends a provision included by the Senate that requires IRS to submit its fiscal year 2007 budget to the House and the Senate prohibiting funds to reduce taxpayer services until TIGTA completes a study on impacts to compliance.

Section 208 includes a provision requiring the IRS to submit its fiscal year 2007 budget justification in the existing account structure.

Section 209 retains a provision included by the Senate that repeals the limitation on user fees to supplement appropriations. The House did not include a similar provision.

Section 210 includes a provision requiring the IRS to provide any beneficial feedback from the Taxpayer Advocate Service (TAS), of which $141,311,650 shall be made available from the Tax Law Enforcement account. The conferees direct the IRS to continue providing taxpayer feedback from accounts outside of TAS. The House did not include a similar provision.

Section 211 retains a provision requiring the IRS to submit its fiscal year 2007 budget justification in the existing account structure.

The conference agreement includes up to $665,000,000 to adjust the baseline amount for PHAs that for anomalous reasons, or unforeseen circumstances, were significantly under leased at the time the baseline was set. Examples include the timing of the PHAs fiscal year, portability or other unforeseen circumstances, including the assignment of a significant number of voucher renewals on an expedited basis. As authorized by the Senate, the Secretary has the discretion to determine the appropriate amount of adjustment. HUD is directed to report to the Committee on Appropriations any transfers of funds by PHAs for adjustments to allocations and the final decisions made by the Department.

The conferees reiterate House report language that requires HUD to track and report on the extent to which subsidy changes are due to changes in rent costs and changes in tenant incomes.

Tenancy-Based Rental Assistance

The joint statement of the managers here-in reflects the agreement of the conferees on the tenant-based rental assistance. The conference agreement appropriates $15,755,655,725 for tenant-based rental assistance under Section 8 (voucher) activities under the Tenant-Based Rental Assistance Account. The House proposes $15,631,400,000 and the Senate proposed $15,636,064,000 for these activities. Language is included designating funds provided as follows:

<table>
<thead>
<tr>
<th>Activity</th>
<th>Conference Agreement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Voucher Renewals</td>
<td>$14,089,755,725</td>
</tr>
<tr>
<td>Tenant Protection Vouchers</td>
<td>$180,000,000</td>
</tr>
<tr>
<td>Administrative Costs (Administrative Fees)</td>
<td>$1,250,000,000</td>
</tr>
<tr>
<td>Family Self-Sufficiency Coordinators</td>
<td>$48,000,000</td>
</tr>
<tr>
<td>Working Capital Fund</td>
<td>$5,000,000</td>
</tr>
</tbody>
</table>

Total, Tenant Based Rental Assistance: 15,573,655,725

Section 8 Voucher Renewals—The conference agreement includes $14,089,755,725 instead of $14,088,756,000 as proposed by the Senate and $14,189,756,725 as proposed by the House. The conferees continue the 2006 allocation method as proposed by the House. The Senate had proposed to revise the allocation methodology.

The conferees direct HUD not to use recaptures from any source or any project-based carryover to augment total 2006 funding for this account. In addition, the conferees direct HUD to provide all public housing agencies (PHAs) with a fixed, annual budget within which each agency must manage its voucher programs for fiscal year 2006. The conferees expect that Moving To Work (MTW) agencies will be funded based on their agreements and are subject to the same adjustments made to all other PHA annual budgets. Based on funding availability, HUD may make any necessary adjustments for the costs associated with the first-time renewals of tenant protection and HOPE VI vouchers in 2006. The conferees direct the Department to commit the entire amount of funds provided for voucher renewals to the public housing authorities at the time annual budgets of the public housing authorities are established.

The conferees direct HUD to provide funds to PHAs based on the amounts PHAs would have received in fiscal year 2005 before any pro rata reductions, and adjusted for the 2005 AAF and the 2006 AAF for each PHA, plus the estimated number of first time vouchers that will enter the Tenant Based Rental Assistance Account from other forms of assistance. The conferees direct HUD, to the extent necessary, to pro rate each public housing agency’s budget to stay within the amount appropriated.

The conference agreement includes up to $665,000,000 to adjust the baseline amount for PHAs that for anomalous reasons, or unforeseen circumstances, were significantly under leased at the time the baseline was set. Examples include the timing of the PHAs fiscal year, portability or other unforeseen circumstances, including the assignment of a significant number of voucher renewals on an expedited basis. As authorized by the Senate, the Secretary has the discretion to determine the appropriate amount of adjustment. HUD is directed to report to the Committee on Appropriations any transfers of funds by PHAs for adjustments to allocations and the final decisions made by the Department.

The conferees reiterate House report language that requires HUD to track and report on the extent to which subsidy changes are due to changes in rent costs and changes in tenant incomes.
202 and section 21 projects to section 8 assistance, and for the family reunification program and for the witness protection program.

Administrative Fees.—The conference agreement includes $1,250,000,000 for public housing agencies’ administrative costs and other expenses, instead of $1,225,000,000 as proposed by the House. The Senate provided $1,285,000,000. The conference agreement does not include supplemental funding for public housing agencies family self-sufficiency coordinator staff as proposed by the Senate instead of $45,000,000 as proposed by the House.

Working Capital Fund.—The conference agreement includes $5,900,000 for transfer to the Working Capital Fund as proposed by the House and Senate.

The conference agreement includes language proposed by the Senate that limits funds for litigation and settlements to $12,000,000. The House had move narrow language.

HOUSING CERTIFICATE FUND (RESCISION)

The conference agreement includes a rescission of $2,050,000,000 from unobligated balances in prior years to the maximum extent possible. The conference agreement does not include language proposed by the House to require that HUD and OMB salaries be reduced by $10,000,000, as proposed by the Senate. The conference agreement provides for the transfer of up to $200,000,000 in tenant-based funds to the project based account.

Family Self Sufficiency Coordinators.—The conference agreement includes $48,000,000 for public housing agencies family self-sufficiency coordinator staff as proposed by the Senate instead of $45,000,000 as proposed by the House.

The conference agreement includes language proposed by the Senate that requires that HUD and OMB salaries be reduced by $10,000,000, as proposed by the Senate. The conference agreement adds $45,000,000 as proposed by the Senate.

Senate instead of $45,000,000 as proposed by the Senate.

The conference agreement includes $48,000,000 for the Resident Opportunity Self-Sufficiency (ROSS) program, instead of $38,000,000 for the Resident Opportunity Self-Sufficiency (ROSS) program, instead of $38,000,000 for the Resident Opportunity Self-Sufficiency (ROSS) program as proposed by the House. Sufficient additional funds have been added to the base, along with uncommitted carryover from 2005, to ensure that no grantee is disadvantaged.

The conference agreement adds $45,000,000 as proposed by the Senate.

The conference agreement includes language that restricts funding to operations in the U.S. and its territories.

The conference agreement requires that the Department of the Treasury certify that no grantee is disadvantaged.

The conference agreement includes $11,000,000 for information technology staff as proposed by the House and $600,000,000 instead of $622,000,000 as proposed by the Senate. The conference agreement includes $11,000,000 for information technology staff, instead of $622,000,000 as proposed by the Senate and $600,000,000 as proposed by the House. The conference agreement includes $11,000,000 for information technology staff, instead of $622,000,000 as proposed by the Senate and $600,000,000 as proposed by the House. The conference agreement requires that the Department of the Treasury certify that no grantee is disadvantaged.

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The conference agreement includes $11,000,000 for information technology staff, instead of $622,000,000 as proposed by the Senate and $600,000,000 as proposed by the House. The conference agreement requires that the Department of the Treasury certify that no grantee is disadvantaged.
The conference agreement includes $2,000,000 for guaranteed loans to subsidize a total guaranteed loan principal of up to $17,926,000 as proposed by both the House and Senate. This program includes modified language transferring $150,000 to the Department’s Salaries and Expenses Account, as proposed by the House.

The conference agreement includes no funds for transfer to the Working Capital Fund for information technology systems as proposed by the House instead of $2,600,000 as proposed by the Senate.

**NATIVE HAWAIIAN HOUSING BLOCK GRANT**

The conference agreement provides $8,815,000 for the Native Hawaiian Housing Block Grant as proposed by both the House and Senate. The Senate included the funds as part of the Community Development Fund.

**INDIAN HOUSING LOAN GUARANTEE FUND PROGRAM ACCOUNT**

The conference agreement provides $3,915,000 for the Native Hawaiian Housing Block Grant as proposed by both the House and Senate. The Senate included the funds as part of the Community Development Fund.

**INDIAN ECONOMIC BLOCK TRANSFER to the Working Economic Development Formula distribution of funds**

The conference agreement includes $50,000,000 for the Economic Development Initiative with specific requirements on how these funds can be used. The conference agreement directs HUD to implement the Economic Development Initiative program as follows:

1. $100,000 to the City of Anchorage, Alaska for facilities renovation with the SAFE Center at Chestnut Creek;
2. $400,000 for Bean’s Cafe in Anchorage, Alaska for the expansion of its kitchen;
3. $150,000 for the City of Homer for technical assistance to the community center at Granite Mountain;
4. $50,000 for the Western Alaska Council, Boy Scouts of America in Anchorage, Alaska for construction of the Boy Scouts High Adventure Base Camp near Talkeetna, Alaska;
5. $750,000 for the Bering Straits Native Corporation in Nome, Alaska for Cape Nome Quarry upgrades;
6. $500,000 for the Bering Straits Native Corporation in Nome, Alaska for the construction of the Tongass Coastal Aquarium;
7. $750,000 for the Western Alaska Council, Boy Scouts of America in Anchorage, Alaska for the construction of the Boy Scouts High Adventure Base Camp near Talkeetna, Alaska;
8. $250,000 for the City of Anchorage, Alaska for facilities renovation with the SAFE Center at Chestnut Creek;
9. $500,000 for the People’s Regional Learning Center in Bethel, Alaska to construct a vocational school and dormitories;
10. $500,000 for the Dillingham City School District in Dillingham, Alaska, to repair the gymnasium in the Dillingham middle/high school;
11. $250,000 for the People’s Regional Learning Center in Bethel, Alaska to construct a vocational school and dormitories;
12. $500,000 for the Dillingham City School District in Dillingham, Alaska, to repair the gymnasium in the Dillingham middle/high school;
13. $250,000 for the People’s Regional Learning Center in Bethel, Alaska to construct a vocational school and dormitories;
14. $500,000 for the Dillingham City School District in Dillingham, Alaska, to repair the gymnasium in the Dillingham middle/high school;
15. $250,000 for the People’s Regional Learning Center in Bethel, Alaska to construct a vocational school and dormitories;
16. $500,000 for the Dillingham City School District in Dillingham, Alaska, to repair the gymnasium in the Dillingham middle/high school;
17. $250,000 for the People’s Regional Learning Center in Bethel, Alaska to construct a vocational school and dormitories;
18. $500,000 for the Dillingham City School District in Dillingham, Alaska, to repair the gymnasium in the Dillingham middle/high school;
19. $100,000 to the City of Guntersville, Alabama for renovations to the Whole Backstage Theater;
20. $100,000 to the City of Huntsville, Alabama for land acquisition for downtown re-development;
21. $250,000 to the City of Montevideo, Alabama for facilities renovation and expansion of its Industrial/Commercial Park.
22. $100,000 to the City of Montevideo, Alabama for sidewalks, street furniture, and façade improvements;
23. $1,000,000 to the City of Opelika, Alabama for the Northeast Opelika Industrial Park.
24. $150,000 to the City of Prattville, Alabama for the Prattville Waterfront Development Project to provide access to local waterways;
25. $100,000 to the City of Robertsdale, Alabama for upgrades to the PZK Civic Center;
26. $100,000 to the City of Shorter, Alabama for facilities construction and renovation of the Old Shorter School building to a community center;
27. $150,000 to the City of Tuscumbia, Alabama to construct a worker training center at Alabama Southern Community Center;
28. $275,000 to the City of Troy, Alabama for small business training at the Troy University Center for International Trade and Business Development;
29. $100,000 to the Huntsville Museum of Art, Alabama for facility renovations;
30. $100,000 to the Town of Dadeville, Alabama for rehabilitation, facility improvements, and build out of three buildings;
31. $100,000 to the Town of Dadeville, Alabama for facilities construction and renovation of the University of South Alabama’s Mitchell School of Business Library in Mobile, Alabama;
32. $400,000 for construction and outfitting of the New Centurions, Inc. New Life for Women Shelter in Eutaw County, Alabama;
33. $250,000 for the Greenville Family YMCA for child care facility acquisition, renovation, and construction in Greenville, Alabama;
34. $300,000 for the City of Evergreen for expansion of the Evergreen Connex Community Library in Evergreen, Alabama;
35. $400,000 for the Fayette County Commission for the Fayette County Industrial Park in Fayette, Alabama for land acquisition and development of its Industrial/Commercial Park;
36. $200,000 for the Hayneville/Lowndes County Library Foundation for construction of a new library in Hayneville, Alabama;
37. $350,000 for the People’s Regional Learning Center in Bethel, Alaska to construct a vocational school and dormitories;
38. $500,000 for the Dillingham City School District in Dillingham, Alaska, to repair the gymnasium in the Dillingham middle/high school;
39. $250,000 for the People’s Regional Learning Center in Bethel, Alaska to construct a vocational school and dormitories;
40. $500,000 for the Dillingham City School District in Dillingham, Alaska, to repair the gymnasium in the Dillingham middle/high school;
41. $250,000 for the People’s Regional Learning Center in Bethel, Alaska to construct a vocational school and dormitories;
42. $500,000 for the Dillingham City School District in Dillingham, Alaska, to repair the gymnasium in the Dillingham middle/high school;
43. $250,000 for the People’s Regional Learning Center in Bethel, Alaska to construct a vocational school and dormitories;
44. $500,000 for the Dillingham City School District in Dillingham, Alaska, to repair the gymnasium in the Dillingham middle/high school;
45. $250,000 for the People’s Regional Learning Center in Bethel, Alaska to construct a vocational school and dormitories;
46. $500,000 for the Dillingham City School District in Dillingham, Alaska, to repair the gymnasium in the Dillingham middle/high school.

The conference agreement includes $50,000,000 for technical assistance to the community center at Granite Mountain.
$150,000 to the El Dorado Public Schools in El Dorado, Arkansas for the expansion of a recreational field;
47. $150,000 to the North Arkansas College, Harrison, for the construction of a Conference and Training facility;
48. $250,000 to Vada Sheid Community Development Center, ASU in Mountain Home, Arkansas for the construction of the Phillips County Agricultural Storage Facility;
49. $800,000 for the Central Arkansas Resource Conservation and Development Council, Arkansas for the renovation of two structures used by local citizens;
50. $200,000 for the development of the Audubon Nature Center at Gilliam Park in Little Rock, Arkansas;
51. $600,000 to Chicanos Por La Causa in Phoenix, Arizona for redevelopment of the Nuestro Barrio Community;
52. $250,000 to Chicano Por La Causa in Phoenix, Arizona for land acquisition and redevelopment of the East Washington Fluff site;
53. $250,000 to Final County, Arizona for the renovation and repair of the Final County Courthouse;
54. $350,000 to the City of Douglas, Arizona for facilities renovation of the Grand Theater;
55. $500,000 to the City of Eloy, Arizona for construction of a community center;
56. $250,000 to the City of Globe, Arizona for land acquisition and streetscape improvements;
57. $180,000 to the City of Scottsdale, Arizona for the construction of the Vista del Camino Community Center;
58. $650,000 to the City of Sierra Vista, Arizona for construction of the Boys & Girls Club in Sierra Vista;
59. $150,000 to the Dunbar Coalition in Tucson, Arizona for the Dunbar Project;
60. $250,000 to Valley of the Sun YMCA in Phoenix, Arizona for facilities construction of a YMCA;
61. $150,000 to Chulafer, California for construction of a multipurpose cultural room on the Chulafer Elementary School campus;
62. $150,000 to Merced County, California for renovation of the George Washington Carver Community Center in Los Palos, California;
63. $150,000 to Mono County, California for the Library Authority Board of Education for construction of a building;
64. $100,000 to San Bernardino County, CA for the development of the Santa Ana River Regional Park;
65. $200,000 to Solano County, California for renovation of two structures used by local veterans groups;
66. $150,000 to Taylor Yard Park in Los Angeles, California for recreational equipment and park upgrades that will serve at-risk youth;
67. $250,000 to the City of Alhambra, California for development and construction of a park;
68. $1,000,000 to the City of Apple Valley, California for Civic Center Park development;
69. $250,000 to the City of Banning, CA for city pool improvements;
70. $350,000 to the City of Beaumont, CA for the construction of the Beaumont Sports Park;
71. $200,000 to the City of Bell Gardens, California for renovation and update of facilities;
72. $100,000 to the City of Bishop, California for improvements to City housing;
73. $75,000 to the City of Chino, California for construction of a facility for the Hillview Acres Children’s Home;
74. $150,000 to the City of Chowchilla, California for reconstruction of an industrial park;
75. $800,000 to the City of Colfax, California for an expansion of the Youth Center;
76. $150,000 to the City of Colton, California for improvements to Veterans Park;
77. $1,000,000 to the City of Corona, California for the renovation of the Old City Hall;
78. $2,000,000 to the City of Crescent Valley, California for the ongoing construction of a new library;
79. $250,000 to the City of Davis, California: to complete the design and construction of Shafter Research and Extension Center at the University of California, Davis;
80. $250,000 to the City of Diamond Bar, California for the renovation of the Diamond Bar High School and Community Sports Field;
81. $150,000 to the City of East Palo Alto, California for the construction of facilities for community services;
82. $350,000 to the City of East Monte, California for construction of a community gymnasium;
83. $250,000 to the City of Encinitas, California for the construction of a visitor center in the San Elijo Lagoon Open Space Preserve;
84. $250,000 to the City of Greenfield, California for construction of a multipurpose community;
85. $100,000 to the City of Huntington Beach, California for the planning and design phase of a senior center;
86. $250,000 to the City of Huntington Park, California for renovation of a recreation center building;
87. $500,000 to the City of Idyllwild, California for building cabins and dining hall improvements at Ronald McDonald camp;
88. $200,000 to the City of Inglewood, California for construction of a new senior center;
89. $75,000 to the City of La Habra, California to rehabilitate the La Habra Vista Grande Park;
90. $150,000 to the City of La Mirada, California for construction of an aquatic center;
91. $250,000 to the City of Lake Morena, California for the completion of a residential facility for homeless youth;
92. $250,000 to the City of Lancaster, California for installations related to the baseball complex;
93. $100,000 to the City of Lancaster, California for improvements to the Boys and Girls Club of Antelope Valley;
94. $100,000 to the City of Lompoc, California to construct a new C.N.A. training center;
95. $50,000 to the City of Lompoc, California to construct an elevator for a building that serves the disabled;
96. $150,000 to the City of Long Beach, California to develop an exhibit to educate the public on the history of ports;
97. $250,000 to the City of Los Angeles, California for the Esperanza Community Maple Mae Project;
98. $200,000 to the City of Los Angeles, California for site acquisition and development;
99. $100,000 to the City of Madera, California to construct a youth center for at-risk youth;
100. $200,000 to the City of Mariposa, California for the reservation of the CA Mining and Mineral Museum;
101. $150,000 to the City of Mendota, California for construction of the Rural Vocational Technical Facility (RVTP);
102. $50,000 to the City of Oak View, California for rehabilitation of the multi-purpose room and kitchen of the Oak View Park and Resource Center;
103. $150,000 to the City of Oakland, California for renovation of historic Fruitvale Mission Temple;
104. $200,000 to the City of Oceanside, California for a Senior Center facility to serve seniors from Oceanside, Vista, Carlsbad and San Marcos;
105. $100,000 to the City of Oroville, California for Vega Center renovations;
106. $200,000 to the City of Pico Rivera, California for the expansion of the California senior center;
107. $200,000 to the City of Placerville, California for Gold Bug Park renovations;
108. $250,000 to the City of Redding, California to develop the Stiwillar business park;
109. $100,000 to the City of Riverside, California for facility construction of the School for Nursing at Riverside Community College;
110. $100,000 to the City of Riverside, California for construction of a pedestrian bridge in the California Citrus State Park;
111. $400,000 to the City of Sacramento, California for construction of the Sacramento Food Bank;
112. $100,000 to the City of San Bernardino, California for Renovations to National Orange Show stadium;
113. $100,000 to the City of San Fernando, California for revitalization of downtown San Fernando;
114. $800,000 to the City of San Jacinto, California for improvements to city museum/Estudillo property;
115. $150,000 to the City of San Jose, California for the construction of a community center in a low and moderate-income area;
116. $500,000 to the City of San Leandro, California for streetscape and pedestrian safety improvements;
117. $150,000 to the City of San Pedro, California for streetscape and other improvements along Gaffey Street;
118. $500,000 to the City of Santa Cruz, California for construction of a new Boys and Girls Club facility at East County;
119. $100,000 to the City of Santa Cruz, California for the Oasis of Hope Community Development Corporation education project;
120. $125,000 to the City of Tehachapi, California for design and construction of a performing arts center;
121. $100,000 to the City of Thousand Oaks, California to construct a community access complex on the campus of California Lutheran University;
122. $100,000 to the City of Tulare, California to expand educational activities with the College of Sequoias and the California Polytechnic University;
123. $40,000 to the City of Tulare, California for modernization of the veterans hall;
124. $250,000 to the City of Twentynine Palms, California for Development of a Visitors Center;
125. $100,000 to the City of Visalia, California for construction of a new facility to provide shelter for homeless women and children;
126. $100,000 to the City of Vista, California Solutions Family Intake/Access Center for homeless families and their children;
127. $250,000 to the City of Yuba City, California for development and construction of the Yuba City Regional Sports Complex;
133. $200,000 to the Department of Economic Development in Rancho Cordova, California for Cordova Senior Center Expansion; 
134. $250,000 to the Earle Baum Center of the Blind, Inc. in Santa Rosa, California to build a center for the visually impaired; 
135. $300,000 to the City of Lakeport, California for renovation of the Lakeport Cinema to a Performing Arts Center; 
136. $500,000 to the Museum of Latin American Art in Long Beach, California to complete the renovation of the museum; 
137. $150,000 to the San Diego Housing Commission, California for HOPE Village Project to construct a 20-unit housing complex to house homeless individuals; 
138. $150,000 to the Santa Barbara County Food bank in Santa Barbara, California for expansion and upgrades to its facility; 
139. $200,000 to the Skirball Cultural Center in Los Angeles, California for development and construction of Noah’s park; 
140. $250,000 to the City of Yucca Valley, California for development and construction of the South Side Community Center; 
141. $300,000 to the Valley Alliance for the Arts in Yucca Valley, California for construction of a performing arts center; 
142. $200,000 to the Youth Science Institute Center in San Jose, California for building renovations; 
143. $250,000 for the 10th and Mission Affordable Family Housing & Commercial Space Project, for the development of housing units and commercial space, Mercy Housing, San Francisco, California; 
144. $300,000 for the City of Inglewood, California to construct a Senior Center; 
145. $200,000 for the San Francisco Museum and Historical Society Old Mint Restoration Project for planning, design and construction, California; 
146. $150,000 for the Fresno County Economic Opportunities Commission, Fresno, CA, for construction of the Neighborhood Youth Center; 
147. $600,000 for the City of Oakland, CA for the Fox Theater Restoration; 
148. $200,000 for the City of Redding, CA for the Stillwater Business Park; 
149. $200,000 for the West Angeles Community Development Corporation, CA for the development of Angeleno Plaza; 
150. $100,000 to the Housing Trust of Santa Clara County, CA, for the First Time Home Buyer Loan Program; 
151. $175,000 for the San Francisco Fine Arts Museums, CA, for M.H. de Young Memorial Museum construction; 
152. $100,000 for the Aguia Caliente Cultural Museum, Palm Springs, CA for construction; 
153. $160,000 for the City of Montrose, Colorado for expansion of a research park for Mesa State University; 
154. $240,000 for the City of Pueblo, Colorado for redevelopment of recreation and park facilities; 
155. $250,000 to the City of Wellington, Colorado for construction and renovation of rehabilitation facilities; 
156. $150,000 to the Denver Rescue Mission in Denver, Colorado for acquisition and renovation of an emergency shelter; 
157. $300,000 for the City of Denver, Denver Rescue Mission for the Acquisition and Renovation of Emergency and Transitional Housing for Colorado’s Homeless population; 
158. $500,000 to the City of Ansonia, Connecticut for construction for a new community space; 
159. $200,000 to the City of Bridgeport, Connecticut for relocation of the Music and Arts Center for the Humanities to a new vacant department store; 
160. $300,000 to the City of Bridgeport, Connecticut for planning and implementation of a Neighborhood Revitalization Zone (NRZ); 
161. $100,000 to the City of Bridgeport, Connecticut to complete the renovation of the former CT state armory facility; 
162. $100,000 to the City of Ellington, Connecticut for construction of a new YMCA in an underserved area; 
163. $250,000 to the City of Farmington, Connecticut for Hill-Stead Museum Renovation and Expansion; 
164. $100,000 to the City of New Britain, Connecticut for the renovation of 85 Arch Street by the Friendship Service Center of New Britain; 
165. $100,000 to the City of Norwich, Connecticut for the Human Services Council to rehabilitate affordable housing; 
166. $250,000 to the City of Stamford, Connecticut for renovations to the Palace Theater; 
167. $100,000 to the City of Stamford, Connecticut for repairs to the Yerwood Community Center; 
168. $100,000 to the City of Waterbury, Connecticut for renovations to the Mattatuck Museum to create an exhibit on the history of Brass Valley; 
169. $450,000 to the Naugatuck YMCA in Naugatuck, Connecticut for upgrades and other facilities expansion; 
170. $100,000 to the Town of Sherman, Connecticut for reconstruction for the Sherman town library; 
171. $350,000 to the Town of Stonington, Connecticut for the construction of south pier at Stonington Deep; 
172. $350,000 to the Town of Willington, Connecticut for the expansion of low-income senior housing; 
173. $300,000 to the University of Hartford in Hartford, Connecticut for facilities construction and renovation of the Hart Performing Arts Center; 
174. $450,000 for the City of Hartford, Connecticut for the Hartford Homeownership Initiative; 
175. $200,000 for the City of Hartford, Connecticut for the renovation of the Mark Twain House Building; 
176. $300,000 for the City of Ansonia, Connecticut for the renovation of the Ansonia Armory; 
177. $250,000 for the City of West Haven, CT, for the redevelopment of residential housing; 
178. $250,000 for the City of Stamford, CT, for renovations to the Yerwood Community Center; 
179. $250,000 for the Town of Southbury, CT, for renovations to the Bent of the River Audubon Center; 
180. $200,000 for the City of Hartford, CT, for neighborhood renovation activities undertaken by the Southside Institutions Neighborhood Alliance; 
181. $250,000 to the African American Civil War Museum in Washington, DC for capital improvements to the facility and visitors center; 
182. $200,000 to New Castle County, Delaware for renovations to the Wilmington Senior Center; 
183. $250,000 to Sussex County, Delaware for the renovation of Bethany Beach Medical Center; 
184. $250,000 for the Ministry of Caring, House of Joseph II, in Wilmington, DE for the renovation/operation of the facility; 
185. $200,000 to the St. Michaels School and Nursery, Wilmington, DE, for expansion of the school; 
186. $200,000 to the Wilmington Senior Center, Wilmington, DE, for the completion of renovation of the Lafayette Court Senior Apartments project; 
187. $250,000 for Easter Seals Delaware & Maryland’s Eastern Shore for the construction of the new Easter Seals Facility in Georgetown, Delaware; 
188. $100,000 to the Wilmington Music School for the Music School Expansion in Wilmington, Delaware; 
189. $200,000 to the City of Lewes for the Lewes Canalfront Park in Lewes, Delaware; 
190. $350,000 to Brevard County, Florida for construction of a marine and coastal research center at Hutchinson Island; 
191. $75,000 to Brevard County, Florida for the construction of Crosswinds youth center; 
192. $200,000 to Goodwill of North Florida, Inc., Jacksonville, Florida for the expansion of its facility; 
193. $100,000 to Hillsborough County, FL for construction of an agricultural worker center; 
194. $200,000 to Lake County, FL for construction of a library; 
195. $200,000 to Mims-Dade County, Florida for construction of a new building for the Centro Mater Foundation; 
196. $250,000 to Pinellas County, Florida for the renovation of Palm Harbor Public Library; 
197. $25,000 to the City of Alachua, Florida for the construction of the Veterans’ Memorial at City Hall; 
198. $250,000 to the City of Bartow, Florida for the redevelopment of downtown Bartow; 
199. $250,000 to the City of Boca Raton, Florida for infrastructure improvements for Pearl City; 
200. $96,300 to the City of Coral Gables, Florida for the renovation of historic Biltmore Hotel; 
201. $100,000 to the City of DeBarry, Florida for construction of a Gateway Center for the Arts; 
202. $500,000 to the City of Dunedin, FL for construction of a new community center; 
203. $250,000 to the City of Eufaula, Florida to replace the Community Aging & Retirement Services Inc building; 
204. $200,000 to the City of Ft. Myers, Florida for the redevelopment of Edison & Ford Estates; 
205. $250,000 to the City of Gainesville, Florida for the expansion of the Fine and Applied Arts Educational Building at Santa Fe Community College; 
206. $400,000 to the City of Gainesville, Florida for renovations and historic preservation of James Norman Hall at the University of Florida, Gainesville; 
207. $200,000 to the City of Gulfport, Florida for renovations to City of Gulfport Scout Hall; 
208. $200,000 to the City of Hollywood, Florida for the construction and development of the Young Circle Arts Park project; 
209. $150,000 to the City of Homestead, Florida for upgrades to the Dade County water and sewer infrastructure; 
210. $75,000 to the City of Marathon, Florida for the redevelopment of Boot Key Municipal Harbor; 
211. $250,000 to the City of Miami Gardens, Florida for revitalization of the business district; 
212. $100,000 to the City of Miami Springs, Florida for the construction of a hurricane shelter; 
213. $250,000 to the City of Miami, Florida for the elderly assistance program; 
214. $250,000 to the City of Naranja, Florida to construct a facility at Camillus House; 
215. $250,000 to the City of New Port Richey, Florida for the renovation of Good Samaritan Health Clinic of Pasco, Inc; 
216. $300,000 to the City of Ocala, Florida for improvements to the Fine Arts Center at Central Florida Community College; 
217. $250,000 to the City of Ocoee, Florida for construction of a senior citizens veterans service center; 
218. $100,000 to the City of Osceola County, Florida for the completion of Osceola County Homeless Shelter; 
219. $100,000 to the City of Osceola County, Florida for the construction of a senior citizen center;
220. $100,000 to the City of Pensacola, Florida for construction of the YMCA of Greater Pensacola; 221. $250,000 to the City of Pinellas County, Florida for construction of Joe’s Creek Greenway Park; 222. $300,000 to the City of Riviera Beach, Florida for acquisition and improvements for commercial revitalization; 223. $250,000 to the City of Sarasota, Florida for renovations to the Robert L. Taylor Community Center; 224. $250,000 to the City of Seminole, Florida for the development of a Science and Nature Park at St. Petersburg College; 225. $150,000 to the City of St. Petersburg, Florida for construction of a new Community Center; 226. $250,000 to the City of St. Petersburg, Florida for planning and design of Albert Whitted Waterfront Park; 227. $125,000 to the City of Treasure Island, Florida for construction of beach walkways; 228. $250,000 to the City of Winter Haven, Florida for improvements to the downtown business district; 229. $150,000 to the Tangerine Avenue Community Redevelopment Area in St. Petersburg, Florida for the redevelopment of the Tangerine Avenue Community Redevelopment Area; 230. $400,000 to Wakulla County, Florida for construction of the multi-purpose community center; 231. $500,000 for Orange County, FL for Central Receiving Center to renovate single occupancy rooms; 232. $200,000 for the Lowry Park Zoological Society, Tampa, FL for business development initiative; 233. $300,000 for the Central Florida YMCA to expand and renovate the Wayne Denash YMCA Family Center; 234. $250,000 for Miami Dade College and the construction of a library at their Hialeah, Florida campus; 235. $250,000 for Nova Southeastern University in Florida for the Center for Collaborative Bio-Medical Research; 236. $600,000 for the City of Coral Gables, Florida for the Biltmore Complex Restoration Project; 237. $500,000 for the City of Orlando, Florida for the Parramore Neighborhood Revitalization Project; 238. $250,000 for Miami Dade County, Florida for the Miami Performing Arts Center; 239. $250,000 for the American Beach Property Owners’ Association, Fernandina Beach, Florida for the renovation of the Beach Access and Cultural Center Restoration Project; 240. $200,000 for the City of Gainesville, Florida for the Downtown Revitalization Project; 241. $200,000 for the Florida Memorial University, Miami, Florida; 242. West Augustine Initiative; 242. $200,000 to Clarkston Community Center in Dekalb County, Georgia for renovation of Clarkston Community Center; 243. $300,000 to Clayton County, Georgia for renovation of the Clayton Senior Center; 244. $400,000 to Morehouse School of Medicine in Atlanta, Georgia for land acquisition to revitalize the Martin Luther King End neighborhood; 245. $250,000 to Paulding County, Georgia for site preparations; 246. $175,000 to SOWEGA Council on Aging in Albany, Georgia, for facility construction; 247. $100,000 to the City of Atlanta, Georgia for development of land for Morehouse School of Medicine in Atlanta; 248. $50,000 to the City of Atlanta, Georgia for development of land for Morehouse School of Medicine in Atlanta; 249. $150,000 to the City of Augusta, Georgia for a Hope House facility for therapeutic childcare; 250. $150,000 to the City of Covington, Georgia for renovation and construction of a resource center; 251. $100,000 to the City of Marietta, Georgia for the city redevelopment of Marietta Growth Fund; 252. $100,000 to the City of Powder Springs, Georgia to establish the Ford Center; 253. $275,000 to the City of Savannah, Georgia for the renovation of a building annex to house a library and computer lab; 254. $75,000 to the City of Savannah, Georgia for revitalization of the Central Georgia Railway for Coastal Heritage Society; 255. $250,000 to the City of Tybee Island, Georgia for a new facility for the Georgia 4-H Foundation; 256. $250,000 to the City of Warner Robins, Georgia for renovation of a World War II exhibit and depot flight line for the Museum of Aviation; 257. $250,000 to the Community Service Board of Middle Georgia for construction of a girls’ crisis center; 258. $225,000 to the Infantry Museum and Heritage Park in Columbus, Georgia for construction and development of National Infantry Museum and Heritage Park; 259. $200,000 for Mercer University, Macon, Georgia for Critical Personnel Development Program (CPDP); 260. $200,000 for the Atlanta, Georgia Intergenerational Resource Center for a senior housing project; 261. $200,000 for the Warner Robins, Georgia Museum of Aviation for expansion of aviation flight and technology center; 262. $200,000 for the State of Georgia for a community and economic development initiative; 263. $200,000 Morehouse School of Medicine for West End Community Development; 264. $300,000 Atlanta Symphony Orchestra, Georgia for the Atlanta Symphony Center expansion; 265. $150,000 to the Children’s Justice Center Foundation in Honolulu, Hawaii for renovation of a building to provide services to victims of child abuse and neglect; 266. $150,000 to the County of Hawaii in Kailua-Kona, Hawaii for construction of a homeless shelter; 267. $650,000 for the Boys & Girls Club of Hawaii, Honolulu, HI, for planning, design and construction of the Nanakuli Boys & Girls Club; 268. $300,000 for Pa’a Pono Milolii to construct a community and youth center; 269. $300,000 for the Children’s Justice Center Foundation in Oahu, Hawaii to purchase land and renovate the child counseling center on Oahu; 270. $300,000 for the Maui Economic Development Board to renovate the enterprise building; 271. $300,000 for the Kauai YMCA to construct facilities; 272. $300,000 for the Lanai Youth Center to acquire and construct activity facilities; 273. $200,000 for the County of Hawaii for the renovation of a Caregiver and Senior Resource Center; 274. $300,000 for Hale Mahalo Ehiku to construct affordable rental housing for senior citizens; 275. $200,000 to Iowa City, Iowa, for the establishment of a service center for Systems Unlimited, Inc to aid disadvantaged families; 276. $450,000 to the city of Cedar Rapids, Iowa, for redevelopment of southern Cedar Rapids; 277. $400,000 to the City of Des Moines, Iowa for land acquisition for a technology park; 278. $250,000 to the City of Des Moines, Iowa, for redevelopment of Liberty Square; 279. $250,000 for the National Cattle Congress, Waterloo, Iowa for renovation and construction of facilities; 280. $400,000 for the City of Waterloo, Iowa, for the acquisition and rehabilitation of the Cedar Valley Project; 281. $300,000 for the City of Des Moines, Iowa, for the Riverport West development; 282. $300,000 for the City of Fort Dodge, Iowa for the Lincoln Neighborhood housing initiative; 283. $1,000,000 to the Iowa Department of Economic Development for the Main Street Iowa program for restoration of structures on main streets throughout the state; 284. $750,000 to Polk County, Iowa for the purchase and rehabilitation of housing for low income people; 285. $200,000 to the Heartland Hill Habitat for Humanity in Boone County, Iowa, for the renovation of deteriorated housing for low income housing; 286. $300,000 to the City of Council Bluffs, Iowa, for downtown historic building renovation; 287. $100,000 to Franklin County, Idaho for restoration of Oneida Stake Academy for historic renovation; 288. $100,000 to Idaho for completion of the Lewis and Clark Bicentennial Project Planning and Implementation; 289. $100,000 to the City of Pocatello, Idaho for renovations to the Greater Pocatello Senior Center; 290. $350,000 to the City of Rexburg, Idaho for construction of residential facilities and handicap accessibility; 291. $1,000,000 for Ada County, Idaho for development of the Family Justice Center and the Detox Center; 292. $1,000,000 for the Clearwater Economic Development Association for the implementation of the Lewis and Clark Bicentennial Project; 293. $1,000,000 for Boise State University for construction of the Center for Environmental Science and Economic Development; 294. $1,000,000 for the Idaho Migrant Council for planning, design, and construction of the Burley Community Center, Burley, Idaho; 295. $1,000,000 to Western Illinois University Quad City Campus in Moline, Illinois for renovations of facilities; 296. $250,000 to Coles County, Illinois for construction of Lifespan Center for seniors; 297. $100,000 to Northeastern Illinois University in Chicago, Illinois for a feasibility study on planning and design analysis for a new education building; 298. $200,000 to Pioneer Center Group Home in McHenry County, Illinois for upgrades at the group home; 299. $150,000 to Seguin Services in Cicero, Illinois for construction of a garden center; 300. $200,000 to the Avalon Park School in Chicago, Illinois for construction for a child-parent center; 301. $300,000 to the Chicago Academy High School in Chicago, Illinois for construction of a campus park; 302. $150,000 to the Chicago Children’s Advocacy Center in Chicago, Illinois for expansion of its facilities; 303. $150,000 to the Chicago Park District in Chicago, Illinois for land acquisition and facility improvements to expand a park; 304. $200,000 to the Cape Girardeau District in Chicago, Illinois for land acquisition and facility improvements for the expansion of a park; 305. $80,000 to the City of Beardstown, Illinois for construction of the Grand Opera House Beardstown Historical Society; 306. $200,000 to the City of Bloomington, Illinois for the renovation of the Marion Children’s Home; 307. $100,000 to the City of Collinsville, Illinois for completion of the Collins Home Project; 308. $500,000 to the City of Downers Grove, Illinois for improvements to Ray Graham Association for People With Disabilities; 309. $100,000 to the City of East Moline, Illinois for revitalization of downtown;
311. $225,000 to the City of Harvey, Illinois for demolition and redevelopment of property to aid the community;
312. $150,000 to the City of Hudson, Illinois for construction of Timber Pointe Outdoor Center;
313. $250,000 to the City of Jacksonville, Illinois for renovation to Crampton Hall at Illinois College;
314. $250,000 to the City of Joliet, Illinois for repairs to Halto Square Theater;
315. $300,000 to the City of Lincoln, Illinois for the restoration of the Earl C. Hargrove Auditorium at Lincoln Christian College;
316. $200,000 to the City of Naperville, Illinois for the development of the Children’s Museum for building renovations;
317. $75,000 to the City of Naperville, Illinois for Our Children’s Homestead to construct new foster care homes;
318. $250,000 to the City of Peoria, Illinois for design and construction of Central Illinois Regional Museum;
319. $250,000 to the City of Peoria, Illinois for renovations to Bradley Hall at Bradley University;
320. $200,000 to the City of Peoria, Illinois for design and construction of Africa exhibit at Glen Oak Zoo;
321. $100,000 to the City of Peru, Illinois for construction of the Village of Wheaton, Illinois for renovation of the County of DuPage’s nursing facility to be used for nurses training center;
322. $50,000 to the City of Quincy, Illinois for the design and construction of an Art and Sciences Center at Quincy University;
323. $100,000 to the City of Rockford, Illinois for the expansion of laboratories and public viewing areas at BurpeeDiscovery Center Museum;
324. $200,000 to the City of Shawneetown, Illinois for construction of a facility at Shawneetown Regional Port District;
325. $50,000 to the Village of Wheaton, Illinois for renovation of the County of DuPage’s nursing facility to be used for nurses training center;
326. $50,000 to the City of Yorkville, Illinois for the redevelopment of a Yorkville site;
327. $75,000 to the City of Crest Hill, Illinois for redevelopment of Division Street;
328. $75,000 to the Home of the Sparrow in Lake, Illinois for the renovation of a homeless shelter;
329. $75,000 to the Inner Voice in Chicago, Illinois for upgrades to homeless shelters on the South Side of Chicago;
330. $150,000 to the Village of Hazel Crest in Hazel Crest, Illinois for the redevelopment of the area around Hazel Crest Metra Station;
331. $160,000 to the Village of Orillon, Illinois for landfill project;
332. $75,000 to the Village of South Jacksonville, Illinois for construction of a playground and park for disabled children;
333. $500,000 for the Looking for Lincoln Heritage Coalition in Springfield, IL for the Looking for Lincoln economic development and tourism initiative;
334. $800,000 for the Peace and Education Coalition in Chicago, IL for construction of a new facility to serve San Miguel Schools in the City of Chicago’s Hermosillo Neighborhood;
335. $300,000 to the Haymarket Center in Chicago, IL for construction and establishment of the McDermott Addiction Center;
336. $200,000 to the Quincy Public Library in Quincy, IL for a newspaper digitization and community education project;
337. $100,000 to the Community Foundation of Decatur/Macon County, Illinois for construction and rehabilitation of housing facilities for the homeless and disabled;
338. $150,000 to the Community Health Care Center in Illinois for equipment and facilities to expand services;
339. $250,000 to the Chicago Historical Society in Chicago for the construction of the new Chicago History Exhibition and redevelopment of current facilities;
Alexandria Riverfront Development in Louisiana; $400,000 to Ascension Parish, to develop the Lamar Dixon Exposition Center in Louisiana; $401,000 for the Audubon Nature Institute for the Audubon Living Science Museum and Wetlands Center in New Orleans, Louisiana; $402,000 for Lafourche Parish for waterfront development along Bayou Lafourche in Ascension, Assumption and Lafourche Parishes, Louisiana; $403,000 to American International College in Springfield, Massachusetts for the renovation of the older Dormitories and Breeck Hall; $404,000 to Banknorth building in Fitchburg, Massachusetts for renovation and construction; $405,000 to Boston Healthcare for the Homeless in Boston, Massachusetts for renovation of its facility; $406,000 to Edith Wharton Restoration, Inc. in Lenox, Massachusetts for facilities upgrade and buildout; $407,000 to Endicott College in Beverly, Massachusetts for construction of a research center; $408,000 to Greenfield Community College in Greenfield, Massachusetts for a feasibility study; $409,000 to Lawrence Community Works in Lawrence, Massachusetts for construction of a design and technology training center; $410,000 to Stetson Town Hall in Randolph, Massachusetts for improvements and renovations of its facility; $411,000 to the City of Holyoke, Massachusetts for renovations of facility for Solutions Development Corporation; $412,000 to the City of Lynn, Massachusetts for the renovation of the City Hall and Auditorium; $413,000 to the City of Medford, Massachusetts for construction and renovation of an outdoor facility; $414,000 to the City of Melrose, Massachusetts for improvements to the Soldiers and Sailors Memorial Hall; $415,000 to the City of New Bedford, Massachusetts for design and construction of a community center; $416,000 to the City of Sommerville, Massachusetts for renovations and upgrades to its facility; $417,000 to the Community Art Center, Inc. in Cambridge, Massachusetts for renovation and improvements to its facility; $418,000 to the Mahaiwe Performing Arts Center, Inc. in Great Barrington, Massachusetts for facilities renovation and improvements; $419,000 to the Main South Community Development Corporation in Worcester, Massachusetts for revitalization of the Gardner-Kilby-Hammond neighborhood; $420,000 to the MassHort Wampamq Tribal Council, Inc. in Massachusetts for renovation of a facility; $421,000 to the Merrimack Repertory Theater in Lowell, Massachusetts for renovation of its facilities; $422,000 to the Narrows Center in Fall River, Massachusetts for renovations and upgrades to its facilities; $423,000 to the Springfield Day Nursery in Springfield, Massachusetts for renovations to the King Street Children’s Center; $424,000 to Western Mass Enterprise Fund, Inc. in Springfield, Massachusetts for capitalization of a loan fund; $425,000 to Whittier Street Community Center in Bangor, Maine for facilities renovation; $426,000 to Walpole, MA for improvements and renovations to town fields; $427,000 to the city of North Adams, MA for the renovation of the historic Mohawk Theater; $428,000 to the City of Holyoke, MA for renovations to the Picknelly Adult and Family Education Center; $429,000 to the City of Medford, MA for the redevelopment of Medford Square; $430,000 to the Main South Community Development Corporation, Worcester, MA for the redevelopment of the Gardner-Kilby-Hammond Neighborhood; $431,000 to the City of Lawrence, MA for the redevelopment of the Lawrence In-Town Mall; $432,000 to the Bird Street Community Center, Boston, MA for facility renovations; $433,000 to the City of Fitchburg, MA for the acquisition and renovation of facilities in Hubbardston, MA; $434,000 to Girls Incorporated of Lynn, MA for building renovations; $435,000 to Dawson Safe Haven for Children, Youth, and Families in Baltimore, Maryland for reconstruction of the Dawson Safe Haven; $436,000 to St. Mary’s College, St. Mary’s, Maryland for the renovation and purchasing of technology equipment for Goodpaster Hall; $437,000 to the City of Baltimore, Maryland for revitalization of the East Baltimore Development Corporation; $438,000 to the City of Hyattsville, Maryland for construction of the Renaissance Square Artists’ Housing; $439,000 to the City of Takoma Park, Maryland for construction and build out of a community learning center; $440,000 to the City of Hagerstown, St. Mary’s City Commission in St. Mary’s, Maryland for construction and renovation of a brick chapel; $441,000 to the Ministers Alliance of Charles County in Waldorf, Maryland for the acquisition, renovation, and construction of a business center; $442,000 to the Towson YMCA Day Care in Towson, Maryland for the renovation and expansion of the Day Care Facility; $443,000 to the Maryland Food Bank in Baltimore for construction and equipping of new food distribution center; $444,000 to the Washington Archdiocese/Langley Park Health Clinic and Social Service Center, Maryland; $445,000 for the East Baltimore Development Project, Maryland; $446,000 to the Gardner Park/Library Square Revitalization, Maryland; $447,000 for Goucher College, Community Services Corporation; $448,000 to the American Visionary Arts Museum, Maryland; $449,000 to the Our Daily Bread Employment Center, Maryland; $450,000 to Bowdoin College in Brunswick, Maine for site planning and renovation of a building; $451,000 to the Town of Milo, Maine for the development of an industrial park; $452,000 to the City of Brewer Administrative Building Redevelopment, ME; $453,000 to the Maine Franco-American Heritage Center, Renovation Project; $454,000 to the Bangor Waterfront Park on the Penobscot River for the City of Bangor, Maine; $455,000 to the Town of Milo, Maine for the development of the Eastern Piscataquis Industrial Park; $456,000 to the Town of Van Buren for the Van Buren Regional Business Park, Maine; $457,000 for Western Maine Community Action for the Keeping Seniors Home program; $458,000 for the University of New England: George and Barbara Bush Cultural Center for construction and equipment; $459,000 to Portland, Portland Public Library Renovation and Expansion Project, Maine; $460,000 for the Penobscot Marine Museum in Maine for the demolition of unsafe buildings; $461,000 to the Westbrook Housing Authority in Larrabee Village Supportive Services for construction and design of facilities for the elderly & disabled; $462,000 to Grand Traverse County, Michigan for a homeless shelter to serve five counties; $463,000 to Grand Valley State University in the Town of Allendale, Michigan for renovations to a research and education facility; $464,150 to Northern Michigan University in Marquette, Michigan for construction and facility expansion of the Olympic Village Project; $465,000 to the Arab Community Center for Economic and Social Services in Dearborn, Michigan for construction of a museum; $466,000 to the City of Detroit, Michigan for demolition of unsafe buildings; $467,000 to the City of Detroit, Michigan for the development of dangerous structures; $468,000 to the City of Detroit, Michigan for revitalization of Eastern Market; $469,000 to the City of East Lansing, Michigan for the construction of housing units for low-income families; $470,000 to the City of Farmington, Michigan for trail improvements to Shiawassee Park; $471,000 to the City of Farmington, Michigan for ADA compliance of the Municipal Riverfront Park; $472,000 to the City of Ferndale, Michigan for the expansion of the existing Kilick Community Center; $473,100 to the City of Frankfort, Michigan for mixed-use development; $474,250 to the City of Port Huron, Michigan for the renovation of areas in conjunction with the city revitalization plan; $475,000 to the City of Saginaw, Michigan for renovation of the YMCA of Saginaw; $476,100 to the Detroit Zoo for construction of the Ford Center for Environmental and Conservation Education; $477,800 to the Jewish Vocational Services of the City of Southfield, Michigan for the development of assisted housing; $478,300 to the Labor Museum and Labor Center of Michigan in Flint, Michigan for construction and buildout of a museum; $479,400 to the Lighthouse of Oakland County, Michigan for construction of new homes in Unity Park; $480,475 to the Michigan Jewish Institute in West Bloomfield, Michigan for improvements to campus buildings and classrooms; $481,200 to the Motor Cities National Heritage Area in Detroit, Michigan for renovations to the historic Packard Plant; $482,700 to the National Center for Manufacturing Sciences in the City of Ann Arbor, Michigan for the development of advanced technologies to the manufacturing base; $483,200 to the Oakland Livingston Human Service Agency in Pontiac, Michigan for the purchase of 196 Cesar Chavez Avenue; $484,250 to the Presbyterian Villages of Pontiac, Michigan for improvements to the senior wellness center; $485,350 to the Presbyterian Villages of Redwood, Michigan for construction of green housing; $486,300 to the Recording for the Blind and Dyslexic in the City of Troy, Michigan for material dissemination to homes and classrooms; $487,200 to the Samaritan Center in the City of Detroit, Michigan for renovation of a multipurpose facility;
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488. $250,000 to the Village of Clinton, Michigan for renovations to the Boysville Neighborhood Centers;
489. $250,000 to Walsh College in the City of Troy, Michigan for a library expansion;
490. $600,000 for The Enterprise Group of Jackson, MI for the Armory Arts redevelopment project;
491. $400,000 to the Arab Community Center for Economic and Social Services (ACCESS) in Dearborn, MI for expansion of a museum;
492. $600,000 to the City of Detroit, MI for redevelopment of the Far East Side neighborhood;
493. $550,000 to the City of Saginaw, MI to provide for the revitalization of Northeast Saginaw;
494. $300,000 for the State of Michigan for costs associated with the relocation of the A.E. Seaman Mineral Museum;
495. $300,000 for Focus: Hope in Detroit, MI for the upgrades to the cogeneration microgrid;
496. $250,000 for the Goodwill Inn Homeless Shelter in Traverse City, MI for construction of a new shelter;
497. $200,000 to the Harbor Habitat for Humanity in Benton Harbor, MI for costs associated with infrastructure in the construction of new homes;
498. $150,000 to the City of St. Paul, Minnesota for rehabilitation needs at the Ames Lake Neighborhood/Phalen Place Apartments;
499. $500,000 to the City of St. Paul, Minnesota for the development of supporting housing for homeless youth;
500. $500,000 to the Minneapolis American Indian Center in Minneapolis, Minnesota for facilities renovation;
501. $275,000 to the Northside Residents Development Council in Minneapolis, Minnesota for construction of mixed-use facilities;
502. $550,000 to the Red Lake Band of Chippewa Indians in Red Lake, Minnesota for construction and buildout of a multi-purpose complex;
503. $200,000 for the Hmong American Mutual Assistance Association in Minneapolis, Minnesota to complete the HAMAA Community Center.
504. $200,000 for the Red Lake Band of Chippewa Indians in Red Lake, Minnesota to construct a complex project;
505. $200,000 for the Chicano Latinos Unidos En Servicio (CLUES) in St. Paul, Minnesota for facility construction;
506. $150,000 to Bad River Band of Lake Superior, Minnesota for the Material Recovery/Waste to Energy Facility at Lamberton, Minnesota;
507. $300,000 to construct a community activity center for low-income seniors in Mora, MN;
508. $75,000 to the 3rd Ward Neighborhood Council in St. Louis, Missouri for renovation and preservation of a facility;
509. $150,000 to the Better Family Life Cultural Center & Museum in St. Louis, Missouri for facility construction and renovation;
510. $500,000 to the City of Cape Girardeau, Missouri for the construction of a new school for visual and performing arts at Southeast Missouri State University;
511. $250,000 to the City of Cape Girardeau, Missouri for construction of a Discovery Research Institute;
512. $250,000 to the City of Joplin, Missouri for the renovation of center downtown district;
513. $150,000 to the City of Kansas City, Missouri for project planning and design, demolition, and redevelopment at the Columbus Park Redevelopment Project;
514. $100,000 to the City of Springfield, Missouri for the renovation of Gillioz/Reagan Theater;
515. $250,000 to the City of Springfield, Missouri for the construction of a multi-purpose community facility;
516. $150,000 to the City of Ste. Genevieve, Missouri for streetscape improvements in the Mississippi River District;
517. $500,000 for the Liberty Memorial Association in Kansas City, MO for construction and renovation;
518. $250,000 for the St. Louis Missouri Chamber of Commerce for construction of a community center in St. Louis, MO;
519. $250,000 for the Towers & Clubs of Greater Kansas City, MO for RHI construction;
520. $250,000 to the Winston Churchill Memorial Foundation of Fulton, MO for construction and renovation;
521. $250,000 for Covenant House Missouri for construction of homeless youth center in St. Louis, Missouri;
522. $250,000 for Truman State University for construction of Speech and Hearing Clinic in Kirksville, MO;
523. $250,000 for City of Springfield, MO for renovation of the Springfield Commercial Club Building;
524. $750,000 to the Family Support Services Center for Autism Children for construction of a Center to serve families with autistic children in St. Charles County, Missouri;
525. $500,000 to the University of Missouri for Hickman House preservation, renovation and improvements projects in Howard County, Missouri;
526. $500,000 to the Salvation Army Northland Community Center, to construct a family center and community room Clay County, Missouri;
527. $1,000,000 to the Kansas City Neighborhood Alliance for capital improvements in Kansas City, Missouri;
528. $1,000,000 to the Better Living Communities for capital improvements for Salisbury Park neighborhood housing development in St. Louis, Missouri;
529. $500,000 to the St. Louis Housing Authority for neighborhood housing development of the Cochran Gardens Public Housing Site in St. Louis, Missouri;
530. $620,000 to the City of Washington for the Linwood Housing project, Kansas City, Missouri;
531. $500,000 to the Missouri Soybean Association for telematics for the Life Science Research Development and Commercialization Project in Boone County, Missouri;
532. $500,000 to the Mark Twain Neighborhood Association for capital improvements in St. Louis, Missouri;
533. $750,000 to the Students in Free Enterprise World Headquarters for capital improvements (equipment) in Greene County, Missouri;
534. $250,000 to the Advanced Technology Center for construction of Laser/photronics lab complex and classroom in Mexico, Missouri;
535. $750,000 to the Youzeum for construction of youth health museum in Boone County, Missouri;
536. $400,000 to City of Kennett for downtown revitalization in Kennett, Missouri;
537. $550,000 City of Moorhead, Sunfish County, Mississippi for streetscape improvements;
538. $300,000 to Panola College, Mississippi for the construction of a multi-purpose community facility;
539. $200,000 to the City of Meridian, Mississippi for the construction of the Mississippi Arts and Entertainment Center;
540. $100,000 to the City of Natchez, Mississippi for a long term master plan for community development;
541. $200,000 to the City of Pontotoc, Mississippi for construction of the Pontotoc County Sportsplex;
542. $50,000 to the City of Starkville, Mississippi for improvements to the Cornerstone Industrial Park;
543. $250,000 to the Town of McLain, Mississippi for industrial park development;
544. $500,000 in the City of Oxford, Mississippi for the Innovation and Outreach Center;
545. $500,000 in the City of Madison, Mississippi, for the Historic Madison Gateway Project;
546. $500,000 in the City of Tchula, Mississippi for the Tchula New Town Infrastructure Project;
547. $1,500,000 for the Mississippi Museum of Art in Jackson, Mississippi, for renovations and improvements;
548. $950,000 for the Education Building for the Jackson Zoo in Jackson, Mississippi, to construct an educational building;
549. $850,000 for the Lafayette County Courthouse in Oxford, Mississippi, to restore and renovate their historic c. 1872 courthouse;
550. $800,000 for the Hinds Community College Performing Arts Center in Utica, Mississippi, to construct a performing arts, multi-purpose building;
551. $500,000 for the Mississippi University for Women Facility Restoration in Columbus, Mississippi, for facility improvements and restoration;
552. $500,000 for the Simpson County, Mississippi Courthouse for renovations and improvements;
553. $500,000 for the Jackson Public School Belhaven College H.T. Newell Field Complex Partnership for facility improvements and construction in Jackson, Mississippi;
554. $600,000 for the City of Collins, Mississippi, to build a multi-purpose civic center;
555. $500,000 for the restoration of the Robert E. Wilder Building at Tougaloo College in Jackson, Mississippi;
556. $500,000 for the St. Ambrose Leadership College in Wesson, Mississippi, for restoration of a historic building for housing;
557. $500,000 for Delta State University for economic development activities and campus and facility improvements;
558. $500,000 for the Hinds Community College for facility improvements and expansion buildings; 559. $100,000 to the City of Billings, Montana for the renovation of the Child and Family Intervention Center;
560. $100,000 to the City of Havre, Montana for improvements to the Montana State University Applied Technology Center;
561. $40,000 to the City of Lolo, Montana for construction of a pedestrian bridge over Lolo Creek;
562. $500,000 to the City of Missoula, Montana for expansion of the Montana Food Bank Network;
563. $200,000 for the Liberty House Foundation for construction expenses in Ft. Harrison, MT;
564. $350,000 for the Rocky Mountain Development Council, to continue the PenKay Eagles Manor Renovation in Helena, MT;
565. $250,000 for the Rocky Boy Reservation's utilization of Malmstrom Air Force Base's excess housing;
566. $250,000 for the Rocky Mountain Elk Foundation in Missoula, MT for the infrastructure needs of their new headquarters facility;
567. $250,000 for the Center for St. Vincent Healthcare's Center for Healthy Aging in Billings, MT;
568. $200,000 for the Child and Family Intervention Center to renovate the Garfield School Building in Billings, MT;
569. $200,000 for the Yellowstone Boys and Girls Ranch's Education Facilities Expansion in Billings, MT;
570. $200,000 for the Carter County Museum's Highway to Hell Creek project facilities expansion in Elkada, MT; 571. $400,000 for the Big Sky Economic Development Corporation for acquisition and rehabilitation for low-income housing in Billings, MT; 572. $200,000 for the Missoula Aging Services building renovation in Missoula, MT; 573. $200,000 to the St. Vincent Center for Healthy Aging for construction in Billings, MT; 574. $300,000 to the Daily Mansion Preservation Trust for the renovation of the Daily Mansion in Hamilton, MT; 575. $50,000 to CommunityWorks for the construction of the ExplorationWorks Museum in Helena, MT; 576. $200,000 to the Montana Technology Enterprise Center for the construction of lab facilities in Missoula, MT; 577. $150,000 to Columbus County, North Carolina for construction of a center for the Southeast Community College; 578. $250,000 to Davidson County, North Carolina for facility and equipment upgrades to the Davidson County Community College; 579. $100,000 to Wake County, North Carolina for a revolving loan fund for low-income homebuyers; 580. $200,000 to EmpowerMENT, Inc. in Chapel Hill, North Carolina for a revolving loan fund for low-income homebuyers; 581. $150,000 to Gaston County, North Carolina for technology park expansion; 582. $500,000 to North Carolina for restoration of an old school building to be used as the Spring Creek Community Center; 583. $100,000 to Northampton County, North Carolina for planning, design, and construction of a community center; 584. $350,000 to the City of Asheville, North Carolina for the renovation of the Asheville Veterans Memorial Stadium; 585. $250,000 to the City of Asheville, North Carolina; for construction of a new science and multi-media building; 586. $50,000 to the City of Dobbsville Heights, North Carolina for the redevelopment of downtown; 587. $150,000 to the City of Durham, North Carolina for facilities construction/renovation and streetscape improvements; 588. $500,000 to the City of Fayetteville and Cumberland County, North Carolina for the development of a business park; 589. $250,000 to the City of Hattiesburg, North Carolina for the construction of the Graveyard of the Atlantic Museum; 590. $250,000 to the City of Laurinburg, North Carolina for the demolition of an old hospital; 591. $250,000 to the City of Monroe, North Carolina for the renovation of Old Armory for neighborhood revitalization; 592. $500,000 to the City of Raeford, North Carolina for improvements to the Raeford downtown streetscape; 593. $250,000 to the City of Sparta, North Carolina for construction of the Sparta Teapot Museum; 594. $250,000 to the City of Troy, North Carolina for the implementation of an affordable housing program; 595. $150,000 to the City of Winston-Salem, North Carolina for renovation and expansion of the Central Library of Forsyth County; 596. $500,000 to the Inter-Faith Council for Social Services in Chapel Hill, North Carolina for construction, renovation, and build out of facilities; 597. $200,000 to the Piedmont Environmental Center in High Point, North Carolina for renovation and expansion of the Naturalist Center; 598. $150,000 to the Town of Cullowhee, North Carolina for indoor building renovation; 599. $150,000 to the Town of Zebulon, North Carolina for land acquisition; 600. $200,000 to the IDI Community Development Corporation in Durham, North Carolina for construction/renovation and build out of an industry center; 601. $400,000 for Renovations to the Core Sound Waterfowl Museum in Harkers Island, NC; 602. $200,000 to the City of Kannapolis, NC for the rehabilitation of the Pillowtow Plant 1 site; 603. $250,000 for New River Community Partners, Inc., in Sparta, NC for the Sparta Teapot Museum; 604. $200,000 for Catawba Science Museum to renovate and expand exhibits in Hickory, NC; 605. $200,000 for Military Business Park Development in Fayetteville, NC; 606. $250,000 for the City of Wilmington, NC, for the Downtown Park & Open Space Initiative; 607. $250,000 for the City of Fayetteville, NC, for the Military Business Park; 608. $250,000 for the City of Asheville, NC, for the Veterans Memorial Restoration; 609. $350,000 to Boys and Girls Ranch Residential Facilities in North Dakota for construction and renovation of its three facilities; 610. $250,000 for the Northwest Ventures Communities, Minot, ND for the construction of the Northwest Career and Technology Center; 611. $200,000 for the United Tribes Technical College in Bismarck, ND for the construction of family housing; 612. $350,000 to Killdeer, ND to construct a community activity center; 613. $400,000 for the City of Rugby, ND to support the construction and other projects within two North Dakota REAP Zones; 614. $300,000 for the Dakota Boys and Girls Ranch, Minot, ND for facilities at their Minot location; 615. $350,000 for the UND Center for Innovation Foundation in Grand Forks, ND for the Ina Mae Rude Entrepreneur Center; 616. $300,000 for the Bismarck-Mandan Development Association, Bismarck, ND for the construction of the National Energy Technology Training and Education Facility; 617. $200,000 for the Minot Area Community Development Foundation, Minot, ND for the Prairie Community Development Center; 618. $200,000 for the Turtle Mountain Community College, Belcourt, ND for the Turtle Mountain Community College Vocational Educational Center; 619. $250,000 to the City of Boys Town, Nebraska for the national priorities of Girls and Boys Town USA; 620. $200,000 to the City of Columbus, Nebraska for renovations to the Boys and Girls Home of Nebraska; 621. $490,000 to the City of Lincoln, Nebraska for the revitalization of the Antelope Valley Neighborhood Project; 622. $100,000 to the City of Lincoln, Nebraska for the expansion of rural business enterprise development; 623. $100,000 to the City of Omaha, Nebraska for the restoration of Tech Auditorium; 624. $150,000 to the City of Peru, Nebraska for construction of a new technology building at Peru State College; 625. $100,000 to the City of Red Cloud, Nebraska for renovations to the historic Moon Block building; 626. $200,000 to Thurston County, Nebraska for the renovation of the Thurston County Courthouse; 627. $350,000 for Metro Community College's Health Careers and Science Building in the City of Omaha, NE; 628. $200,000 for Thurston County Court- house renovation in the City of Pender, NE; 629. $200,000 for the Boys and Girls Home of Nebraska’s Columbus Family Resources Center in the City of Columbus; 630. $200,000 for the Willa Cather Pioneer Memorial and Educational Foundation’s Moon Block restoration project in the City of Cloud; 631. $200,000 for Clarkson College’s Central Student Service Center Facility in the City of Omaha, NE; 632. $200,000 for University of Nebraska-Lincoln’s Enterprise Development in Rural Nebraska in the City of Lincoln; 633. $950,000 for a parking facility as part of the Joslyn Art Museum Master Plan, in Omaha, Nebraska; 634. $100,000 to the City of Bethelhem, New Hampshire for the renovation of Main Street performing arts theater; 635. $150,000 to the City of Concord, New Hampshire for site preparation for improvements to White Park; 636. $100,000 to the City of Portsmouth, New Hampshire for construction of an environmentally responsible library; 637. $225,000 to the Town of Temple, New Hampshire for restoration of Temple Town Hall; 638. $100,000 to the Village of North Conway, New Hampshire for construction of an academic learning center at the New Hampshire Community Technical College; 639. $100,000 to Family in Transition, Manchester, New Hampshire for the Mothers and Children: Staying Together Recovery Center; 640. $500,000 for the New Hampshire Community Technical College System, Conway, New Hampshire for the Consortium-Based Academic Center; 641. $200,000 to Gibson Center, Madison, New Hampshire for the preservation of senior housing at Silver Lake Landing; 642. $500,000 for the New Hampshire Community Loan Fund, manufactured housing park programs; 643. $200,000 for the Monadnock, NH, Townhome owner initiative; 644. $400,000 for the Derry, NH, Senior Center project; 645. $600,000 for the Manchester, NH, YWCA project; 646. $400,000 for the Nashua, NH, Downtown Riverfront Opportunity Program; 647. $400,000 to the Piscataqua Conservation Association service center, New Hampshire; 648. $400,000 to 2nd Floor Youth Helpline in Hazlet, New Jersey for construction and renovation of its space; 649. $300,000 to Essex County, New Jersey for economic development; 650. $250,000 to Eva’s Kitchen and Sheltering Program in Paterson, New Jersey for renovation and construction of a homeless shelter; 651. $150,000 to Hunterdon County, New Jersey for improvements to the Village of Oldwick; 652. $300,000 to Morris County, New Jersey for economic development; 653. $150,000 to Rutgers University in New Brunswick for land acquisition for Early Childhood Research Learning Academy; 654. $300,000 to Somerset County, New Jersey for economic development; 655. $300,000 to Sussex County, New Jersey for economic development; 656. $150,000 to the City of Atlantic City, New Jersey for the development of a manufacturers business park; 657. $300,000 to the City of Barnegat Light, New Jersey for renovations to historic structures;
658. $150,000 to the City of Bridgeton, New Jersey for the revitalization of Southeast Gateway Neighborhood; 
659. $90,000 to the City of Cape May, New Jersey for rehabilitation of a community arts center; 
660. $350,000 to the City of East Orange, New Jersey for upgrades and improvements to recreation fields; 
661. $100,000 to the City of Elmira, New Jersey for expansion of Appel Farms Arts and Music Center; 
662. $250,000 to the City of Lakewood, New Jersey for the construction of a new building for the School with Hidden Intelligences; 
663. $600,000 to the City of Perth Amboy, New Jersey for rehabilitation and construction of the Jewish Renaissance Medical Center; 
664. $50,000 to the City of Trenton, New Jersey for the completion of the Martin House Transitional Housing Program; 
665. $350,000 to the City of West Milford, New Jersey for public commercial improvements; 
666. $100,000 to the City of Westfield, New Jersey for the renovation of the new East Board Street YMCA; 
667. $250,000 to the Monroe Township in Middlesex County, New Jersey for the development of recreation facilities; 
668. $100,000 to the Town of Montclair, New Jersey for construction of a facility at Montclair State University; 
669. $200,000 for the City of Pleasantville, NJ for the design and renovation of the Pleasantville Marina; 
670. $200,000 for the City of Paterson, NJ for the design and renovation of the Silk City Senior Nutrition Center; 
671. $200,000 for the St. Joseph’s School of the Blind in Jersey City, NJ for the construction of a new facility; 
672. $300,000 for the Rutgers-Camden Business Incubator, Camden NJ for the expansion of the business incubator; 
673. $20,000 to the City of Albuquerque, New Mexico for the East Central Ministries enterprises program; 
674. $200,000 to the City of Albuquerque, New Mexico for the construction of the YMCA of Albuquerque; 
675. $250,000 to the City of Belen, New Mexico for the renovation of a multipurpose community center; 
676. $150,000 to the City of Carlsbad, New Mexico for construction of the Carlsbad Bat- tered Family Shelter; 
677. $350,000 to the City of Placentia, New Mexico for the construction of the Placitas Public Library; 
678. $200,000 to the Village of Angel Fire in New Mexico for construction and development of a town square; 
679. $1,130,000 for Presbyterian Medical Services to build the Head Start Facility in Santa Fe, New Mexico; 
680. $750,000 for the Albuquerque Mental Health Housing Coalition, Inc. for the renovation of the South Plaza Apartments in Albuquerque, New Mexico; 
681. $620,000 for Eastern New Mexico State University in Portales, New Mexico for scientific instrumentation; 
682. $200,000 to Otero County, NM, Veteran’s Museum Construction; 
683. $350,000 to City of Carlsbad, NM, Battered Family Shelter Construction; 
684. $250,000 Helping Hands Food Bank of Deming, NM, Construction; 
685. $350,000 City of San Simon Park, NM, Community Center Construction; 
686. $250,000 Sandoval County, NM, Community Health Alliance, Construction and Equipment; 
687. $200,000 City of Portales, NM, Rehabilitation of the Yam Movie Palace; 
688. $100,000 to the City of Carson, Nevada for expansion of Nevada’s Center for Entrepreneurship and Technology; 
689. $350,000 to the City of Henderson, Nevada for improvements and building renovations; 
690. $350,000 to the City of Las Vegas, Nevada for improvements to WestCare; 
691. $150,000 to the City of Las Vegas, Nevada for construction of a recreation center; 
692. $150,000 to the City of Tonopah, Nevada for the development of multifunctional recreational facilities; 
693. $300,000 to the Pahrump Senior Center, Pahrump, NV for a senior center; 
694. $500,000 to the Nathan Adelson Hospice, Henderson, NV, for an adult day care center; 
695. $200,000 for the Ridge House, Reno, NV, for the purchase or acquisition of facilities for the Reentry Resource Center; 
696. $500,000 for the University of Nevada-Reno to provide a Small Business Development Center; 
697. $500,000 for the City of Las Vegas, Nevada for the renovation of the Old Post Office; 
698. $350,000 for the City of Reno, Nevada to provide Fourth St. Corridor Enhancements; 
699. $300,000 for the City of Pahrump/Nye County, Nevada for the construction of fitness and recreation facilities; 
700. $500,000 for Wadsworth, Nevada to provide a Community Center; 
701. $200,000 for the City of Sparks, Nevada for the Deer Park Facility Renovation Project; 
702. $250,000 for the City of Reno, Nevada to provide a Food Bank of Northern Nevada Regional Distribution Facility Project; 
703. $350,000 to Columbia County, New York for restoration of historic Great Stone Barn; 
704. $150,000 to Elmira YMCA and Adult Activities in Queens, New York for renovation of economic development facilities; 
705. $350,000 to Erie County, New York for the construction of the Student Solutions Center; 
706. $400,000 to Fordham University in Bronx, New York for the construction of a multipurpose center; 
707. $75,000 to Mamaroneck Village, New York for a pedestrian streetscape program; 
708. $150,000 to Monroe County, New York for the rehabilitation of historic Whiteside Bakery and Co. Agricultural Works property; 
709. $150,000 to Monroe County, New York for construction of education center classrooms; 
710. $150,000 to Monroe County, New York for construction of a senior center; 
711. $250,000 to Proctor’s Theatre in Schenectady, New York for facility expansion; 
712. $250,000 to Prospect Park Alliance in Brooklyn, New York for construction of a visitor’s center and upgrades to its facilities; 
713. $150,000 to Sunnyside Community Services in Queens, New York for construction of a senior center; 
714. $150,000 to the 39th Street Recreation Center, New York Department of Parks for the renovation of a recreation center; 
715. $250,000 to the Bardavon 1869 Opera House, Inc. in Poughkeepsie, New York for improvements to the Bardavon Opera House; 
716. $150,000 to the Beth Gabriel Bucharian Congregation in Queens, New York for planning, design, and construction of a building expansion to serve the Bucharian and Russian populates; 
717. $550,000 to the Boricua College in New York for renovation of the Auditorium and Youth Center; 
718. $100,000 to the Burchfield-Penney Art Center in Buffalo, New York for the construction of an art museum;
789. $650,000 to the City of Columbus, Ohio for the Campus Partners Neighborhood Initiative;
790. $300,000 to the City of Columbus, Ohio for mixed-use commercial and residential facilities;
791. $250,000 to the City of Dayton, Ohio for street infrastructure and parking facility improvements;
792. $100,000 to the City of Dayton, Ohio for redevelopment of Brown and Stewart Street properties at the University of Dayton;
793. $200,000 to the City of Delaware, Ohio for renovations to the Stand Theater;
794. $200,000 to the City of Glocuster, Ohio for renovations to the Ohio Department of Corrections Facility;
795. $250,000 to the City of Green, Ohio for the purchase of land and site acquisition;
796. $75,000 to the City of Lancaster, Ohio for the renovation of a building for the glass-blowing museum;
797. $150,000 to the City of Lima, Ohio for improvements to riverwalk;
798. $150,000 to the City of Lorain, Ohio for planning, design, demolition, and redevelopment of Broadway Avenue;
799. $400,000 to the City of Navarre, Ohio for construction of a library for the Towpath Trail YMCA OHS Community Center;
800. $295,000 to the City of Peebles, Ohio for improvements to the Serpent Mound State Memorial Village Visitors Center;
801. $1,000,000 to the City of Springfield, Ohio for the expansion of Applied Research Technology Park (ARTP) in Springfield;
802. $2,000,000 to the City of Springfield, Ohio for demolition of a property to be used for a new hospital;
803. $250,000 to the City of St. Marys, Ohio for renovations to the historic Glass Block;
804. $100,000 to the City of Toledo, Ohio for the construction of Ice-Skating Rinks in City Parks;
805. $150,000 to the City of Urbana, Ohio for the revitalization of Champaign County heritage sites;
806. $200,000 to the City of Van Wert, Ohio for renovations of a facility for The Marsh Foundation;
807. $150,000 to the City of Van Wert, Ohio for the renovation of facilities for Starr Commonwealth;
808. $230,000 to the Depression and Bipolar Support Alliance in Toledo, Ohio for facility construction;
809. $150,000 to the Urban League of Greater Cleveland, Ohio for a multicultural business development program for minority businesses;
810. $200,000 to the Youngstown Ohio Associated Neighborhood Center in Youngstown, Ohio for upgrades to the McGuffey Center;
811. $300,000 to the City of Canton, Ohio for the New Horizons Park land and site acquisition, demolition, or facilities construction;
812. $200,000 to Wright Dunbar, Inc., Dayton, Ohio, to construct the Gateway to Paul Laurence Dunbar Memorial;
813. $200,000 to Daybreak, Inc., Dayton, Ohio, for the Daybreak Opportunity House land and site acquisition, demolition, site preparation and facilities construction;
814. $200,000 to the Delmar Coalition Services Corporation, Parma, Ohio, for Parmadale’s land and site acquisition, demolition, site preparation facilities construction;
815. $100,000 for Cornerstone of Hope, Independence, OH, to build a facility;
816. $300,000 for The Preston Fund for SMA Research, Beachwood, Ohio, for the construction of Preston’s H.O.P.E. Center;
817. $300,000 for the Defiance County Senior Service Center, Defiance, Ohio, for construction of a seniors care center;
818. $250,000 for the Ukrainian Museum-Archives, Cleveland, Ohio, for Phase II Development and construction;
819. $250,000 for the Senior Citizens Community Center, Ohio, for renovations and upgrades to its facility;
820. $250,000 for the Community Development Corporation, Parma, Ohio, to construct the Gateway to Paul Laurence Dunbar Memorial;
821. $200,000 for Catholic Charities Services of Dayton, Dayton, Ohio, for the construction of an emergency food distribution center.

831. $500,000 for construction of a community center to be built by a non-profit organization to serve young children and family services;
832. $200,000 for the City of El Reno, Oklahoma for the construction of a facility for a youth and family services;
838. $150,000 to Carbon County, Pennsylvania for land acquisition, facilities renovation, and demolition;
839. $200,000 to Greene County, Pennsylvania for revitalization of recreational facilities;
840. $100,000 to Gwen’s Girls, Inc. in Pittsburgh, Pennsylvania for construction of a residential facility;
841. $200,000 to Lackawanna County, Pennsylvania for construction of a new facility for the YMCA of Carbondale;
842. $750,000 to Lower Makefield Township, Pennsylvania for construction of the Lower Makefield Memorial Garden;
843. $60,000 to North Central Triangle Revitalization in Philadelphia, Pennsylvania for planning and design of the Triangle Revitalization project;
844. $47,000 to Perry County, Pennsylvania for expansion of the community pool in Liverpool Township;
845. $100,000 to Point Breeze Performing Arts Center in Philadelphia, Pennsylvania for renovations and upgrades of its facility;
846. $200,000 to the Borough of Mahoning City, Pennsylvania for improvements to West Market Street;
847. $100,000 to the Carroll Park Neighbors Association in Philadelphia, Pennsylvania for facility renovations and upgrades;
848. $15,000 to the City of Blaine, Pennsylvania for renovations to the baseball park in Tobyhanna Township;
849. $100,000 to the City of Allentown, Pennsylvania for the construction of the Da Vinci Discovery Center for Science and Technology;
850. $100,000 to the City of Allentown, Pennsylvania for expansion of the Allentown Art Museum;
851. $100,000 to the City of Allentown, Pennsylvania for the construction of a center for Lehigh Valley Heritage;
852. $31,000 to the City of Bethlehem, Pennsylvania for the renovation of Kids’Peace Broadway Campus;
853. $200,000 to the City of Bradford, Pennsylvania for construction of an aquatic area at Brookville YMCA;
854. $60,000 to the City of Cambria, Pennsylvania for construction of a playground facility for Coal Country Hang-out Youth Center;
855. $250,000 to the City of Carnegie, Pennsylvania for infrastructure improvements;
856. $100,000 to the City of Chambersburg, Pennsylvania for renovations to the Capitol Theater;
857. $250,000 to the City of Chester, Pennsylvania for improving the YWCA of Chester;
858. $200,000 to the City of Clarion, Pennsylvania for improvements to Sawmill Center for the Arts;
859. $200,000 to the City of Clearfield, Pennsylvania for improvements to the Clearfield YMCA;
860. $200,000 to the City of Corry, Pennsylvania for the redevelopment of the former Cooper Ajax facility;
861. $200,000 to the City of Galeton, Pennsylvania for the expansion of the museum’s visitor center;
862. $200,000 to the City of Gettysburg, Pennsylvania for the renovation of Gettysburg Railway Station as a visitor’s center;
863. $150,000 to the City of Greenville, Pennsylvania for the reconstruction of streetscapes;
864. $50,000 to the City of Hollidaysburg, Pennsylvania for the renovations to the YMCA of Hollidaysburg;
865. $50,000 to the City of Homers, Pennsylvania for construction of a new athletic facility;
866. $250,000 to the City of Jeannette, Pennsylvania for parking improvements to the business district;
867. $300,000 to the City of Johnstown, Pennsylvania for construction and improvements to the convention center;
868. $250,000 to the City of Lancaster, Pennsylvania for construction of the Columbia Clubhouse for the Boys and Girls Club of Lancaster;
869. $100,000 to the City of Marysville, Pennsylvania for enhancements to a public playground;
870. $100,000 to the City of Media, Pennsylvania for technology infrastructure at the Delaware County Community College;
871. $25,000 to the City of Millcreek, Pennsylvania for the development of a playground facility;
872. $250,000 to the City of Monroe, Pennsylvania for construction of a new center and park for Monroeville Community Center;
873. $100,000 to the City of Oil City, Pennsylvania for an extension to the Oil Creek Railroad Historic Caboose;
874. $300,000 to the City of Philadelphia, Pennsylvania for streetscape of the vendors mall;
875. $200,000 to the City of Pine Forge, Pennsylvania for construction of an student center at Pine Forge Academy;
876. $250,000 to the City of Radnor, Pennsylvania for expansion of a community center for Cabrini College;
877. $250,000 to the City of Sunbury, Pennsylvania for construction of an amphitheater complex for the Susquehanna Riverfront;
878. $200,000 to Tunkhannock, Pennsylvania for construction of a community facility for autistic children;
879. $150,000 to the City of York, Pennsylvania for improvements to the city park;
880. $1,500,000 to the Indiana University, Indiana, Pennsylvania for the development and construction of a Regional Development Center;
881. $1,500,000 to the Indiana University, Indiana, Pennsylvania for the construction of a multi-use training facility in Indiana, Pennsylvania;
882. $150,000 to the Jewish Community Center of Greater Philadelphia, Pennsylvania for facilities construction and improvements;
883. $200,000 to Waynesburg College Center, Greene County, Pennsylvania for a center for economic development;
884. $200,000 to the City of Carbondale, Pennsylvania for the South Main Street Economic Development Initiative which is designed to improve the downtown corridor;
885. $200,000 to the Redevelopment Authority of the City of Corry to acquire a brownfield site in downtown Corry, Pennsylvania;
886. $200,000 for Weatherly Borough, Pennsylvania for an economic development initiative to acquire Cranberry Valley Railroad Shops and Weatherly Steel Plant complex in the heart of Weatherly, PA;
887. $200,000 to Indiana County, Pennsylvania for acquisition of the Wayne Avenue Property in Indiana;
888. $200,000 to Armstrong County, Pennsylvania for renovation and infrastructure development on a 14.2 acre of brownfield property in Apollo Borough;
889. $200,000 to Perry County, Pennsylvania for developing an industrial park in New Bloomfield;
890. $200,000 to People for People, Inc. for planning and development efforts for the Triangle redevelopment project;
891. $200,000 for the Southwestern Pennsylvania Commission, to develop the Alta Vista Business Park on a former strip mine site adjacent to I-70, in Washington County, Pennsylvania;
892. $200,000 for the Allegheny County Airport Authority in Allegheny County, Pennsylvania for site preparation and construction of its North Field Development project;
893. $200,000 to the City of Northtown, Pennsylvania to renovate and expand its residential facilities;
919. $300,000 for the expansion and renovation of the Pawtucket Day Child Development Center, Pawtucket, RI.
920. $300,000 for the renovation and expansion of the John E. Fogarty Center to provide services and programs for children and adults with disabilities, North Providence, RI.
921. $200,000 for the City of Woonsocket, RI for the redevelopment of the Hamlet Avenue Mill site.
922. $300,000 to provide for equipment and construction of the Arlington Branch of the Cranston Public Library, Cranston, RI.
923. $1,000,000 for Engenuity South Carolina in the City of Spartanburg for the National Institute of Hydrogen Commercialization.
924. $100,000 to Georgetown County, South Carolina for construction for the Choppie Regional Resource Center.
925. $60,000 to Laurens County, South Carolina for the Hunter Industrial Park improvements.
926. $250,000 to Lee County, South Carolina for construction of a county recreation center.
927. $150,000 to Marion County, South Carolina for constructing an outdoor wellness facility.
928. $125,000 to the Bible Way Community Development Corporation, Columbia, South Carolina for construction of a multipurpose facility.
929. $100,000 to the Boys and Girls Club of the Pee Dee in Florence, South Carolina for renovations and expansion of Florence and Sumter facilities.
930. $400,000 to the City of Charleston, SC for completed construction of the Spirit of South Carolina.
931. $500,000 to the City of Greenville, South Carolina for the development of Clements Automotive International Center for Automotive Research.
932. $300,000 to the City of Lancaster, South Carolina for renovation of the “Hope on the Hill” adult education and afterschool center.
933. $100,000 to the City of Spartanburg, South Carolina for the expansion of dormitories and classrooms at the South Carolina School for the Deaf and the Blind.
934. $300,000 to the City of Walterboro, South Carolina for construction of Great Swamp Sanctuary Discovery Center and associated facilities.
935. $200,000 to the National Council of Negro Women, Inc. in Bishopville, South Carolina for construction of the Dr. Mary McLeod Bethune Cultural Park.
936. $200,000 to the Paxville Community Development Center in Paxville, South Carolina for the construction of a multipurpose center.
937. $50,000 to the Progressive Club in John’s Island, South Carolina for renovation of a multi-purpose building.
938. $50,000 to the Town of Greenwood, South Carolina for the renovation of Old Federal Courthouse.
939. $100,000 to the Town of St. Stephens, South Carolina for renovation of the Berkeley Senior Center.
940. $75,000 to the Williamsburg County Boys and Girls Club in Hemingway, South Carolina for expansion and upgrading of facilities.
941. $200,000 for the South Carolina School for the Deaf and Blind in Spartanburg, SC for dormitory renovation.
942. $220,000 for Crisis Ministries Homeless Shelter in Charleston, SC for facilities renovation.
943. $100,000 to the Children’s Home Society of South Dakota in Sioux Falls, South Dakota for construction of facilities.
944. $1,000,000 for the City of Aberdeen, South Dakota for renovations to the Aberdeen Recreation and Cultural Center.
945. $150,000 to Wakpa Sica Reconciliation Place in Ft. Pierre, South Dakota for construction of the Wakpa Sica Reconciliation Place.
946. $250,000 for the City of Aberdeen, South Dakota to construct a Recreation and Cultural Center.
947. $250,000 for the Children’s Home Society in Sioux Falls to expand its at-risk youth facility.
948. $100,000 to the Boys and Girls Club of Brookings for youth facility expansion.
949. $200,000 to the Children’s Home Society of Sioux Falls for At-Risk Youth Facilities Expansion.
950. $200,000 to the City of North Sioux City, SD for Community Library Expansion.
951. $200,000 to the Mammoth Site of Hot Springs, SD for the Theater and Lecture Hall Project.
952. $200,000 to the Wakpa Sica Historical Society of Fort Pierre, SD for the Wakpa Sica Reconciliation Place.
953. $200,000 to the Rapid City Area Economic Development Partnership for Rapid City, SD for the Technology Transfer and Entrepreneurship Initiative.
954. $200,000 to Miner County Revitalization of Howard, SD for the Rural Learning Center Project.
955. $300,000 to Bradley County, Tennessee for construction of a facility to house small business development.
956. $100,000 to Clay County, Tennessee for renovation of the Clay County Senior Citizens Center.
957. $150,000 to Hamilton County, Tennessee for technology improvements to the Hamilton County Center for Entrepreneurial Growth.
958. $250,000 to Johnson City, Tennessee for construction of a site for the expansion of the Appalachia Service Project.
959. $250,000 to Knox County, Tennessee for the construction of a senior center.
960. $100,000 to Logan County, Tennessee to complete construction of a senior center.
961. $500,000 to Polk County, Tennessee for the construction of community projects.
962. $100,000 to the City of Gallatin, Tennessee for construction of facilities.
963. $50,000 to the City of Gray, Tennessee for renovations to the Second Harvest Food Bank Warehouse.
964. $100,000 to the City of Oak Ridge, Tennessee for the nanoscience research initiative for Tech 2020.
965. $100,000 to the City of Savannah, Tennessee for the expansion of the Tennessee River Museum.
966. $200,000 to the Cumberland County Playhouse in Crossville, Tennessee for facility renovations.
967. $150,000 to the Second Harvest Food Bank in Middle, Tennessee for facilities renovation and buildout.
968. $150,000 to the Second Harvest Food Bank in Nashville, Tennessee for facilities renovation and equipment.
969. $150,000 to the Southwest Tennessee Community College in Memphis, Tennessee for construction of a facility.
970. $750,000 for the City of Clinton, Tennessee to renovate the Green McAdoo Cultural Center.
971. $400,000 for the Second Harvest Food Bank of Middle Tennessee in Nashville, Tennessee for the expansion of its distribution center.
972. $300,000 for the Chattanooga African American Chamber of Commerce, Tennessee to construct the Martin Luther King Business Solutions Center.
973. $600,000 for the Carroll County Watershed Authority in Carroll County, Tennessee for land acquisition.
974. $200,000 to the Big South Fork Visitors Center in Cumberland County, Tennessee to develop new visitors facilities.
975. $500,000 for Technology 2020 in Oak Ridge, Tennessee to support the East Tennessee Nanotechnology Initiative.
976. $250,000 for Smith County, Tennessee for construction and infrastructure improvements to the Health, Senior, and Education complex.
977. $200,000 to Cameron County, Texas for construction of a Boys and Girls Club in Santa Rosa, Texas.
978. $150,000 to Harris County, Texas for the development of an economic development plan.
979. $150,000 to Harris County, Texas for the construction of a senior education center.
980. $1,000,000 to the Children’s Museum of Houston, Texas for construction of an annex to a Children’s Museum.
981. $250,000 to the City of Abilene, Texas for construction of a new hangar at Abilene Regional Airport.
982. $500,000 to the City of Arlington, Texas for construction of an entrepreneur center.
983. $100,000 to the City of Austin, Texas for construction of an International Center of Austin.
984. $500,000 to the City of Cleburne, Texas for construction of a new East Cleburne Community Center.
985. $250,000 to the City of Dallas, Texas for planning and design of an Afro-Cultural district.
986. $650,000 to the City of Fort Worth, Texas for construction of the Trinity River Vision.
987. $350,000 to the City of Fort Worth, Texas for the Central City Revitalization Initiative.
988. $1,000,000 to the City of Houston, Texas for construction of a facility for the Bay Area Business and Technology Center at the University of Houston Clear Lake.
989. $200,000 to the City of Leonard, Texas for streetscape improvements.
990. $250,000 to the City of Livingston, Texas for facility improvements to the reservation of the Alabama-Coushatta Tribe of Texas.
991. $100,000 to the City of Madisonville, Texas for upgrades and improvements to its community recreational fields.
992. $250,000 to the City of Midland, Texas for the renovation of downtown Midland.
993. $200,000 to the City of Nacogdoches, Texas for renovations to The Fredonia Hotel and Convention Center.
994. $250,000 to the City of Odessa, Texas for the renovation of Historical Globe Theatre.
995. $200,000 to the City of Tilden, Texas for construction of a community center.
996. $150,000 to the City of Tilden, Texas for construction of a community center.
997. $250,000 to the Food Bank of the Rio Grande Valley, Inc. in McAllen, Texas for purchase of a facility.
998. $250,000 to the Foundation for Brownsville Sports in Brownsville, Texas for renovation of a site.
999. $150,000 to the San Antonio Food Bank in San Antonio, Texas for construction of a distribution facility.
1000. $400,000 for the Dallas Women’s Museum in Dallas, Texas to conduct renovations.
1001. $200,000 for the Houston Hispanic Forum of Houston, Texas to provide the historic preservation and renovation of the Houston Light Guard Armory into the Hispanic Cultural and Educational Center.
1002. $200,000 for Polk County, Texas to restore the Polk County Courthouse.
1003. $200,000 to the Arlington Chamber of Commerce in Arlington, Texas to establish the Arlington Entrepreneur Center.
1004. $200,000 to the City of Fort Worth, Texas for the Central City revitalization initiative.
1005. $200,000 to the World Congress on Information Technology in Austin, Texas for convention center renovations.
1096. $200,000 to the City of Commerce, Texas for a new city hall facility;
1097. $200,000 to the City of Hillsboro, Texas for the district warehouse development project;
1098. $200,000 to the City of Dallas, Texas for the Dallas Fair Park Commercial District;
1099. $300,000 to the City of Lufkin, Texas for the convention center initiative;
1100. $200,000 for the Los Fresnos Texas Boys and Girls Club, Los Fresnos, TX for planning, design and facility construction;
1101. $200,000 to Sandy City, Utah for streetscape improvements and revitalization efforts;
1102. $250,000 to the City of Riverton, Utah for the construction of Nature Center;
1103. $250,000 to the City of Roanoke, Virginia for the construction of the Virginia Performing Arts Foundation Education Center;
1104. $250,000 to the City of Richmond, Virginia for construction and renovations to the Virginia Holocaust Museum;
1105. $150,000 to the City of Richmond, Virginia for construction and renovations to the Virginia Historical Society;
1106. $250,000 to the City of Richmond, Virginia for the restoration of Old Dome Meeting Hall;
1107. $150,000 to the College of Eastern Utah in Blanding, Utah for construction of a building on its campus;
1108. $600,000 to the City of Provo, Utah to build the "The Provo Community Arts Center in the City of Provo;"
1109. $200,000 to the City of Hyrum, Utah to build the "Hyrum Library and Museum Complex" in Hyrum, Utah;
1110. $1,000,000 for Sandy City, Utah, for the revitalization of the city's original historic district;
1111. $200,000 to Bedford County, Virginia for construction of the National D-Day Memorial;
1112. $800,000 for Summit County, Utah, for improvements to the Utah Olympic Park facilities;
1113. $100,000 to Bedford County, Virginia for the construction of an African-American historic landmark memorial;
1114. $100,000 to Chafee City, Virginia for the construction of a community center;
1115. $500,000 to Chafee City, Virginia for improvements to downtown buildings;
1116. $200,000 to the City of Richmond, Virginia for the Green Project;
1117. $150,000 to the Dunaway S. Lancaster Community College in Clifton Forge, Virginia for construction of the Virginia Packaging Applications Center;
1118. $100,000 to Falls Church Education Foundation in Falls Church, Virginia for planning and expansion of Mt. Daniel Elementary School;
1119. $75,000 to the Town of Boydton, Virginia for revitalization projects in the central business district;
1120. $50,000 to the Town of Charlotte, Virginia for the revitalization of the historic Charlotte Court House;
1121. $450,000 to Warren County, Virginia for renovation of the county youth center;
1122. $250,000 for the Woodrow Wilson Presidential Library in Staunton, Virginia to continue undertaking initial design of the Library;
1123. $250,000 for the Radford University Business and Technology Park in Radford, Virginia to begin site preparation and schematic design of the Park;
1124. $200,000 for the George L. Carter Home Regional Arts and Crafts Center in Hillville, Virginia to restore the historic home to serve as a regional Appalachian arts and crafts center;
1125. $200,000 for the Suffolk Museum of African-American History in Suffolk, Virginia to renovate the former Phoenix Bank of Nansemond for the Museum of African-American History;
1126. $250,000 for the Christopher Newport News University Real Estate Foundation for the Warwick Boulevard Commercial Corridor Redevelopment Project in Newport News, Virginia;
1127. $200,000 for the Mariners’ Museum for the USS Monitor Center in Newport News, Virginia;
1128. $200,000 for the Total Action Against Poverty to restore and revitalize the Dumas Center for Artistic and Cultural Development in Roanoke, Virginia;
1129. $200,000 for the Appalachian Service Project for its Home Repair Program in Jonesville, Virginia;
1130. $200,000 to the Northeast Vermont Area Agency on Aging, Vermont for construction and rehabilitation of senior centers;
1131. $750,000 for the Preservation Trust of Vermont to the VT for the Village Revitalization Initiative;
1132. $750,000 for the Vermont Broadband Council, Waterbury, VT for high speed broadband service in the schools;
1133. $450,000 for the Vermont Housing and Conservation Board, Montpelier, VT for development of affordable housing in Vermont;
1090. $500,000 for Kitsap Community Resources in Bremerton, Washington, for the construction of the Bremerton Community Services Center;

1091. $1,000,000 to the Chippewa Valley Technical College in Eau Claire, Wisconsin, for construction of an addition to the Gateway Manufacturing and Technology Center;

1092. $1,000,000 to the City of Monroe, Wisconsin for reconstruction of the Manitowoc County Courthouse;

1093. $1,000,000 to the Monroe Senior Center in Monroe, Wisconsin for renovation of its facilities;

1094. $100,000 to the City of Cedarburg, Wisconsin for demolition of a facility for future construction;

1095. $300,000 to the City of Sturgeon Bay, Wisconsin for the completion of the LaCrosse Community Redevelopment Project.

1100. $300,000 to the City of Appleton, Wisconsin for construction of affordable housing units at the Appleton Wire Works factory site;

1101. $270,000 for the Redevelopment Authority of the City of Racine, Wisconsin to redevelop brownfields space for the Racine Industrial Park;

1102. $200,000 to the Redevelopment Authority of the City of Milwaukee, Wisconsin to develop a vacant school and provide for the Bronzeville Cultural Center;

1103. $300,000 to the City of Kenosha, Wisconsin for construction of a new public high school in the Kenosha Consolidated Affordable Housing Project;

1104. $200,000 to West End Development Corporation in Milwaukee, Wisconsin to rehabilitate a commercial building as part of the North 27th Street Project;

1105. $230,000 to the City of Green Bay, Wisconsin for the Green Bay Waterfront construction and revitalization project;

1106. $200,000 to the City of Milwaukee, Wisconsin for construction of the Menomonee Valley Partnership Park;

1107. $200,000 to the City of Necedah, Wisconsin to construct a facility for the Necedah Business Incubator;

1108. $270,000 to the City of Milwaukee, Wisconsin for rehabilitation associated with the 30th Street Industrial Corridor-Esser Paint site;

1109. $25,000 to the Mineral County Historical Foundation for facilities construction;

1110. $2,200,000 to the City of Lenawee, Michigan to construct a new public library in Lenawee, Michigan;

1111. $550,000 to Greenbrier County, West Virginia for construction of the Greenbrier Valley Welcome and Interpretive Center;

1112. $300,000 to Preston County Commission in West Virginia for construction and renovation;

1113. $300,000 to the City of Montgomery, West Virginia for completion of a building for the West Virginia Technical College newspaper publishing program;

1114. $100,000 to the City of South Charleston, West Virginia for a feasibility study for the Mid-Atlantic Technology, Research and Innovation Center;

1115. $25,000 to the Friends of Preston Academy for facilities construction;

1116. $50,000 to Wetzel County Commission for construction and renovation;

1117. $100,000 for construction, related activities, and programs at the Scarborough Library at Shepherd University;

1118. $1,000,000 for the Wheeling Park Commission for the development of training facilities at Oglebay Park;

1119. $2,000,000 for West Virginia University for the development of a facility to house genomic science research and academic programs;

1120. $1,500,000 for the Kanawha Institute for Science Research and Action, for renovations to the Empowerment Center in West Dunbar, which will house an array of self-sufficiency programs for low- to moderate-income individuals;

1121. $150,000 to the City of Dubois, Wyoming, for improvements to the Dubois Community Park;

1122. $350,000 to the City of Laramie, Wyoming, for construction of a National Creative Arts Center facility;

1123. $800,000 to the City of Laramie, Wyoming, for improvements to the Wyoming Technology Business Center;

1124. $800,000 for the Sustainable Agriculture Research & Education (SAREC) in Goshen County, Wyoming, for construction of a community center building.

1125. $1,100,000 for the Wyoming Substance Abuse Treatment and Recovery Center (WYSTAR) in Sheridan, Wyoming to expand its substance abuse treatment facility for women with children.

The conference agreement includes $50,000,000 for the Neighborhood Initiatives program and directs HUD to implement the program as follows:

1. $1,000,000 to the City and County of San Francisco for rehabilitation of a facility for use as a homeless shelter;

2. $1,000,000 to the City of Desert Hot Springs, California, for construction of a civic center;

3. $500,000 to the Fine Arts Museum of San Francisco, California, for construction of a museum;

4. $2,000,000 to the Nixon Foundation for capital improvements to the Richard Nixon Library and Birthplace;

5. $1,000,000 to the San Francisco Conservatory of Music for relocation of its facility;

6. $400,000 to the San Francisco Bay Area Regional Sanitation District for construction, renovation, and expansion of the Science Center;

7. $750,000 to Barracks Row Main Street, Inc. for the development of the Eastern Market Metro Plaza;

8. $600,000 to the National Children's Museum for facility construction;

9. $1,000,000 for the National Council for Negro Women for facility construction;

10. $1,250,000 to the Bucks County Community College in the County of Bucks, Pennsylvania, for facilities design and construction;

11. $2,500,000 to ER One in Washington, DC for facilities construction;

12. $700,000 to the University of Nebraska for facility renovation;

13. $700,000 to The ARC in Washington, DC for construction of a community center;

14. $1,325,000 to the DC Food Bank for facilities construction;

15. $1,250,000 to the Center on Halsted in Chicago, Illinois for the construction of a new community center;

16. $3,000,000 for the City of Paducah, Kentucky, to develop the Paducah Waterfront Development District;

17. $500,000 to Picknelly Adult & Family Education Center in Holyoke, Massachusetts for an adult literacy center;

18. $300,000 to the Leeds Cooperative Housing in Pittsfield, MA for homeless veterans;

19. $1,000,000 for the Technical Exploration Center (TEC) of Husson College: Expand the Service Capacity of TEC;

20. $500,000 for the Detroit Science Center to create a Space Science Discovery Lab;

21. $200,000 to Presbyterian Villages of Michigan for construction and building upgrades to its facilities;

22. $5,000,000 for planning, development, and acquisition for the Detroit Riverfront Conservancy, for the West Riverfront Redevelopment project, Detroit, Michigan;

23. $200,000 for the Minnesota Housing Finance Agency in St. Paul, Minnesota to provide supportive housing for homeless youth; $500,000 for the Neighborhood Health Centers, Inc. shall be spent on primary prevention activities with no less than $1,000,000 spent on remediation and decontamination activities of housing in St. Louis, Missouri.

24. $150,000 for the Covenant House I Elderly Demonstration Program to preserve and expand affordable housing opportunities for the elderly in St. Louis, Missouri;

25. $130,000 to the City of Kansas City for construction of affordable housing units for the Kansas City Housing Authority.

The conference agreement includes $300,000 for the Stennis Institute of Government capacity development initiative in Starkville, Mississippi, for the enhancement of economic development and tourism initiatives; $200,000 for the Housing and Economic Development Center in Jackson, Mississippi, for the enhancement of housing and economic development programs; $300,000 for the Mississippi Community College Foundation for the Montgomery Community College for the enhancement of economic development; $200,000 for the Missouri Department of Commerce, for the expansion of the Neighborhood Initiatives program, for the City of Syracuse, New York for the Neighborhood Initiative Program.

27. $275,000 to the City of Scranton, Pennsylvania for the development of a new community center;

28. $750,000 to the City of Scranton, Pennsylvania for the development of a new community center;

29. $275,000 to the City of Scranton, Pennsylvania for the development of a new community center;
facilities improvements in the City of Eagle Mountain;
46. $1,500,000 for the Washington State Farmworker Housing Trust in Seattle, WA for the Farmworker/Rural Farmworker and Housing Homeownership;
47. $500,000 for the Enterprise Foundation in Seattle, WA for the Washington Greenuilding Initiative;
48. $3,200,000 to the University of Wisconsin Marathon for construction of a building;
49. $1,600,000 to Vandalia Heritage Foundation, Inc. in West Virginia for land acquisition, facilities construction and renovation;
50. $1,750,000 for construction, related activities, and programs at the Scarborough Library at Shepherd University.

COMMUNITY DEVELOPMENT LOAN GUARANTEES AND IMPROVEMENT FUND ACCOUNT

The conference agreement appropriates $3,000,000 for costs associated with section 108 loan guarantees, including administrative costs, to subsidize a total loan principal of up to $137,500,000. The House had proposed no funding for this program and the Senate had proposed $6,000,000 for a loan limit of $275,000. The conference agreement transfers $750,000 to the Salaries and Expenses account instead of $1,000,000 as proposed by the Senate.

BROWNFIELDS REDEVELOPMENT

The conference agreement includes $10,000,000 for Brownfields Redevelopment. The House proposed no funds and the Senate proposed $15,000,000. The conference agreement includes a rescission of $10,000,000 from un obligated funds from prior years appropriations and, to the extent funds are unavailable, from FY 2006 O & M.

HOME INVESTMENT PARTNERSHIP PROGRAM

The conference agreement appropriates a total of $1,775,000,000 for this account, instead of $1,900,000,000 as proposed by the House and by the Senate.

The conference agreement includes $1,750,000,000 for the HOME Investment Partnerships program, instead of $1,850,000,000 as proposed by the House and the Senate. Within this account, funds are allocated as follows:

— $42,000,000 is for housing counseling as proposed by the Senate. The House had proposed $41,700,000.
— $1,000,000 is transferred to the Working Capital fund as proposed by the House. The Senate had proposed $2,000,000.

The conference agreement directs that 15 percent of the formula is reserved for housing developed, sponsored or owned by Community Housing Development Organizations (CHDOs) as proposed by the House. The Senate did not include a similar provision. In addition, $17,500,000 is reserved for technical assistance as proposed by the Senate. The House had proposed $17,300,000 for technical assistance. Of amounts made available for technical assistance, $8,000,000 is for qualified non-profit intermediaries to provide technical assistance to CHDOs as proposed by the House. The Senate did not include a similar provision.

In addition to the $1,750,000,000 for the grant amount above, the conference agreement includes $25,000,000 to provide down payment assistance to low-income families to help them achieve homeownership, instead of $50,000,000 as proposed by both the House and the Senate.

SELF-Help ASSISTED HOMEOWNERSHIP OPPORTUNITY PROGRAM

The conference agreement provides funding for Section 4 and other entities under a new account structure as proposed by the House. The account combines those specific organizations that engage in self-help or other forms of homeownership and assisted housing formerly funded under the Community Development Fund. The Senate proposed to retain these entities as set-asides within the CDBG program. A total of $1,140,000,000 is available under this structure, and the conference directs that funds be distributed as follows:

<table>
<thead>
<tr>
<th>Organization</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>LISC/Enterprise Foundation</td>
<td>$30,000,000</td>
</tr>
<tr>
<td>La Raza</td>
<td>$4,000,000</td>
</tr>
<tr>
<td>Housing Assistance Council</td>
<td>$3,000,000</td>
</tr>
<tr>
<td>National American Indian Housing Council</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>Self Help and Opportunity Program</td>
<td>$20,000,000</td>
</tr>
<tr>
<td>Special Olympics</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>National Housing Development Council</td>
<td>$2,000,000</td>
</tr>
</tbody>
</table>

In addition, the conference agreement directs that, of the $30,000,000 made available to LISC and Enterprise Foundation, $5,500,000 shall be made available for Habitat for Humanity, technical assistance and capacity building.

HOMELESS ASSISTANCE GRANTS

The conference agreement appropriates $1,340,000,000 for Homeless Assistance Grants, as proposed by the House instead of $1,415,000,000 as proposed by the Senate. Funds are available for two years except for $5,000,000, which is available until expended. As proposed by both the House and Senate, $238,000,000 is for renewal of Shelter Plus Care contracts. The conference agreement transfers $1,000,000 to the Working Capital Fund as proposed by both the House and the Senate.

Language is included designating up to $11,674,000 for the National Homeless Data Analysis project and for technical assistance as proposed by the House and the Senate. The conference reiterates the three specific directives in the Senate report, which address homeless families and expect the Department to fund these directives from funds made available for the National Homeless Data Analysis project and technical assistance.

Language is included as proposed by both the House and Senate requiring that 30 percent of the funds be for permanent shelter and requires a 25 percent match for service funds.

HOUSING PROGRAMS

HOUSING FOR THE ELDERLY

The conference agreement appropriates $732,000,000 for the section 202 Housing for the Elderly program as proposed by the Senate, instead of $741,000,000 as proposed by the House.

The conference agreement allocates funds as follows:

— $641,200,000 for new capital and PRAC contracts, amendments to contracts and for the renewal of contracts for up to one year terms and for renewals;
— $1,500,000 for the Elderly program as proposed by the Senate, instead of $1,500,000 as proposed by the House.

The conference agreement reiterates language included in the House report directing HUD to issue a final program guide for the section 811 rental assistance as proposed by the Senate.

The conference agreement includes language, proposed by both the House and Senate, that allows the use of funds by the Real Estate Assessment Center (REAC) for inspection related activities.

OTHER ASSISTED HOUSING PROGRAMS

RENTAL HOUSING ASSISTANCE

The conference agreement provides $36,400,000 for Section 236 payments to State-aided, non-insured projects as proposed by both the House and the Senate. In addition, the conference agreement includes language, allowing HUD to amend contracts for a period of less than needed to fund the contracts to term.

FLEXIBLE SUBSIDY FUND

The conference agreement includes language permanently transferring excess rent charges to the Federal Fund as proposed by the Senate. The House included similar language.

MANUFACTURED HOUSING FEES TRUST FUND

The conference agreement provides funding up to $13,000,000 for administrative expenses from fees collected in the Fund as proposed by the Senate.

The House proposed $12,896,000.
FEDERAL HOUSING ADMINISTRATION
MUTUAL MORTGAGE INSURANCE PROGRAM ACCOUNT
(INCLUDING TRANSFERS OF FUNDS)

The conference agreement establishes an $185,000,000,000 limitation on commitments to guarantee loans during fiscal year 2006, as proposed by the House and the Senate.

The conference agreement establishes a $50,000,000 limitation on direct loans to nonprofits and governmental entities in connection with the sale of HUD-owned single-family properties, as proposed by the House and the Senate.

As proposed by both the House and the Senate the conference agreement appropriates:

- $355,000,000 for administrative expenses, of which $351,000,000 is for transfer to the Salaries and Expenses account and not to exceed $4,000,000 is for transfer to the Office of Inspector General; and
- $62,600,000 for administrative contract expenses, of which $18,281,000 is for information technology systems. Language is also included allowing up to an additional $30,000,000 to be made available for such expenses in certain circumstances.

GENERAL AND SPECIAL RISK PROGRAM ACCOUNT
(INCLUDING TRANSFERS OF FUNDS)

The conference agreement, as proposed by both the House and the Senate:

- Establishes a $35,000,000,000 limitation on multifamily and specialized loan guarantees during fiscal year 2006;
- Appropriates $8,300,000 for subsidy costs to support certain multifamily and special purpose loan guarantee programs as proposed by both the House and Senate;
- Appropriates $20,000,000 for administrative expenses, of which $221,400 is transferred to the Salaries and Expenses Account and $20,000,000 is for transfer to the Office of Inspector General; and
- Appropriates $71,900,000 for administrative contract expenses, of which $10,800,000 is for transfer to the Working Capital Fund for information technology systems.

Language is also included allowing up to an additional $4,000,000 to be made available for such expenses in certain circumstances as proposed by the House and Senate.

GOVERNMENT NATIONAL MORTGAGE
ASSOCIATION GUARANTEES OF MORTGAGE-BACKED SECURITIES
LOAN GUARANTEE PROGRAM ACCOUNT
(INCLUDING TRANSFER OF FUNDS)

The conference agreement includes up to $200,000,000,000 for new commitments to issue guarantees and appropriates $10,700,000 for administrative expenses to be transferred to the Salaries and Expenses account as proposed by the House and Senate.

POLICY DEVELOPMENT AND RESEARCH
RESEARCH AND TECHNOLOGY

The conference agreement provides for a new structure for this program, which includes both general contract funds for research and funds for Section 107 academic grants amounts funded under the Community Development Fund, and which have been historically administered by PD&R.

The conference agreement also includes language that directs that the implementation of $5,000,000 for the Partnership for the Advancing of Technology in Housing (PATH) be shifted to the Office of Housing. Both the House and the Senate proposed funding for PATH under the PD&R account.

In the conference agreement appropriates $56,350,000 for research and technology instead of $60,000,000 as proposed by the House and $46,000,000 as proposed by the Senate.

Of the amount provided the conference agreement directs that $750,000 be transferred to the National Academy of Sciences/National Research Council for a thorough evaluation of HUD’s current research plan and provide HUD and the Congress with guidance and recommendations for Congress to consider about the future course of research needed to address future technology, engineering and social or economic issues.

$20,600,000 is provided for Section 107 grants to academic institutions, and is to be distributed as follows:

Section 107 ........................................ $20,600,000
Alaska Native Regional Corporations ......... $2,000,000
Hawaiian Serving Institutions ............... (3,000,000)
Tribal Colleges and Universities .......... (2,600,000)
Hispanic Serving Institutions ............... (9,000,000)
FAIR HOUSING AND EQUAL OPPORTUNITY
FAIR HOUSING ACTIVITIES

The conference agreement appropriates $46,000,000 for this program as proposed by the Senate instead of $46,500,000 as proposed by the House. $29,000,000 is for the Fair Housing Assistance Program (FHAP) and $20,000,000 is for the Fair Housing Initiatives Program (FHIP), as proposed by the Senate.

$26,500,000 is for FHAP and $30,000,000 for FHIP.

OFFICE OF LEAD HAZARD CONTROL
LEAD HAZARD REDUCTION

The conference agreement appropriates $152,000,000 for the Lead Hazard Reduction initiative instead of $156,656,000 as proposed by the House. $167,000,000 was as proposed by the Senate.

The conference agreement allocates funds as follows:

$76,900,000 for the lead-based paint hazard control grant program to provide assistance to State and local governments and Native American tribes for lead-based paint abatement in private low-income housing;

$8,800,000 for Operation LEAP;

$8,800,000 for technical assistance and support to State and local agencies and private property owners;

$9,500,000 for the Healthy Homes Initiative for competitive grants for research, standards development, education and outreach activities to address lead-based paint poisoning and other housing-related diseases and hazards; and

$49,000,000 for an initiative to target lead abatement funds to areas with the highest lead paint abatement needs.

MANAGEMENT AND ADMINISTRATION
SALARIES AND EXPENSES
(INCLUDING TRANSFER OF FUNDS)

The conference agreement provides $1,153,285,000 for the management and administration of HUD as proposed by the House. The Senate proposed $1,145,195,000 for these activities.

Of the amount provided the conference agreement includes $579,000,000 from direct appropriations, of which up to $15,000,000 can be transferred to general contract funds and $574,285,000 is to be derived from transfers from other accounts.

Operating Plans/Reprogramming Requirements—All Department and agency funds and amounts previously obligated by the Secretary within the Subcommittee’s jurisdiction are required to submit operating plans, reprogramming letters and reorganization proposals to the Fragmentation Act. Unless otherwise specified in this Act or the accompanying statement of the managers, the appropriated level for any program, project, or activity is that amount detailed for that program, project, or activity in the Department’s annual detailed budget justification unless changed through an approved operating plan.

Limitations on Conferences and associated expenditures. The conference agreement directs that conference language that prohibits the IG from requiring HUD to report on the status of the four IT projects and directs HUD to submit an updated 5 year IT plan.

In addition, the conference agreement includes language by both the House and Senate that allows transfers from the following accounts to be used for the purposes of the fund and for which the funds were appropriated. Transfers include:

- FHA, Mutual mortgage insurance fund ........ $18,281,000
- FHA, General and special risk insurance fund .... 10,800,000
- Community development fund .............. 1,600,000
- HOME investment partnerships program ........ 1,000,000
- Homeownership assistance programs ......... 1,000,000
- Housing for the elderly ...................... 11,000,000
- Tenant-based rental assistance .......... $5,000,000
- Management and Disaster Assistances .... $1,400,000
- Housing for the elderly ................. 400,000
- Housing for the disabled ............... 400,000
- Management and Disaster Assistance ...... 15,000,000

OFFICE OF INSPECTOR GENERAL
(INCLUDING TRANSFER OF FUNDS)

The conference agreement appropriates $106,000,000 for the Office of Inspector General as proposed by the Senate instead of $107,000,000 as proposed by the House. Of this amount, $24,000,000 is provided by transfer from the various funds of the Federal Housing Administration as proposed by the House and the Senate.

The conferees reiterate House language that prohibits the IG from requiring HUD to...
Section 314 requires a report annually on number of leased units and average costs. The Senate did not have a similar provision. Section 315 requires that budget justification shall be submitted in traditional format as proposed by the House and Senate. Section 316 requires that non-elderly dis- abled assistance shall continue for non-elderly disabled persons only for longer periods than the extent practicable as proposed by the House and Senate. Section 317 exempts the residency requirement for PHA Boards in Alaska, Iowa and Mississippi as proposed by the House and Senate. Section 318 authorizes HUD to transfer debt and use agreements from an obsolete project to a viable project, provided that no additional costs are incurred, and other conditions are met. The House did not have a similar provision. Section 319 distributes fiscal year 2006 Indian block grant funds to the same Native Alaskan population as fiscal year 2005 as proposed by the House and Senate. Section 320 extends the MTW agreements for three year average as proposed by the House and Senate. Section 321 provides for PHA Boards in Alaska, Iowa and Mississippi as proposed by the House and Senate. Section 322 requires that the renewal of Family Housing Assistance Program (FHA) after turnover shall, to the extent practicable, go to family unification. The House did not have a similar provision. Section 323 clarifies section 223(f) of NHA to include purchase as well as refinancing of debt. The Senate did not have a similar provision. Section 324 makes a technical fix to allow HUD to pursue sanctions against owners of FHA multi-family housing who skimp equity. Language is included that makes violations applicable retroactively. The House did not have a similar provision. Section 325 requires that Section 236 vouchers be submitted electronically, to avoid payment errors by HUD. The Senate did not have a similar provision. Section 326 includes an amendment that clarifies that donated real estate utilized as non-com- mercial properties selected by HUD for Section 202b assistance after December 26, 2000 are eligible to use the limited partnership ownership structure established by the new definition of non-profit organizations. The Senate did not have a similar provision. Section 327 requires that athletic scholar- ship funds be considered part of adjusted income for purposes of eligibility for Section 8. The House did not have a similar provision. Section 328 requires priority consideration for Moving to Work Demonstration applica- tions from Santa Clara/San Jose and San Bernardino. The conference agreement does not include a Senate provision that limits HUD conference expenses to $3,000,000 in fiscal year 2006. Instead, the conference agreement directs HUD to conduct a study of funding for conferences including associated travel, staff time and related expenses elsewhere in this title. The House did not have a similar provision.

SALARIES AND EXPENSES

The conference agreement includes $60,730,000 for salaries and expenses of the Supreme Court, as proposed by the House and the Senate.

CARE OF THE BUILDING AND GROUNDS

The conference agreement includes $5,629,000 for care of the Supreme Court building and grounds, as proposed by both the House and the Senate.

UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

The conference agreement includes $24,000,000 for the United States Court of Ap- peals for the Federal Circuit, instead of $24,613,000 as proposed by the House and $23,895,000 as proposed by the Senate. The conference agreement provides sufficient funding to hire court security officers originally pro- vided in fiscal year 2003, but deny funding for all program increases outlined in the court’s fiscal year 2006 budget.

UNITED STATES COURT OF INTERNATIONAL TRADE

The conference agreement includes $15,480,000 for the U.S. Court of International Trade, as proposed by both the House and the Senate.

COURTS OF APPEALS, DISTRICT COURTS, AND OTHER JUDICIAL SERVICES

The conference agreement provides $1,348,780,000 for salaries and expenses of the Courts of Appeals, District Courts, and Other Judicial Services, as proposed by the House, instead of $1,374,950,000 as proposed by the Senate. The conference agreement appropriates $4,348,780,000 for salaries and expenses of the Federal Circuit, instead of $4,374,950,000 as proposed by the Senate. The conference agreement provides $15,480,000 for the U.S. Court of International Trade, instead of $15,823,000 as proposed by the Senate.

The conference agreement provides $3,835,000 from the Vaccine Injury Compensation Trust Fund to support the Vaccine Injury Compensation Trust Fund, instead of $4,860,000 as proposed by the Senate.

DEFENDER SERVICES

The conference agreement includes $717,000,000 for defender services instead of $721,919,000 as proposed by the House and $710,785,000, as proposed by the Senate. The conference agreement deletes language deny- ing cost-of-living adjustments to panel attor- neys, as proposed by the Senate. The conference agreement provides sufficient funding for the Federal Public Defender Corporation, as proposed by the Senate.

FEES OF JURORS AND COMMISSIONERS

The conference agreement includes $61,318,000 for fees of jurors and commis- sioners, as proposed by the Senate, instead of $60,653,000 as proposed by the House.

COURT SECURITY

The conference agreement includes $372,000,000 for court security, instead of...
$779,661,000 as proposed by the House and 
$772,426,000 as proposed by the Senate. The 
conference agreement includes language lim-
iting payments to the Federal Protective Service (FPS) to not more than $52,500,000. The 
conferees remain concerned that FPS has yet to produce a full accounting of 
charges to the Judiciary. Furthermore, the 
conferees expressed concern that security deci-
sions made in the field without consultation 
with the AO have placed in jeopardy other 
important court activities.

The conferees are aware that the AO and 
the U.S. Marshals Service cannot reach 
agreement over which entity will administer 
the annual maintenance of security systems 
for which $16,655,000 was provided in Public 
Law 109–13, the fiscal year 2005 Emergency 
Supplemental Appropriations Act for De-
defense, the Global War on Terror, and Tsu-
nami Relief. The conferees direct the AO 
to work with the U.S. Marshals Service to come 
to a resolution of this impasse prior to sub-
misson of the fiscal year 2007 President's 
budget request.

**Administrative Office of the United 
States Courts**

**Salaries and Expenses**

The conference agreement includes 
$70,262,000 for the Administrative Office of the 
United States Courts as proposed by the 
House, instead of $72,198,000 as proposed by 
the Senate.

**Federal Judicial Center**

**Salaries and Expenses**

The conference agreement includes 
$22,350,000 for salaries and expenses of the 
Federal Judicial Center as proposed by the 
Senate, instead of $22,249,000 as proposed by 
the House.

**Judicial Retirement Funds**

**Payment to Judiciary Trust Funds**

The conference agreement includes 
$40,600,000 for payment to various judicial re-
tirement funds, as proposed by the House and 
Senate.

**United States Sentencing Commission**

**Salaries and Expenses**

The conference agreement includes 
$14,400,000 for the United States Sentencing Commission, instead of $14,046,000 as pro-
posed by the House and $14,700,000 as pro-
posed by the Senate.

**Administrative Provisions—The Judiciary**

Section 401 retains a provision included by 
both the House and the Senate that allows 
appropriations to be used for services as au-
thorized under 5 U.S.C. 3109.

Section 402 retains a provision included by 
both the House and the Senate related to the 
transfer of funds.

Section 403 retains a provision included by 
both the House and the Senate that allows 
up to $13,000 to be used for official representa-
tion expenses of the Judicial Conference of the 
United States.

Section 404 retains a provision included by 
the Senate that requires a financial plan. 

The conference agreement includes 
are currently available to the Legislative and 
Executive branches. The House did not 
include a similar provision. The conferees di-
rect that the AO to provide a report to the Com-
mittee on Appropriations detailing a two-
year history of the use of these authorities 
on or before May 1, 2008.

Section 408 modifies a provision included 
by the Senate that extends a temporary judge-
ship in Missouri. The House did not include 
a similar provision.

The conference agreement deletes a provi-
sion proposed by the Senate that requires a 
GAO report on the impacts of increased bor-
der/homeland security funding in the Judici-
ary.

**Title V—Executive Office of the President 
and Funds Appropriated to the President**

**Compensation of the President**

The conference agreement provides 
$450,000 for compensation of the President as pro-
posed by both the House and Senate.

**White House Office**

**Salaries and Expenses**

The conference agreement provides 
$53,830,000 as proposed by the House instead 
of $58,081,000 as proposed by the Senate. The 
conference agreement specifies that a fund 
created to purchase the Privacy and Civil 
Liberties Oversight Board, as proposed by 
the Senate, instead of the House.

**Executive Residence at the White House**

**Operating Expenses**

The conference agreement provides 
$12,436,000 as proposed by both the House and 
the Senate.

**White House Repair and Restoration**

The conference agreement provides 
$1,700,000 as proposed by both the House and 
the Senate.

**Council of Economic Advisers**

**Salaries and Expenses**

The conference agreement provides 
$4,040,000 as proposed by both the House and 
the Senate.

**Office of Policy Development**

**Salaries and Expenses**

The conference agreement provides 
$3,500,000 as proposed by the House. The Sen-
ate proposed to consolidate OPD in the White 
House Salaries and Expenses.

**National Drug Control Policy**

**Salaries and Expenses**

The conference agreement provides 
$8,705,000 as proposed by both the House and 
the Senate.

**Office of Administration**

**Salaries and Expenses**

The conference agreement provides 
$12,000,000 as proposed by the House. Also 
included in this amount is $14,000,000 for 
Research and Development.

**Office of Management and Budget**

**Salaries and Expenses**

The conference agreement provides 
$76,900,000 for the Office of Management and 
Budget (OMB) instead of $77,390,000 as pro-
posed by the House and $86,411,000 as pro-
posed by the Senate. The conference agreement 
also allocates funds by object class, and 
limits reception and representation expenses 
to $3,000 as proposed by the House instead 
of $5,000 as proposed by the Senate.

The conference agreement reiterates lan-
guage included in the general provisions pre-
cluding the use of funds for the "e-Gov" ini-
tiative and for conducting PART studies prior 
to consultation with the Committees on 
Appropriations.

The conference agreement continues prior 
year restrictions and requirements for con-
gressional notification for agricultural mar-
teting orders and on the review of water 
projects and other matters.

**Office of National Drug Control Policy**

**Salaries and Expenses**

The conference agreement provides 
$26,908,000 as proposed by the House instead 
of $24,224,000 proposed by the Senate. The con-
feres do not agree to trans-
fer the rent and health costs of the Enter-
prise Services activity. Within this total, 
the conference agreement retains specific fund-
 ing and staffing levels for ONDCP adminis-
trative offices as proposed in the House and 
Senate reports.

The conferees are concerned with ONDCP’s 
lack of attention and activity on Meth-
amphetamine despite the continuing 
impacts and reports on the devastating impact Methamphet-
amine has on the Nation’s communities. The 
conferees direct ONDCP to increase its focus, 
resources, and activities as required to combat-
ing Methamphetamine abuse.

**Counterdrug Technology Assessment 
Center**

**Including Transfer of Funds**

The conference agreement includes 
$30,000,000 for the Counterdrug Technology Assessment Center (CTAC), as proposed by the House and 
the Senate. Of this amount, the conferees agree 
to provide $16,000,000 for the operation of the technology transfer program, instead of 
$18,000,000 as proposed by the Senate and 
$12,000,000 as proposed by the House. Also 
cluded in this amount is $14,000,000 for 
counter-narcotics research and development. 
Of this amount, up to $1,000,000 shall be pro-
vided for supply reduction and directed to 
marijuana eradication. The House proposed 
$18,000,000 for research and the Senate pro-
duced $12,000,000. Fiscal year 2006 CTAC/ 
HIDTA appropriated funds must be trans-
ferred within 90 days of enactment of this Act.

The conferees agree that a spending plan 
be included in the ONDCP operating plan for 
fiscal year 2006. In addition, the conferees di-
rect that a thorough review of the entire 
CTAC program be implemented to determine 
the future course of funding for the CTAC 
program. A report with options for the Com-
mitees to consider shall be included in the 
Administration’s fiscal year 2007 budget jus-
tification for ONDCP.

Further, the conferees direct the comple-
tion of existing imaging system instrumen-
tation validation efforts at qualified aca-
demic institutions and direct that ONDCP 
reinstate and fund instrumentation instrumen-
tation infrastructure development 
program in the fiscal year 2007 budget.

**Federal Drug Control Programs**

**High Intensity Drug Trafficking Areas 
Program**

**Including Transfer of Funds**

The conference agreement includes 
$227,000,000 for the HIDTA program, as proposed by 
the House. The Senate proposed $236,000,000. The 
conference agreement precludes the use of 
funds for the Consolidated Priority Organiza-
tion Target (CPOT) list as proposed by 
the Senate. Of the funds provided, no less than 
$2,000,000 shall be for new counties; $2,000,000 
shall be used for audit costs of at least $500,000 is to 
develop performance measures. Language is included that HIDTA's
designated as of September 30, 2005 shall be funded at no less than the fiscal year 2005 initial allocations, as proposed by the House. The Senate report contained a similar provision.

The conferees encourage the use of performance measures that were developed by the HIDTA Directors Committee, as proposed by the House.

**OTHER FEDERAL DRUG CONTROL PROGRAMS (INCLUDING TRANSFER OF FUNDS)**

The conferees agree to provide $194,900,000 for Other Federal Drug Control Programs, instead of $238,992,000 as proposed by the House and $281,778,000 as proposed by the Senate. Within the amount provided, the agreement provides the following allocations:

<table>
<thead>
<tr>
<th>Program</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Youth Anti-Drug Media Campaign</td>
<td>$100,000,000</td>
</tr>
<tr>
<td>Drug Free Communities Support Program</td>
<td>$80,000,000</td>
</tr>
<tr>
<td>National Community Anti-Drug Coalitions Institute</td>
<td>(2,000,000)</td>
</tr>
<tr>
<td>National Drug Court Institute</td>
<td>1,000,000</td>
</tr>
<tr>
<td>Model State Drug Laws</td>
<td>1,000,000</td>
</tr>
<tr>
<td>U.S. Anti-Doping Agency Membership Duties</td>
<td>8,500,000</td>
</tr>
<tr>
<td>Research &amp; Performance Measures</td>
<td>1,500,000</td>
</tr>
</tbody>
</table>

The conferees have reviewed ONDCP’s pending performance measures for research and noted that much of it reflects ongoing interest in defining the nature and extent of drug use and its damaging consequences in the United States. The conferees direct ONDCP to expand its research to include a study of the social costs of Methamphetamine use and production in the United States.

The conferees direct ONDCP to maintain funding for non-advertising services for the Media Campaign at no less than the fiscal year 2005 ratio of service funding to total funds and to re-institute the corporate outreach program as it operated prior to its cancellation as proposed by the House. The Senate had no similar provision.

The conferees direct that USADA submit a proposal to study the costs associated with the Hermann Center infrastructure.

**ELECTION ASSISTANCE COMMISSION SALARIES AND EXPENSES**

The conference agreement provides $14,200,000 for salaries and expenses of the Election Assistance Commission instead of $13,877,000 as proposed by the House and $13,888,000 as proposed by the Senate. The conferees direct that funds provided above the fiscal year 2005 level are to be used only to conduct audits of state expenditures of Help America Vote Act grant funds, for which one additional position is authorized. The conference agreement transfers $2,500,000 to the National Institute of Standards and Technology (NIST) as proposed by the House, instead of $4,000,000 as proposed by the Senate. In addition, the conferees encourage USADA to provide $200,000 for the Help America Vote College Program.

**FEDERAL DEPOSIT INSURANCE CORPORATION OFFICE OF INSPECTOR GENERAL**

The conference agreement includes $13,000,000 for the Office of Inspector General, as proposed by the Senate instead of $29,965,000 as proposed by the House. Funds for this account are derived from the Bank Insurance Fund, Savings and Loan Insurance Fund, and the FSLIC Resolution Fund and are therefore not reflected in either the budget authority or budget outlay totals.

**FEDERAL ELECTION COMMISSION SALARIES AND EXPENSES**

The conference agreement includes $54,700,000 for salaries and expenses of the Commission as proposed by the House instead of $54,600,000 as proposed by the Senate.

**FEDERAL LABOR RELATIONS AUTHORITY SALARIES AND EXPENSES**

The conference agreement includes $25,468,000 for the Federal Labor Relations Authority as proposed by the House and Senate.

**FEDERAL MARITIME COMMISSION SALARIES AND EXPENSES**

The conference agreement includes $90,499,000 as proposed by the House and Senate.

**GENERAL SERVICES ADMINISTRATION REAL PROPERTY ACTIVITIES**

**FEDERAL BUILDINGS FUND LIMITATION ON AVAILABILITY OF REVENUE**

The conference agreement provides revenue from the Federal Buildings Fund in the aggregate amount of $7,752,745,000 instead of $6,867,097,000 as proposed by the Senate and $7,888,745,000 as proposed by the House.

**CONSTRUCTION AND ACQUISITION**

The conference agreement limits funds for construction to $7,056,000,000 instead of $6,830,817,000 as proposed by the House and $8,299,056,000 as proposed by the Senate. The conference agreement modifies the projects proposed by the House and Senate bills and provides funds for the following projects:

<table>
<thead>
<tr>
<th>Project</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>San Diego, U.S. Courthouse</td>
<td>$230,803,000</td>
</tr>
<tr>
<td>Lakewood, Denver Federal Center (Infrastruct</td>
<td>4,688,000</td>
</tr>
<tr>
<td>Coast Guard Consolidation St. Elizabeths West Cam</td>
<td>24,900,000</td>
</tr>
<tr>
<td>pu Infrastruct</td>
<td>13,095,000</td>
</tr>
<tr>
<td>Southeast Federal Center Site Remediation</td>
<td>15,000,000</td>
</tr>
<tr>
<td>Calais, Border Station</td>
<td>50,146,000</td>
</tr>
<tr>
<td>Rockland, Maine</td>
<td>12,788,000</td>
</tr>
<tr>
<td>Montgomery County FDA Consolidation</td>
<td>127,600,000</td>
</tr>
</tbody>
</table>

**REPAIRS AND ALTERATIONS**

The conference agreement limits resources for repairs and alterations to $861,376,000 instead of $892,967,000 as proposed by the House and $916,376,000 as proposed by the Senate. The bill specifies certain projects and various programs as follows:

<table>
<thead>
<tr>
<th>Project</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tucson, James A. Walsh Courthouse</td>
<td>$16,136,000</td>
</tr>
<tr>
<td>Eisenhower Executive Office Building</td>
<td>33,417,000</td>
</tr>
<tr>
<td>Federal Office Building 8</td>
<td>47,769,000</td>
</tr>
<tr>
<td>Heating, Operation, and Transmission Repair</td>
<td>18,783,000</td>
</tr>
<tr>
<td>Herbert C. Hoover Building Main Interior</td>
<td>54,491,000</td>
</tr>
<tr>
<td>Atlanta, Martin Luther King, Jr. Federal Build</td>
<td>41,399,000</td>
</tr>
<tr>
<td>Brooklyn, Emanuel Celler Courthouse</td>
<td>69,624,000</td>
</tr>
<tr>
<td>James Watson Federal Building and Courthouse</td>
<td>9,721,000</td>
</tr>
<tr>
<td>Transfers to Navy for permanent relocation</td>
<td>2,000,000</td>
</tr>
<tr>
<td>operations pursuant to section (e) of P.L. 106-268</td>
<td></td>
</tr>
<tr>
<td>Special Emphasis Programs: Chlorofluorocarbons</td>
<td>10,000,000</td>
</tr>
<tr>
<td>Energy Program</td>
<td>28,000,000</td>
</tr>
<tr>
<td>Glass Fragmentation Program</td>
<td>15,700,000</td>
</tr>
<tr>
<td>Design Program</td>
<td>21,915,000</td>
</tr>
<tr>
<td>Basic Repairs for building operations</td>
<td>434,992,000</td>
</tr>
</tbody>
</table>

**INSTALLMENT ACQUISITION PAYMENTS**

The conference agreement provides a limitation of $168,180,000 for installment acquisition payments as proposed by both the House and Senate.

**RENTAL OF SPACE**

The conference agreement limits $4,046,031,000 for rental of space as proposed by the Senate instead of $4,033,531,000 as proposed by the House.

**BUILDING OPERATIONS**

The conference agreement limits $1,185,102,000 for building operations as proposed by the Senate, instead of $1,641,602,000 as proposed by the House.
Section 601 modifies a Senate provision to designate $5,000,000 to support the Corporation for National and Community Service. The conference agreement includes $2,000,000 to continue to support the Corporation for National and Community Service.

Section 602 retains the provision as proposed by the Senate that authorizes GSA to use funds received from Government corporations.

Section 603 retains the provision as proposed by the Senate that authorizes the Acquisition and Maintenance of Facilities line of business project, $500,000 for the design and renovations to the John F. Kennedy Presidential Library, as proposed by the Senate. The conferees agree to provide up to $2,500 for restorations at the John F. Kennedy Presidential Library.

Section 604 modifies a Senate provision that prohibits, except as provided under this title, funds for courthouse construction projects that meet GSA standards and the priorities of the Judiciary's five-year plan and requires that the fiscal year 2007 budget request be accompanied by a strategic plan that outlines the expenditure of ERA funds. The conference agreement includes $2,000,000 to allow NARA to begin work on the Stennis Space Center in Mississippi.

Section 605 provides funds from being used to increase space and from providing services usually provided to any agency that does not pay the requested rent as proposed by the House and Senate.

Section 606 retains the provision by the Senate that directs GSA to conduct a program promoting the use of stairs. The House did not include a similar provision.

Section 607 retains the provision proposed by the Senate that directs GSA to conduct a program promoting the use of stairs. The House did not include a similar provision.

Section 608 provides $3,982,000 of funds by GSA to reorganize its structure except through an operating plan change as proposed by the Senate. The House did not include a similar provision.

Section 609 modifies a Senate provision to ensure that GSA's rating system credit products that use wood or wood products certified by a credible third party sustains a forest certification program and directs that GSA report to the relevant Congressional Committees of jurisdiction on its progress carrying out this Act. The House did not include a similar provision.

Section 610 modifies a Senate provision on e-travel and the percentage of subcontracted dollars allocated to small businesses. The conference agreement deletes a provision included by the House relating to an 83% property in Arizona.

Section 611 retains the provision by the Senate that authorizes the Department of Labor to continue to support the Corporation for National and Community Service.

The conference agreement provides $38,914,000 for operating expenses of the Administration as proposed by both the House and the Senate. The conferees also retain the directive to require NARA to submit, and for the Committee of jurisdiction on its progress carrying out this Act.

The conference agreement includes $2,000,000 for repairs and restoration instead of $2,024,000 as proposed by the House. In addition, the conferees direct $1,000,000 for the design and renovations to the John F. Kennedy Presidential Library, as proposed by the Senate.

The conference agreement includes $7,500,000 for the grant program, of which $2,000,000 is for operating expenses, as proposed by the House instead of $5,000,000 as proposed by the Senate.

The conference agreement includes $950,000 as proposed by the House and the Senate. The conferees reiterate language proposed by the Senate encouraging NCUA to continue to develop technical assistance in rural areas.
the e-training project, and $1,412,000 for the e-payroll project.

The conference agreement provides the full budget request for the continued refinement of a reformed civil service employment system. How-

ever, the conferees direct OPM to evaluate fully the systems developed and introduced at the Department of Defense (DoD) and the Department of Homeland Security (DHS). A full evaluation and discussion of lessons learned from the pilot programs at DoD and DHS should be a part of the development, in-

ntroduction, and implementation of a re-

formed civil service employment system in other departments and agencies.

Of the funds provided for salaries and ex-

penses, not less than $25,000,000 are to be used for activities required by the Voting Rights Act of 1965. In the future, OPM is to budget for these expenses and include details of the activities proposed in the annual budget jus-

tifications.

The conferees retain the reduction of

$3,500,000 from the budget request for the Center for Financial Services for performance-

ance measurement and evaluation as pro-

posed by the House. The Senate proposed funding this activity at the budget request.

In addition, the conferees agree to provide $600,000 for the Call to Service Recruitment Initiative with the Partnership for Public

Service instead of $600,000 as proposed by the House. The Senate did not propose funding for this activity.

The conferees retain the directive proposed by the House requiring OPM to submit an operating plan for approval by the House and Senate Committees on Appropriations within 60 days of enactment of this Act. The plan must contain details on the funding and staffing levels for the various offices, cen-

 ters, programs, activities, and initiatives under the jurisdiction of OPM. The plan should compare the resources provided and used in fiscal year 2005, requested in fiscal year 2006, and planned based on the appropriation provided for fiscal year 2006.

OFFICE OF INSPECTOR GENERAL

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

The conference agreement provides $2,071,000 for salaries and expenses instead of $1,514,000 as proposed by the House and the Senate. The additional funds are provided to support ongoing audits and investigations. In addition, the conferees agree to provide $16,329,000 from the OPM trust funds as pro-

posed by the Senate instead of $16,786,000 as proposed by the Executive.

GOVERNMENT PAYMENT FOR ANNUITANTS, EMPLOYEES HEALTH BENEFITS

The conference agreement provides such sums as necessary for health benefits pay-

ments as proposed by both the House and the Senate.

GOVERNMENT PAYMENT FOR ANNUITANTS, EMPLOYEES LIFE INSURANCE

The conference agreement provides such sums as necessary for life insurance pay-

ments proposed by both the House and the Senate.

PAYMENT TO THE CIVIL SERVICE RETIREMENT AND DISABILITY FUND

The conference agreement provides such sums as necessary for retirement and dis-

ability payments as proposed by both the House and the Senate.

OFFICE OF SPECIAL COUNSEL

SALARIES AND EXPENSES

The conference agreement includes $15,325,000 for salaries and expenses for the Office of Special Counsel as proposed by both the House and the Senate. The conference re-

iterate language proposed by the Senate con-

cerning how funding shall be allocated to each office and directing the Office to submit quarterly staffing reports.

SELECTIVE SERVICE SYSTEM

SALARIES AND EXPENSES

The conference agreement provides $25,000,000 for salaries and expenses instead of $24,000,000 as proposed by the House and $25,650,000 as proposed by the Senate. Of the funds provided, up to $750 may be used for re-

ception and expenses. The conferees prohibit the Selective Service Sys-


tem from using funds to support the Cor-

poration for National and Community Serv-

ices.
Section 833 continues the provision requiring health plans participating in the FEHB program to provide contraceptive coverage and prohibits certain religious plans, as proposed by the House and the Senate.

Section 834 continues the provision providing recognition of the U.S. Anti-Doping Agency as the official party to the Olympic, Pan American and Paralympic sports in the United States, as proposed by the House and the Senate.

Section 835 continues the provision allowing funds for official travel to be used by departments and agencies, if consistent with OMB and Budget Circular A-126, to participate in the fractional aircraft ownership pilot program, as proposed by the House and the Senate.

Section 836 continues the provision prohibiting the use of funds for implementation of OPM regulations limiting details to the Legislative Branch, and implementing limitations on the Coast Guard Congressional Fellowship Program, as proposed by the House and the Senate.

Section 837 requires Agencies to report to Congress on the amount of acquisitions made from entities that manufacture articles, materials or supplies outside the United States, as proposed by the Senate.

Section 838 continues the provision that restricts the use of funds for federal law enforcement training facilities with an exception for the Federal Law Enforcement Training Center, as proposed by the House and the Senate.

Section 839 modifies a provision proposed by the Senate that provides funding for the Midway Atoll airfield. The conference note that the fuel farm on Midway Island is a critical but aging facility that is essential to the functioning of several Federal agencies in the area. The conference deletes the Director of the Office of Management and Budget (OMB) to submit a report to the House and Senate Committees on Appropriations, as proposed by the House and Senate.

Section 840 provides certain requirements for public-private competition for the performance of certain activities for offices with less than 100 FTEs, as proposed by the House and the Senate.

Section 841 modifies a provision proposed by the House that precludes the use of funds for two types of positions, as proposed by the House and the Senate.

Section 842 continues the provision prohibiting the use of funds for interagency contracting, as proposed by the House and the Senate.

Section 843 continues the provision prohibiting the use of funds for implementation of OPM regulations limiting details to the Legislative Branch, and implementing limitations on the Coast Guard Congressional Fellowship Program, as proposed by the House and the Senate.

Section 844 provides certain requirements for public-private competition for the performance of certain activities for offices with less than 100 FTEs, as proposed by the House and the Senate.

Section 845 modifies a provision proposed by the House that precludes the use of funds for two types of positions, as proposed by the House and the Senate.

Section 846 continues the provision prohibiting the use of funds for implementation of OPM regulations limiting details to the Legislative Branch, and implementing limitations on the Coast Guard Congressional Fellowship Program, as proposed by the House and the Senate.

Section 847 continues the provision prohibiting the use of funds for implementation of OPM regulations limiting details to the Legislative Branch, and implementing limitations on the Coast Guard Congressional Fellowship Program, as proposed by the House and the Senate.

Section 848 provides certain requirements for public-private competition for the performance of certain activities for offices with less than 100 FTEs, as proposed by the House and the Senate.

Section 849 modifies a provision proposed by the House that precludes the use of funds for two types of positions, as proposed by the House and the Senate.

Section 850 continues the provision prohibiting the use of funds for implementation of OPM regulations limiting details to the Legislative Branch, and implementing limitations on the Coast Guard Congressional Fellowship Program, as proposed by the House and the Senate.

Section 851 modifies a provision proposed by the House that precludes the use of funds for two types of positions, as proposed by the House and the Senate.

Section 852 continues the provision prohibiting the use of funds for implementation of OPM regulations limiting details to the Legislative Branch, and implementing limitations on the Coast Guard Congressional Fellowship Program, as proposed by the House and the Senate.

Section 853 modifies a provision proposed by the Senate that precludes the use of funds for two types of positions, as proposed by the Senate.

Section 854 continues the provision prohibiting the use of funds for implementation of OPM regulations limiting details to the Legislative Branch, and implementing limitations on the Coast Guard Congressional Fellowship Program, as proposed by the House and the Senate.

Section 855 modifies a provision proposed by the Senate that precludes the use of funds for two types of positions, as proposed by the Senate.

Section 856 continues the provision prohibiting the use of funds for implementation of OPM regulations limiting details to the Legislative Branch, and implementing limitations on the Coast Guard Congressional Fellowship Program, as proposed by the House and the Senate.
loss of funding. Any transfer requires approval by the Committees on Appropriations. Section 842 modifies a provision that was proposed by the Senate that precludes the use of paper to correct contract documents if more than 10 federal employees perform the activity, unless the analysis reveals that savings would exceed 10 percent of the most efficient method personnel can achieve, no matter how much.$10,000,000, whichever is the lesser. The conference recognizes that public-private competition is an effective management tool for reducing costs and improving the performance of government. The conference requests that the Office of Management and Budget advise the Committees on Appropriations of the House and Senate of the impact of this section on the government's ability to obtain best value for the taxpayer, both in terms of cost and quality, through the use of competitive sourcing. The House and Senate Committees on Appropriations will consider this information as part of the fiscal year 2007 appropriations process. Section 843 continues a provision, with modifications, providing that the adjustment in rates of basic pay for employees under statutory pay systems taking effect in fiscal year 2006 would increase of 3.1 percent, as proposed by the House and the Senate. Section 844 continues the provision that prohibits the use of funds for the agency to create prepackaged news stories that are broadcast or distributed in the United States unless the story includes a clear notification within the text or audio of that news story that the prepackaged news story was prepared or funded by that executive branch agency, as proposed by the House and the Senate. Section 845 precludes contravention of Sec. 552a of title 5 USC (Privacy Act) or 552.224 of title 48 of the Code of Federal Regulations. Section 846 provides a provision that in general prohibits agencies from issuing a government travel charge card to individuals who have an unsatisfactory credit history as proposed by the House. The Senate included a similar provision which also included government purchase charge cards. The conference directs each Executive department and agency to establish requirements and benchmarks designed to reduce the improper, fraudulent, or abusive use of government purchase charge cards and report to the House and Senate Committees on Appropriations no later than August 1, 2006. Section 847 requires any reference to “this Act” to apply to the provisions of this division. The conference agreement did not include a provision proposed by the House and the Senate to prohibit the use of funds to enforce a provision of the Cuban Assets Control Regulations that impedes sales to Cuba.

DIVISION B—THE DISTRICT OF COLUMBIA

CONGRESSIONAL DIRECTIVES

The committee of conference approves report by the House (H.Rept. 109-153) or the Senate (Senate Report 109-106) that is not changed by the conference. The statement of the managers, while repeating some report language for emphasis, is not intended to negate the language referred to above unless expressly provided herein.

FEDERAL FUNDS

FEDERAL PAYMENT FOR TUITION SUPPORT

The conference agreement provides $33,200,000 for tuition support as proposed by both the House and the Senate. Of the amount provided, not more than $1,200,000 is available for active military personnel.

The conferees direct that no later than March 1, 2006, the Mayor of the District of Columbia shall submit to the Congress a detailed action plan and implementation timetable for correcting the programmatic, operational, and financial weaknesses in the District of Columbia Tuition Assistance Grant (D.C. TAG) program as identified in the findings and recommendations of the Government Accountability Office in their October 2005 report (GAO-05-1035). The plan shall also make specific recommendations on the Federal legislative authority necessary to improve the program's operations while maximizing available resources to benefit as many students as possible.

FEDERAL PAYMENT FOR EMERGENCY PLANNING AND SECURITY COSTS IN THE DISTRICT OF COLUMBIA

The conference agreement provides $13,500,000 for emergency planning and security costs instead of $15,000,000 as proposed by the House and $12,000,000 as proposed by the Senate. Of the amount provided, $45,000,000 as proposed by both the House and the Senate.

FEDERAL PAYMENT TO THE DISTRICT OF COLUMBIA COURTS

The conference agreement provides $218,912,000 for the courts as proposed by the Senate instead of $221,685,000 as proposed by the House. Of the amounts provided, $76,597,000 is for the Courts of Appeals, $87,532,000 is for the Superior Court, and $54,643,000 is for the Court System, each of which is limited to $1,500 for reception and representation expenses. The conferees also agree to provide $80,729,000 for capital improvements to court facilities as proposed by the Senate instead of $83,510,000 as proposed by the House.

The conferees reiterate the direction of the Senate requiring the courts to report through GSA within 15 days of each month on the status of obligations for the Counsel for Child Abuse and Neglect Program.

DEFENDER SERVICES IN DISTRICT OF COLUMBIA COURTS

The conference agreement provides $48,000,000 for defender services instead of $45,000,000 as proposed by both the House and the Senate.

FEDERAL PAYMENT TO THE COURT SERVICES AND OFFENDER SUPERVISION AGENCY FOR THE DISTRICT OF COLUMBIA (INCLUDING TRANSFER OF FUNDS)

The conference agreement provides $201,388,000 for the Court Services and Offender Supervision Agency as proposed by the Senate instead of $203,388,000 as proposed by the House. Of the amount appropriated, not more than $2,000,000 is for representation and reception expenses, $25,000 is for dues and assessments, $120,360,000 is for the expenses of the Community Supervision and Sex Offender Registration, $42,195,000 is for the Pretrial Service Agency, and $20,383,000 is available for transfer to the Public Defender Services Agency.

In addition, the conference agreement includes a provision allowing the Public Defender Service to charge fees to cover the costs of training and materials in this and subsequent fiscal years as proposed by the Senate. The House included a similar provision applicable for fiscal year 2006.

FEDERAL PAYMENT TO THE DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

The conference agreement provides $7,000,000 for the District of Columbia Water and Sewer Authority to continue implementation of the combined sewer overflow long-term plan instead of $10,000,000 as proposed by the House and $5,000,000 as proposed by the Senate.

FEDERAL PAYMENT FOR THE ANACOSTIA WATERFRONT INITIATIVE

The conference agreement provides $3,000,000 for the District of Columbia Department of Transportation for continuation of the Anacostia waterfront initiative as proposed by the Senate instead of $5,000,000 as proposed by the House.

FEDERAL PAYMENT TO THE CRIMINAL JUSTICE COORDINATING COUNCIL

The conference agreement provides $1,300,000 for the Criminal Justice Coordinating Council as proposed by both the House and Senate.

FEDERAL PAYMENT FOR TRANSPORTATION ASSISTANCE

The conference agreement provides $1,900,000 to the District of Columbia Department of Transportation for the downtown circulator transit system as proposed by the Senate. The House did not include funds for this activity. The conferees agree that the District shall provide 100 percent matching funds for the system.

FEDERAL PAYMENT FOR FOSTER CARE IMPROVEMENTS IN THE DISTRICT OF COLUMBIA

The conference agreement provides $29,200,000 for foster care improvements in the District of Columbia as proposed by the Senate. The House did not include funds for this activity. Of the amount provided, $1,750,000 is for the Child and Family Services Agency, of which $1,000,000 is for a loan repayment program for social workers and $750,000 is for post-adoption services. In addition, $29,500,000 is for the Washington Metropolitan Council of Governments.

FEDERAL PAYMENT TO THE OFFICE OF THE CHIEF FINANCIAL OFFICER OF THE DISTRICT OF COLUMBIA

The conference agreement provides $2,000,000 to the Chief Financial Officer (CFO), to be distributed as listed below. Each entity receiving funding must report to the CFO by March 15, 2006 on the activities carried out with the funds provided in this Act, and the CFO will submit a comprehensive report from all grantees to the House and Senate Committees on Appropriations by June 1, 2006.

The conference directs grants to the following:

- All-Faith Consortium/ homeless veterans $100,000
- American Community Partnerships, Inc. (ACP) $250,000
- AppleTree Institute $150,000
- Arise Foundation $250,000
- Arthritis Foundation, Metropolitan Washington Chapter $300,000
- Association for the Preservation of the Congressional Cemetery/road repair $2,000,000
- Boys and Girls Clubs of DC gang prevention program $300,000
- Camp Arena Stage $100,000
- Carpe Diem Area Food Bank/capital development $1,300,000
- Capitol Hill Baseball and Softball League/capital improvements $50,000
- Caribbean American Mission for Education Research and Action, Inc. (CAMERA) $200,000
- Catalyst Capitol City Careers Program $200,000
- Center for Inspired Teaching $450,000
- Centro Nia/early childhood education $200,000
CONGRESSIONAL RECORD—HOUSE

November 17, 2005

H10891

Children’s Health Fund/mobile health van

Children’s Hospital/cord blood bank for African-

American children

Children's National Medical Center

Children’s Research Institute/Duchenne Dystrophy research

City Year

Community Youth Connections

Congressional Glaucoma Caucus

DC Alliance

DC Humane Society

DC Pearls III Foundation/college preparation program

DC Primary Care Association

DC Public Charter School Association/school quality project

Discovery Creek Children’s Museum/public school science program

District of Columbia Department of Transportation/safety improvement to Foshay Road

Earth Conservation Corps

East of the River Clergy/prisoner re-enter housing

Eastern Market Ventilation Improvements

EEO Institute

Family Communications/family service and outreach for public charter schools

Family Communications/second chance employment program

Father McKenna Center/homeless men’s shelter

Friends of Carter Barron Foundation for the Performing Arts

Ft. Dupont Ice Arena

Georgetown Circulator

Girl Scouts Council of the Nation’s Capital/young leaders project

International Youth Service and Development Corps

Jump Start/development of college students to mentor Head Start children

Latin American Youth Center Youth Build

Lee Aspin Center/community service and outreach

My Sister’s Place/capital development

National Campaign to Prevent Teen Pregnancy with Ulrich Children’s Advantage Network

National Capital Children’s Museum/capital development

National Trust for Historic Preservation/Lincoln Cottage refurbishment

NCMS Technology Transfer Partnership/DC College Program

Perry School Community Services Center, Inc

Public School Library Initiative

ReadNet Foundation/literacy program

Second Chance Employment Services

See Forever Foundation/employment training

150,000 Sowell Belmont House/education and outreach

Southeastern University/capital development

St. Coletta Children’s School/capital development

STEER Youth Education and Recreation Program

Teacher Advancement Program/DCPS Foundation/DCPS development

and charter school program

Teen Connection

The Lab School of Washington, DC

Thurgood Marshall Academy/capital development

Voyager Expanded Learning/DCPS Foundation

WAUSA/water study

Washington Area Women’s Foundation/industrial initiative

Washington Metropolitan Transit Authority for the replacement of aged bi-directional trestle

Whitman-Walker Clinic/technology improvement

Youth Leadership Foundation

50,000

1,000,000

100,000

1,000,000

150,000

250,000

450,000

650,000

200,000

$29,200,000

FEDERAL PAYMENT FOR SCHOOL IMPROVEMENT

The conference agreement provides $40,000,000 for school improvement as proposed by the Senate instead of $41,616,000 as proposed by the House. Of the funds provided, $13,000,000 is for improvements to the District of Columbia Public Schools and $14,000,000 is for opportunity scholarships, of which $9,000,000 is for assessment of the funds for the District of Columbia Public Schools and $5,000,000 is for the Superintendent’s assessment of public school facilities.

In addition, the conference agree to provide $13,000,000 for charter schools as proposed by the Senate instead of $13,525,000 as proposed by the House. Of the funds provided, the conferees agree with the Senate proposal to provide $4,000,000 for the direct loan fund, $2,000,000 for construction, $2,000,000 for continuation of the City Build Charter School program, $1,500,000 for flexible grants, $2,000,000 for grants for public charter schools for capital improvement facilities, $400,000 for college access programming, $300,000 for a truancy center, $250,000 for administration of Federal entitlement funding, $200,000 for data collection and analysis, and $250,000 for administration in the State Education Office.

The conferees remind the Mayor and the Council of the District of Columbia that the primary intention of section 342 of the fiscal year 2005 District of Columbia Appropriations Act, Public Law 108-235, as amended, is to make surplus public school facilities available to public charter schools. The provision should not be construed to prevent a consortium of charter schools, or a non-profit organization managing a charter school or an incubator for multiple charter schools, from occupying surplus public school space.

The conference agreement provides that the Mayor and the Council of the District of Columbia shall not use proceeds from the sale of surplus property unless the District has made efforts to enter into an agreement with the Mayor and the Council of the District of Columbia that the primary intention of section 342 of the fiscal year 2005 District of Columbia Appropriations Act, Public Law 108-235, as amended, is to make surplus public school facilities available to public charter schools.

FEDERAL PAYMENT FOR MARRIAGE DEVELOPMENT AND IMPROVEMENT

The conference agreement provides $3,000,000 for the marriage development and improvement initiative proposed by the Senate. The House did not recommend funding for this program.

FEDERAL PAYMENT FOR NATIONAL GUARD YOUTH CHALLENGE PROGRAM

The conference agreement provides $5,000,000 for the District of Columbia National Guard Youth Challenge Program as proposed by the Senate. The House did not recommend funding for this program.

The conferees require that, in the event that a couple divorces prior to withdrawing funds from their marriage development account, each may withdraw what they have individually contributed but neither will be entitled to the Federal/private matching funds in the account. However, if a spouse is convicted of domestic abuse, the other partner shall be entitled to his or her share of the Federal/private match. The conferees further direct the Capital Area Asset Building Corporation to act with an appropriate research firm to evaluate the implementation and determine the success of marriage development accounts.

DISTRICT OF COLUMBIA FUNDS

The conference agreement provides authority for the District of Columbia to spend $8,700,158,000 from the General Fund of the District of Columbia. Of the funds provided, $5,087,342,000 is from local funds, of which $466,894,000 is from the general fund balance; $1,921,267,000 is from the Federal grant funds; $1,754,399,000 is from other funds; and $1,721,309,000 is from Federal privatization financing. In addition, the District may use $163,116,000 from prior year funds.

For capital construction, the conference agreement provides an additional $2,820,637,000 as proposed by the Senate. The House did not include this provision. Of the funds provided, $1,072,671,000 is from local funds, $49,551,000 is from the Highway Trust Fund, $172,183,000 is from the Local Street Maintenance Fund, $378,000,000 is from the security of revenue streams, $466,894,000 is from Federal privatization financing, $334,400,000 is from stadium construction, and $213,532,000 is from Federal grants. In addition, $295,002,000 of prior year local funds are rescinded. In total, $5,252,605,000 are provided.

GENERAL PROVISIONS

Section 101 specifies that an appropriation for a particular purpose or object is the maximum available for expenditure as proposed by both the House and the Senate.

Section 102 permits funds to be used for travel and dues as proposed by both the House and the Senate.

Section 103 permits funds to be used to pay travel refunds, settlements, and judgments as proposed by both the House and the Senate.

Section 104 prohibits funds for lobbying activities and publicity to promote a boycott or statehood as proposed by the House. The Senate proposed similar provisions applicable only to Federal funds.

Section 105 establishes reprogramming guidelines as proposed by both the House and the Senate.

Section 106 limits funds for the appropriated purpose unless otherwise provided in law as proposed by both the House and the Senate.

Section 107 clarifies the District’s employee compensation authority as proposed by both the House and the Senate.
Section 108 directs the Mayor to submit revenue estimates as proposed by both the House and the Senate.

Section 109 prohibits sole source contracts, except under certain conditions as proposed by both the House and the Senate.

Section 110 prohibits Federal funds for the costs of a United States Senator or Representative as proposed by both the House and the Senate.

Section 111 prohibits funds for registering unmarried, cohabiting couples as proposed by both the House and the Senate.

Section 112 allows the Mayor to accept, obligate, and expend other funds not reflected in the Act as proposed by both the House and the Senate.

Section 113 restricts official vehicles to official duties except in certain circumstances as proposed by both the House and the Senate.

Section 114 prohibits funds for a financial audit unless the District Inspector General conducts or contracts for the audit as proposed by both the House and the Senate.

Section 115 prohibits funds for the District of Columbia Corporation Counsel to provide assistance for District court voting representation in Congress as proposed by both the House and the Senate.

Section 116 prohibits funds for need-based scholarship grants as proposed by both the House and the Senate.

Section 117 limits the authority of the CFO for Federal funds except under certain conditions as proposed by both the House and the Senate.

Section 118 prohibits the use of Federal funds for the payment of law enforcement salaries.

Section 119 prohibits other funds not reflected in the Act as proposed by both the House and the Senate.

Section 120 requires the Mayor to report quarterly on various issues as proposed by both the House and the Senate.

Section 121 requires the Chief Financial Officer to submit an operating budget as proposed by both the House and the Senate.

Section 122 requires the District to submit annual budget estimates of new authority for the fiscal year 2006 and 2007 compared to the fiscal year amounts of 2005.

Section 123 requires the Mayor to submit an annual operating budget estimate of new authority for the fiscal year 2006.

Section 124 extends the authorities of the CFO with respect to personnel and preparing financial statements as proposed by the Senate. The House did not include a similar provision.

Section 125 exempts the CFO from certain provisions of the District of Columbia Procurement Practices Act as proposed by the Senate. The House did not include a similar provision.

Section 123 makes technical changes to fiscal year 2005 funds available for the Anacostia Waterfront Corporation as proposed by the Senate. The House did not include a similar provision.

Section 133 makes technical changes to fiscal year 2005 funds available for the Anacostia Waterfront Corporation as proposed by the Senate. The House did not include a similar provision.

Section 130 authorizes the conveyance of a parcel of Federal land to the District for a school as proposed by the Senate. The House did not include a similar provision.

Section 131 extends the authorities of the CFO with respect to personnel and preparing financial statements as proposed by the Senate. The House did not include a similar provision.

Section 132 exempts the CFO from certain provisions of the District of Columbia Procurement Practices Act as proposed by the Senate. The House did not include a similar provision.

Section 133 makes technical changes to fiscal year 2005 funds available for the Anacostia Waterfront Corporation as proposed by the Senate. The House did not include a similar provision.

Conference agreement, fiscal year 2006.......

Conference agreement compared with:

New budget (obligational) authority, fiscal year 2005 .......... $37,431,383
Budget estimates of new (obligational) authority, fiscal year 2006 .......... 83,865,395
House bill, fiscal year 2006 .......... 91,018,996
Senate bill, fiscal year 2006 .......... 89,463,400
Conference agreement, fiscal year 2006 .......... 89,135,149

The total new budget (obligational) authority, fiscal year 2006, recommended by the Committee of Conference, with comparisons to the fiscal year 2005 amount, the 2006 budget estimates, and the House and Senate bills for 2006 follow:

In thousands of dollars

<table>
<thead>
<tr>
<th>New budget (obligational) authority, fiscal year 2005</th>
<th>$37,431,383</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budget estimates of new (obligational) authority, fiscal year 2006</td>
<td>83,865,395</td>
</tr>
<tr>
<td>House bill, fiscal year 2006</td>
<td>91,018,996</td>
</tr>
<tr>
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</tr>
<tr>
<td>Conference agreement, fiscal year 2006</td>
<td>89,135,149</td>
</tr>
</tbody>
</table>

Senate Bills Referred

<table>
<thead>
<tr>
<th>Bill Number</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>S. 206</td>
<td>Act to designate the Ice Age Floods National Geologic Trail, and for other purposes; to the Committee on Resources.</td>
</tr>
<tr>
<td>S. 213</td>
<td>An act to direct the Secretary of the Interior to convey certain Federal land to Rio Arriba County, New Mexico; to the Committee on Resources.</td>
</tr>
<tr>
<td>S. 251</td>
<td>An act to authorize the Secretary of the Interior, acting through the Bureau of Reclamation, to conduct a water resource feasibility study for the Little Butte/Bear Creek Subbasins in Oregon; to the Committee on Resources.</td>
</tr>
<tr>
<td>S. 652</td>
<td>An act to provide financial assistance for the rehabilitation of the Benjamin Franklin National Memorial in Philadelphia, Pennsylvania, and the development of an exhibit to commemorate the 300th anniversary of the birth of Benjamin Franklin; to the Committee on Resources.</td>
</tr>
<tr>
<td>S. 761</td>
<td>An act to rename the Snake River Birds of Prey National Conservation Area in the State of Idaho as the Morley Nelson Snake River Birds of Prey National Conservation Area in honor of the late Morley Nelson, an international authority on birds of prey, who was instrumental in the establishment of this National Conservation Area, and for other purposes; to the Committee on Resources.</td>
</tr>
<tr>
<td>S. 777</td>
<td>An act to designate Catoctin Mountain Park in the State of Maryland as the “Catoctin Mountain National Recreation Area”, and for other purposes; to the Committee on Resources.</td>
</tr>
<tr>
<td>S. 891</td>
<td>An act to extend the water service contract for the Ainsworth Unit, Sandhills Division, Pick-Sloan Missouri Basin Program, Nebraska; to the Committee on Resources.</td>
</tr>
<tr>
<td>S. 905</td>
<td>An act to direct the Secretary of the Interior to establish a national water supply program in the Reclamation States to provide a clean, safe, and reliable water supply for the public.</td>
</tr>
</tbody>
</table>
water supply to rural residents; to the Committee on Resources.

S. 958. An act to amend the National Trails System Act to designate the Star-Spangled Banner Trail in the States of Maryland and Virginia and the District of Columbia as a National Historic Trail; to the Committee on Resources.

S. 1154. An act to extend the Acadia National Park Advisory Commission, to provide improved visitor services at the park, and for other purposes; to the Committee on Resources.

S. 1338. An act to require the Secretary of the Interior, acting through the Bureau of Reclamation and the United States Geological Survey, to conduct a study on groundwater resources in the State of Alaska, and for other purposes; to the Committee on Resources.

S. 1627. An act to authorize the Secretary of the Interior to conduct a special resources study to evaluate resources along the coastal regions of the States of Delaware and to determine the suitability and feasibility of establishing a unit of the National Park System in Delaware; to the Committee on Resources.

ENROLLED BILLS SIGNED

Mr. Trandahl, Clerk of the House, reported and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 126. An act to amend Public Law 89-368 to allow for an adjustment in the number of free roaming horses permitted in Cape Lookout National Seashore.

H.R. 539. An act to designate certain National Forest System land in the Commonwealth of Puerto Rico as a component of the National Wilderness Preservation System.

H.R. 584. An act to authorize the Secretary of the Interior to recruit volunteers to assist with, or facilitate, the activities of various agencies and offices of the Department of the Interior.

H.R. 606. An act to authorize appropriations to the Secretary of the Interior for the restoration of the Angel Island Immigration Station in the State of California.

H.R. 1191. An act to direct the Secretary of the Interior to conduct a special resource study to determine the suitability and feasibility of including in the National Park System certain sites in Williamson County, Tennessee, relating to the Battle of Franklin.

H.R. 1793. An act to make access to safe water and sanitation for developing countries a specific policy objective of the United States foreign assistance programs, and for other purposes.

H.R. 2862. An act making appropriations for Science, the Departments of State, Justice, and Commerce, and related agencies for the fiscal year ending September 30, 2006, and for other purposes.

SENEATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 1234. An act to increase, effective as of December 1, 2005, the rates of compensation for veterans with service-connected disabilities and the rates of dependency and indemnity compensation for the survivors of certain disabled veterans.

ADJOURNMENT

Mr. LINCOLN DIAZ-BALART of Florida. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 8 o’clock and 33 minutes a.m.), the House adjourned until today, Friday, November 18, 2005, at 9 a.m.

EXPENDITURE REPORTS CONCERNING OFFICIAL FOREIGN TRAVEL

Reports concerning the foreign currencies and U.S. dollars utilized or speaker-authorized official travel during the second, third, and fourth quarters of 2005, pursuant to Public Law 95–384 are as follows:

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, MR. ROBERT LAWRENCE, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN AUG. 22 AND SEPT. 1, 2005

<table>
<thead>
<tr>
<th>Name of Member or employee</th>
<th>Arrival</th>
<th>Departure</th>
<th>Country</th>
<th>Per diem 1</th>
<th>Transportation</th>
<th>Other purposes</th>
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</tr>
</tbody>
</table>

1 Per diem constitutes lodging and meals.
2 If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
3 Transportation cost is for entire trip.

J. DENNIS HASTERT, Chairman, Sept. 21, 2005.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, HON. ALCEE L. HASTINGS, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN OCT. 3 AND OCT. 10, 2005

<table>
<thead>
<tr>
<th>Name of Member or employee</th>
<th>Arrival</th>
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<th>Per diem 1</th>
<th>Transportation</th>
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<tr>
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</table>

1 Per diem constitutes lodging and meals.
2 If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.


REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, MR. FRED L. TURNER, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN OCT. 3 AND OCT. 10, 2005

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</table>

1 Per diem constitutes lodging and meals.
2 If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

<table>
<thead>
<tr>
<th>Name of Member or employee</th>
<th>Arrival</th>
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<th>Per diem ¹</th>
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</table>

1 Per diem constitutes lodging and meals.
2 If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
3 Military air transportation.
### REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON RULES, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1 AND SEPT. 30, 2005

<table>
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<tr>
<th>Name of Member or employee</th>
<th>Arrival</th>
<th>Departure</th>
<th>Country</th>
<th>Per diem 1</th>
<th>Transportation</th>
<th>Other purposes</th>
<th>Total</th>
</tr>
</thead>
<tbody>
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<td>Hon. Joe Schwarz</td>
<td>7/2</td>
<td>7/5</td>
<td>United Kingdom</td>
<td>361.00</td>
<td>6,147.06</td>
<td>6,508.06</td>
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<tr>
<td>Edith Thompson</td>
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<td>United Kingdom</td>
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<tr>
<td>Amy Chang</td>
<td>9/4</td>
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Committee total |
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</tbody>
</table>

1 Per diem constitutes lodging and meals.
2 If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
3 Commercial air transportation.

DAVID DREIER, Chairman, Oct. 20, 2005.

### REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON SCIENCE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1 AND SEPT. 30, 2005

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<th>Name of Member or employee</th>
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<th>Other purposes</th>
<th>Total</th>
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<tr>
<td>Hon. Joe Schwarz</td>
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Committee total |
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<td></td>
<td>1,997.72</td>
<td>17,984.49</td>
<td>19,982.21</td>
<td></td>
</tr>
</tbody>
</table>

1 Per diem constitutes lodging and meals.
2 If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
3 Commercial air transportation.

### REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON APPROPRIATIONS, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1 AND SEPT. 30, 2005

<table>
<thead>
<tr>
<th>Name of Member or employee</th>
<th>Arrival</th>
<th>Departure</th>
<th>Country</th>
<th>Per diem 1</th>
<th>Transportation</th>
<th>Other purposes</th>
<th>Total</th>
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</table>

1. Per diem constitutes lodging and meals.
2. If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
3. Military air transportation.
<table>
<thead>
<tr>
<th>Name of Member or employee</th>
<th>Arrival</th>
<th>Departure</th>
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<th>Per diem currency</th>
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1 Per diem constitutes lodging and meals.
2 If foreign currency is used, enter U.S. dollar equivalent, if U.S. currency is used, enter amount expended.
3 Received $400 excess per diem—Reimbursed U.S. Treasury $67.48.
4 Miscellaneous: embassy expenses.
5 Military Air Transportation.
6 Part Military Air Transportation.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON APPROPRIATIONS, SURVEYS AND INVESTIGATIONS STAFF, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1 AND SEPT. 30, 2005—Continued

JERRY LEWIS, Chairman, Oct. 27, 2005.
<table>
<thead>
<tr>
<th>Name of Member or employee</th>
<th>Arrival</th>
<th>Departure</th>
<th>Country</th>
<th>Per diem</th>
<th>Transportation</th>
<th>Other purposes</th>
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</tr>
<tr>
<td>Mr. Joshua Holly</td>
<td>7/3</td>
<td>7/5</td>
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</tr>
<tr>
<td>Mr. Solomon Ortiz</td>
<td>7/3</td>
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<td>Lebanon</td>
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<tr>
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<tr>
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<td>Kuwait</td>
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<td>788.00</td>
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<tr>
<td>Mr. Paul Achatz</td>
<td>8/10</td>
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<td>Kuwait</td>
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**Report of Expenditures for Official Foreign Travel, Committee on Armed Services, House of Representatives, Expended Between July 1 and Sept. 30, 2005**

Visit to Germany, Iraq, Kuwait, Afghanistan, France, July 5-10, 2005:
- Hon. Jeff Miller
- Mr. Douglas Roach
- Mr. Henry J. Schweitner
- Mr. Joshua Holly
- Mr. Paul Achatz
- Mr. John Watson

Visit to Kuwait, Iraq, July 2-5, 2005:
- Hon. Jim Sandusky
- Hon. Tom DeLay
- Mr. Solomon Ortiz
- Mr. Jay Webut
- Mr. Henry J. Schweitner

Visit to Germany, Iraq, Kuwait, Afghanistan, July 6-8, 2005:
- Hon. Jeff Miller
- Mr. Douglas Roach
- Mr. Henry J. Schweitner
- Mr. Joshua Holly

Visit to Germany, Iraq, Kuwait, Afghanistan, July 9-11, 2005:
- Hon. Jim Sandusky
- Mr. Solomon Ortiz
- Mr. Paul Achatz

Visit to Germany, Iraq, Kuwait, Afghanistan, July 12-15, 2005:
- Hon. Tom DeLay
- Mr. Joshua Holly
- Mr. John Watson

Visit to Greece, July 20-25, 2005:
- Hon. Solomon Ortiz
- Mr. Joshuah Hilty
- Mr. Paul Achatz
- Mr. John Watson

Visit to Greece, July 26-29, 2005:
- Hon. Solomon Ortiz
- Mr. Joshuah Hilty
- Mr. Paul Achatz

Visit to Greece, July 30-31, 2005:
- Hon. Solomon Ortiz
- Mr. Joshuah Hilty
- Mr. Paul Achatz

Visit to Greece, August 1-5, 2005:
- Hon. Solomon Ortiz
- Mr. Joshuah Hilty
- Mr. Paul Achatz

Visit to Greece, August 6-12, 2005:
- Hon. Solomon Ortiz
- Mr. Joshuah Hilty
- Mr. Paul Achatz

Visit to Greece, August 13-15, 2005:
- Hon. Solomon Ortiz
- Mr. Joshuah Hilty
- Mr. Paul Achatz

Visit to Greece, August 16-22, 2005:
- Hon. Solomon Ortiz
- Mr. Joshuah Hilty
- Mr. Paul Achatz

Visit to Greece, August 23-29, 2005:
- Hon. Solomon Ortiz
- Mr. Joshuah Hilty
- Mr. Paul Achatz

Visit to Greece, August 30-September 2, 2005:
- Hon. Solomon Ortiz
- Mr. Joshuah Hilty
- Mr. Paul Achatz

Visit to Greece, September 3-9, 2005:
- Hon. Solomon Ortiz
- Mr. Joshuah Hilty
- Mr. Paul Achatz

Visit to Greece, September 10-15, 2005:
- Hon. Solomon Ortiz
- Mr. Joshuah Hilty
- Mr. Paul Achatz

Visit to Greece, September 16-22, 2005:
- Hon. Solomon Ortiz
- Mr. Joshuah Hilty
- Mr. Paul Achatz

Visit to Greece, September 23-29, 2005:
- Hon. Solomon Ortiz
- Mr. Joshuah Hilty
- Mr. Paul Achatz

Visit to Greece, September 30-October 6, 2005:
- Hon. Solomon Ortiz
- Mr. Joshuah Hilty
- Mr. Paul Achatz

Visit to Greece, October 7-13, 2005:
- Hon. Solomon Ortiz
- Mr. Joshuah Hilty
- Mr. Paul Achatz

Visit to Greece, October 14-20, 2005:
- Hon. Solomon Ortiz
- Mr. Joshuah Hilty
- Mr. Paul Achatz
### REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON ARMED SERVICES, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1 AND SEPT. 30, 2005—Continued

<table>
<thead>
<tr>
<th>Name of Member or employee</th>
<th>Arrival</th>
<th>Departure</th>
<th>Country</th>
<th>Per diem U.S. dollar equivalent or U.S. currency</th>
<th>Transportation U.S. dollar equivalent or U.S. currency</th>
<th>Other purposes U.S. dollar equivalent or U.S. currency</th>
<th>Total U.S. dollar equivalent or U.S. currency</th>
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<td>8/12</td>
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<td>4,526.76</td>
<td>762.00</td>
<td>5,850.76</td>
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<tr>
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<td>8/21</td>
<td>8/24</td>
<td>Jordan</td>
<td>762.00</td>
<td>4,526.76</td>
<td>762.00</td>
<td>5,850.76</td>
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<tr>
<td><strong>Visit to China, August 31</strong></td>
<td>8/24</td>
<td>8/25</td>
<td>China</td>
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<td>143.00</td>
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<td>8/26</td>
<td>Pakistan</td>
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<td>296.00</td>
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<td>8/27</td>
<td>Pakistan</td>
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<td>296.00</td>
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<td>592.00</td>
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<td><strong>Visit to Morocco, Egypt, Lebanon, Cyprus, Israel with CODEL Davis, August 26–September 6, 2005</strong></td>
<td>8/26</td>
<td>9/29</td>
<td>Morocco</td>
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<td>874.00</td>
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<td>1,748.00</td>
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<td>1,448.00</td>
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<tr>
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<td>Kenya</td>
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<td>1,448.00</td>
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<tr>
<td><strong>Visit to Egypt, Qatar, Kuwait, Iraq with CODEL Pence, August 31–September 6, 2005</strong></td>
<td>9/1</td>
<td>9/2</td>
<td>Egypt</td>
<td>874.00</td>
<td>874.00</td>
<td></td>
<td>1,748.00</td>
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<tr>
<td><strong>Commercial airfare</strong></td>
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<td>27,960.60</td>
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</table>

1 Per diem constitutes lodging and meals.
2 If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

### REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON EDUCATION AND THE WORKFORCE, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1 AND SEPT. 30, 2005

<table>
<thead>
<tr>
<th>Name of Member or employee</th>
<th>Arrival</th>
<th>Departure</th>
<th>Country</th>
<th>Per diem U.S. dollar equivalent or U.S. currency</th>
<th>Transportation U.S. dollar equivalent or U.S. currency</th>
<th>Other purposes U.S. dollar equivalent or U.S. currency</th>
<th>Total U.S. dollar equivalent or U.S. currency</th>
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<tr>
<td><strong>Hon. Chris Coons</strong></td>
<td>7/10</td>
<td>7/13</td>
<td>Cuba</td>
<td>–</td>
<td>–</td>
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<tr>
<td><strong>Hon. Henry Cuellar</strong></td>
<td>8/16</td>
<td>8/19</td>
<td>Kuwait, Iraq</td>
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<td>1,016.00</td>
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<td><strong>Hon. Jimmy B. Inhofe</strong></td>
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<td>8/27</td>
<td>Germany</td>
<td>83.95</td>
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1 Per diem constitutes lodging and meals.
2 If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
3 Military air transportation.

### REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON ARMED SERVICES, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1 AND SEPT. 30, 2005—Continued

<table>
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<th>Name of Member or employee</th>
<th>Arrival</th>
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<th>Per diem U.S. dollar equivalent or U.S. currency</th>
<th>Transportation U.S. dollar equivalent or U.S. currency</th>
<th>Other purposes U.S. dollar equivalent or U.S. currency</th>
<th>Total U.S. dollar equivalent or U.S. currency</th>
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<tr>
<td><strong>Kenny Marchant</strong></td>
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1 If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
2 Per diem constitutes lodging and meals.
3 Military air transportation.

DUNCAN HUNTER, Chairman, Oct. 31, 2005.


JOHN BOHNER, Chairman, Oct. 28, 2005.
### REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON FOREIGN AFFAIRS, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1 AND SEPTEMBER 30, 2005

<table>
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<th>Name of Member or employee</th>
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<th>Per diem ¹</th>
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<th>Other purposes</th>
<th>Total</th>
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<td>Hon. Michael Fitzpatrick</td>
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<td>El Salvador</td>
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<tr>
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<td>9/27</td>
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<tr>
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<td>9/27</td>
<td>United Kingdom</td>
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</table>

Committee total: 7,019.95, 11,391.94, 18,411.89

### FOOTNOTES

1. Per diem constitutes lodging and meals.
2. If foreign currency is used, enter U.S. dollar equivalent, if U.S. currency is used, enter amount expended.
3. Military air transportation.

MICHAEL G. O'KEELEY, Chairman, Nov. 2, 2005.

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### REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON GOVERNMENT REFORM, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1 AND SEPTEMBER 30, 2005

<table>
<thead>
<tr>
<th>Name of Member or employee</th>
<th>Arrival</th>
<th>Departure</th>
<th>Country</th>
<th>Per diem ¹</th>
<th>Transportation</th>
<th>Other purposes</th>
<th>Total</th>
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</thead>
<tbody>
<tr>
<td>Christopher Davis</td>
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<td>Namibia</td>
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Committee total: 60,732.36, 90,786.25, 151,518.61

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### FOOTNOTES

1. Per diem constitutes lodging and meals.
2. If foreign currency is used, enter U.S. dollar equivalent, if U.S. currency is used, enter amount expended.

TOM DAVIS, Chairman, Oct. 28, 2005.
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### Report of Expenditures for Official Foreign Travel, Committee on International Relations, House of Representatives, Expended Between July 1 and Sept. 30, 2005—Continued

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1 Per diem constitutes lodging and meals.
2 If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
3 Military air transportation.
4 Roundtrip airfare.
5 Indicates delegation costs.

Reported by the Committees, Oct. 31, 2005.

HENRY HYDE, Chairman, Oct. 27, 2005.

### Report of Expenditures for Official Foreign Travel, Committee on Resources, House of Representatives, Expended Between July 1 and Sept. 30, 2005

<table>
<thead>
<tr>
<th>Name of Member or employee</th>
<th>Date</th>
<th>Country</th>
<th>Per diem</th>
<th>Transportation</th>
<th>Other purposes</th>
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<td>Foreign currency</td>
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</table>

1 Per diem constitutes lodging and meals.
2 If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

HOUSE COMMITTEES

Please Note: If there were no expenditures during the calendar quarter noted above, please check the box at right to so indicate and return. (5)

### REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1 AND SEPT. 30, 2005

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### REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, PERMANENT SELECT COMMITTEE ON INTELLIGENCE, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1 AND SEPT. 30, 2005

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### REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON SMALL BUSINESS, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1 AND JUNE 30, 2005

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<th>Foreign currency</th>
<th>U.S. dollar equivalent or U.S. currency</th>
<th>Other purposes</th>
<th>Foreign currency</th>
<th>U.S. dollar equivalent or U.S. currency</th>
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1 Per diem constitutes lodging and meals.
2 If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
3 Military air transportation.
REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

**By Mr. SENSENBRENNER:**
H.R. 4356. A bill to amend title 18, United States Code, with respect to fraud in connection with mortgage emergency funds; to the Committee on the Judiciary.

**By Mr. GUTKNECHT (for himself, Mr. SALAZAR, Mr. OBERSTAR, Mr. HORKST, and Mrs. MOORE):**
H.R. 4357. A bill to provide grants to enable States to include iris scan information from certain convicted criminals in State criminal record systems, to provide for the use of the information by the National Instant Criminal Background Check System, and to require Federal firearms dealers to obtain iris scan information from prospective firearms purchasers; to the Committee on the Judiciary.

**By Mr. BARRETT of South Carolina (for himself and Mr. BROWN of South Carolina):**
H.R. 4364. A bill to protect the right of elected and appointed officials to express their religious beliefs through public prayer; to the Committee on the Judiciary.

**By Mrs. BONO (for herself, Ms. HOOLEY, Mrs. CAPPS, Mr. GREVIE, Mr. RINSBERG, and Ms. KAPTUR):**
H.R. 4368. A bill to amend the Agricultural Marketing Act of 1946 to implement mandatory country of origin labeling requirements for meat and seafood; to the Committee on Agriculture.

**By Ms. GINNY BROWN-WAITE of Florida (for herself and Mr. SHAW):**
H.R. 4366. A bill to establish a program to provide reinsurance for State natural catastrophe insurance programs to help the United States better prepare for and protect its citizens against natural catastrophes, to encourage and promote mitigation and preparedness for, and recovery and rebuilding from such catastrophes, and to better assist in the financial recovery from such catastrophes; to the Committee on Financial Services.

**By Mrs. CAPPS (for herself, Mr. LAUTENBURG, Mr. WMAX, and Mrs. LOWEY):**
H.R. 4367. A bill to improve the health care system’s response to domestic violence, dating violence, sexual assault, and stalking through the training of health care providers, developing comprehensive public health responses to violence; to the Committee on Energy and Commerce.

**By Mr. FORTUNO:**
H.R. 4368. A bill to designate the facility of the United States Postal Service located at 60 Calle McKinley, West in Mayaguez, Puerto Rico, as the United States Postal Service located at the Post Office Building; to the Committee on Government Reform.

**By Mr. HYDE:**
H.R. 4369. A bill to withhold amounts available for contributions to the regular assessed budget of the United Nations unless certain requirements relating to the transfer and use of funds are met, and to transfer a portion of the annual funding of the Independent Inquiry Committee into the Oil-for-Food Program; to the Committee on International Relations.

**By Mr. INSLEE:**
H.R. 4370. A bill to provide incentives to the auto industry to accelerate efforts to develop more energy-efficient vehicles to lessen dependence on oil; to the Committee on Ways and Means, and to the Committee on Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

**By Mr. LEWIS of Kentucky (for himself and Mr. SHAW):**
H.R. 4371. A bill to amend title XVIII of the Social Security Act to increase the per resident payment floor for direct graduate medical education payments under the Medicare Program; to the Committee on Ways and Means, and in addition to the Committee on Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

**PUBLIC BILLS AND RESOLUTIONS**

Under clause 2 of rule XII, public bills and resolutions were introduced and severally referred, as follows:

**By Mr. GINGREY:**
H.R. 4297. A bill to provide for reconciliation pursuant to section 201(b) of the concurrent resolution on the budget for fiscal year 2006; with an amendment (Rept. 109-309). Referred to the House Calendar.

**By Mr. SCHAEFFER (for himself, Mr. MALONEY, Mrs. MCDONALD, and Mr. GONZALEZ):**
H.R. 4300. A bill to provide for certain health care programs to help the United States better prepare for and protect its citizens against natural catastrophes, to encourage and promote mitigation and preparedness for, and recovery and rebuilding from such catastrophes, and to better assist in the financial recovery from such catastrophes; to the Committee on Financial Services.

**By Mr. PEREZ:**

**By Mrs. MILLER (for herself, Mr. JOHNSON of Texas, Mr. JONES of Kentucky, Mr. MARCHANT, Mr. JOHNSON of Florida, Mr. TAYLOR of Mississippi):**
H.R. 4363. A bill to require the Comptroller General of the United States to report to the Committee on the Judiciary on the status of the investigation of the September 11, 2001, terrorist attack.

**By Mr. HYDE:**
H.R. 4369. A bill to withhold amounts available for contributions to the regular assessed budget of the United Nations unless certain requirements relating to the transfer and use of funds are met, and to transfer a portion of the annual funding of the Independent Inquiry Committee into the Oil-for-Food Program; to the Committee on International Relations.

**By Mr. SCHAEFFER:**
H.R. 4371. A bill to amend title XVIII of the Social Security Act to increase the per resident payment floor for direct graduate medical education payments under the Medicare Program; to the Committee on Ways and Means, and in addition to the Committee on Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

**By Mr. LEWIS of Kentucky:**
H.R. 4374. A bill to provide for certain tax expenditures for the fiscal year 2006; with an amendment (Rept. 109-308). Referred to the House Calendar.

**By Mr. HYDE:**
H.R. 4375. A bill to increase the amount by which the United States may draw upon the resources of the International Monetary Fund; to the Committee on Ways and Means.

**By Mr. STEWART:**
H.R. 4381. A bill to provide for certain tax expenditures for the fiscal year 2006; with an amendment (Rept. 109-307). Referred to the House Calendar.

**By Mr. SCHAEFFER:**
H.R. 4383. A bill to provide for certain tax expenditures for the fiscal year 2006; with an amendment (Rept. 109-308). Referred to the House Calendar.
By Mr. LYNCH:
H.R. 4372. A bill to provide for a rail worker emergency training program; to the Committee on Homeland Security; and in addition to the Committee on Transportation and Infrastructure, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. MARKEY (for himself and Mr. SHAYES):
H.R. 4373. A bill to ensure the safety of passengers aboard aircraft that also carries cargo; to the Committee on Homeland Security.

By Mr. MARKEY (for himself and Mr. SHAYES):
H.R. 4374. A bill to provide for verification of security measures under the Customs-Trade Partnership Against Terrorism (C-TPAT) program and the Free and Secure Trade (FAST) program; to the Committee on Homeland Security.

By Mr. McNULTY:
H.R. 4375. A bill to provide certain requirements for transportation of aircraft; to the Committee on Transportation and Infrastructure.

By Mr. NEAL of Massachusetts:
H.R. 4376. To authorize the National Park Service to enter into a cooperative agreement with the Commonwealth of Massachusetts for the operation of Springfield Technical Community College, and for other purposes; to the Committee on Resources.

By Mr. OTTER (for himself and Mr. SHAYES):
H.R. 4377. A bill to extend the time required for construction of a hydroelectric project, and for other purposes; to the Committee on Resources.

By Mr. PASCRELL (for himself, Mr. OWENS, Ms. WATERS, and Ms. KILPATRICK of Michigan):
H.R. 4378. A bill to extend the Immigration and Nationality Act to provide greater protections to domestic and foreign workers under the H-1B nonimmigrant worker program; to the Committee on the Judiciary.

By Mr. PAUL:
H.R. 4379. A bill to limit the jurisdiction of the Federal courts, and for other purposes; to the Committee on the Judiciary.

By Mr. POE:
H.R. 4380. A bill to permit the teleering of Supreme Court proceedings; to the Committee on the Judiciary.

By Mr. POE (for himself, Ms. GINNY BROWN-WARNE of Florida, and Mr. POLFISY):
H.R. 4381. A bill to amend title 5, United States Code, to permit access to databases maintained by the Federal Emergency Management Agency for purposes of complying with sex offender registry and notification laws, and for other purposes; to the Committee on Government Reform, and in addition to the Committee on Transportation and Infrastructure, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. PORTER (for himself, Mr. GIBBONS, and Ms. BERKLEY):
H.R. 4382. A bill to provide for the conveyance of certain land in Clark County, Nevada, for use by the Nevada National Guard; to the Committee on Resources.

By Mr. SALAZAR:
H.R. 4383. A bill to establish the Sangre de Cristo Area in the State of Colorado, and for other purposes; to the Committee on Resources.

By Mr. SHAYS (for himself and Mr. PAYNE):
H.R. 4384. A bill to improve the energy efficiency of the United States; to the Committee on Energy and Commerce, and in addition to the Committees on Ways and Means, Resources, and Transportation and Infrastructure, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. STRICKLAND (for himself, Mr. RYAN of Ohio, and Mr. BROWN of Ohio):
H.R. 4385. A bill to amend the Internal Revenue Code of 1986 to provide that employees of certain companies seeking bankruptcy protection are eligible for the health coverage tax credit, and for other purposes; to the Committee on Ways and Means; to the Committee on Energy and Commerce.

By Mr. STUPAK (for himself, Mr. MCCOTTER, Ms. KILPATRICK of Michigan, Mr. LIVIN, Mr. DENGELL, Mr. ROGUE of Alabama, Mr. CAMP, Mrs. MILLER of Michigan, Mr. HOEKSTRA, Mr. KNOLLENBERG, and Mr. EHLERS):
H.R. 4386. A bill to name the Department of Veterans Affairs medical facility in Iron Mountain, Michigan, as the "Oscar G. Johnson Department of Veterans Affairs Medical Facility"; to the Committee on Veterans' Affairs.

By Mr. MURTHA:
H.R. 4387. A bill to resolve to redploy U.S. forces from Iraq; to the Committee on International Relations, and in addition to the Committee on Armed Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. DEFAZIO (for himself, Mr. ROHRABACHER, Mr. SANDERS, Mr. BURTON of Indiana, Mr. RYAN of Ohio, Mr. LIPINSKI, Ms. WOOLEY, Mr. TAYLOR of Ohio, Mr. ROGOFF, Mr. McGOVERN, Mr. BAIRD, Mr. STUPAK, Mr. BROWN of Ohio, Mr. PAYNE, and Mr. KUCINICH):
H.R. 4388. A Concurrent resolution urging the United States Trade Representative to take action to ensure that the People's Republic of China complies with its obligations to protect intellectual property rights, and for other purposes; to the Committee on Ways and Means.

By Mr. FITZPATRICK of Pennsylvania (for himself, Mr. UDALL of Colorado, Mr. BLUMENAUER, Mr. GEHLACH, and Ms. SCHWARTZ of Pennsylvania):
H. Con. Res. 304. Concurrent resolution expressing support for charitable gifts of conservation easements; to the Committee on Ways and Means.

By Mr. GREEN of Wisconsin (for himself and Mr. RYAN of Wisconsin):
H. Con. Res. 305. Concurrent resolution recognizing the vital importance of hunting as a legitimate tool of wildlife resource management; to the Committee on Resources.

By Mr. PRICE of North Carolina (for himself, Mr. BILIRAKIS, and Mrs. MALONEY):
H. Con. Res. 306. Concurrent resolution encouraging The Former Yugoslav Republic of Macedonia (FYROM) and Greece to continue negotiations to determine a mutually acceptable official name for the FYROM, and for other purposes; to the Committee on International Relations.

By Mr. BURTON of Indiana (for himself, Ms. JACKSON-LEE of Texas, Ms. LINDA T. SANCHEZ of California, Mr. PUR, Mr. McCaul of Texas, and Mr. PETRI of Pennsylvania):
H. Res. 561. A resolution commending the outstanding efforts by members of the United States Armed Forces and civilian employees of the United States and the United States Agency for International Development in response to the earthquake in South Asia that occurred on October 8, 2005; to the Committee on International Relations, and in addition to the Committee on Armed Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. BRADLEY of New Hampshire:
H. Res. 562. A resolution reaffirming the position of the Government of the United States that the sanitary and phytosanitary guidelines for vitamins and mineral food supplements adopted by the Codex Alimentarius Commission at its Twenty-eighth Session from July 4-9, 2005, are not binding on the United States; to the Committee on Energy and Commerce.

By Mr. CARDOZA (for himself, Mr. SOUDER, Mr. LARSEN of Washington, Mr. WAMP, Mr. BERRY, Mr. ABSCROMIE, Mr. THOMPSON of California, Mr. SALAZAR, Mr. HASTINGS of Florida, and Mr. GIBBONS):
H. Res. 563. A resolution expressing the sense of the House of Representatives that the President should seek to convene an international conference in 2006 to develop more effective means to deal with the serious and growing threat of methamphetamine and synthetic drug precursor chemicals; to the Committee on International Relations.

By Mr. MCNULTY:
H. Res. 564. A resolution expressing the condolences of the Nation to the victims of the 2005 hurricane season, commending the resilience of the people of the States of Alabama, Florida, Louisiana, Mississippi, North Carolina, and Texas and committing to stand by them in the relief and recovery effort; to the Committee on Transportation and Infrastructure, and in addition to the Committee on Science, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Ms. HERSHET:
H. Res. 565. A resolution providing for consideration of the bill (H.R. 3936) to protect consumers from price-gouging of gasoline and other fuels during energy emergencies, and for other purposes; to the Committee on Rules.

By Mr. RYAN of Ohio (for himself and Mr. WAXMAN):
H. Res. 566. A resolution honoring and praising the work of the United States-China Economic and Security Review Commission and restating Congress' commitment to the Committee; to the Committee on Ways and Means.

By Mr. WAXMAN:
H. Res. 567. A resolution providing for consideration of the bill (H.R. 3925) to provide for verification of security measures by private companies; to the Committee on Resources.

ADDITIONAL SPONSORS

Under clause 7 of rule XII, sponsors were added to public bills and resolutions as follows:

H.R. 13: Mr. CONAWAY.
H.R. 65: Mr. KLINE and Mr. MOHAN of Kansas.
H.R. 68: Mr. PAYNE.
H.R. 133: Mr. BROWN-WARNE.
H.R. 389: Mr. HOLT.
H.R. 459: Mr. EVANS.
H.R. 501: Mr. CLAY.
H.R. 675: Mr. ANDREWS.
H.R. 676: Mr. LYNCH and Mr. BECCHERA.
H.R. 752: Mr. DOYLE and Mr. WEINER.
Mr. ROTHMAN.

EVANS, Mr. CUELLAR, Mr. DENT, and Mr. PASTOR, and Mr. BERMAN.

CLYBURN, Mr. JEFFERSON, Mr. SCOTT of Georgia.

Mr. TERRY, Mr. SULLIVAN, Mr. HERGER, Mr. WOLF, Mr. PALLONE, Ms. MCCOLLUM of Minnesota.

Ms. MCCARTHY, Mr. PAYNE, Mr. REYES, Ms. HARMAN.

Mr. AL GREEN of Texas.

Mr. CHABOT, Mr. D OOLITTLE, Mr. H AYES, and Mr. BISHOP of Georgia and Mr. PLATTS.

Mr. BISHOP of Georgia and Mr. DATUM.

Mr. BISHOP of Nevada and Mr. RUPPERSBERGER.

Mr. BISHOP of Oregon, and Mr. CUTRONE.

Mr. RUPPERSBERGER.

Mr. BISHOP of California, Mr. G EORGE MILLER of California, Mr. C ELAY, Mr. C LEAVER, Ms. R OSS, and Mr. R OSS.

Mr. BISHOP of California, Mr. G EORGE MILLER of California, Mr. BISHOP of Ohio, Mr. STARK, Mr. L ANCASTER, Mr. VARGAS, Mr. BETO, Mr. BAKI, Mr. C AVERY, Mr. BISHOP of Illinois, Mr. M ISCHUK, Mr. FATTORI, and Mr. CASE.

Mr. BISHOP of Texas, Mr. AL GREEN of Texas, Mr. N EUGEBAUER, Mr. L HINES, Mr. W ADE, Mr. MOORE of Kansas, Mr. OWENS, Mr. PAYNE, Mr. TERRY, Mr. BACON, Ms. HART, Mr. KILDEE, and Mr. REYES.

Mr. WOLF.

Mr. WOLF.

Mr. BISHOP of South Carolina, Mr. ANDREWS, Mr. BAIRD, Ms. MATSUI, Mr. MCINTYRE, Mr. DEFAZIO, Mr. SABO, Mr. GENE GREEN of Texas, Mr. KANJORSKI, Mr. LANDGREN, and Mr. TIBERI.

Mr. ROTH.

Mr. ROTH.

Mr. ROTH.
IRAQ PRE-WAR INTELLIGENCE

Mr. KENNEDY. Mr. President, yesterday Vice President CHENEY said elected officials had access to the intelligence and were free to draw their own conclusions. They arrived at the same judgment about Iraq’s capabilities and intentions made by this administration and by the previous administration. What world is the Vice President living in? No one seriously believes what the Vice President is saying. Once again, he is deliberately deceiving the American people. It is a calculated, partisan political ploy.

President Bush and the Vice President have begun a new campaign of distortion and manipulation because the polls show that Americans have lost trust in the President and believe he manipulated intelligence before the war. The President and Vice President have abandoned any pretense of leading this country and have gone back on to the campaign trail.

But the country won’t have it this time. Not only can the President and Vice President not find weapons of mass destruction, they cannot find the truth either. The administration broke the essential bond of trust that has to exist between the White House and the American people. They have to be able to trust that we will be told the truth, especially on the important issues of war and peace.

The Congress did not have access to the intelligence the President and the Vice President had. It is plain wrong. The administration’s drumbeat for war began in the summer of 2002, but it did not provide an intelligence estimate—the collective wisdom of the intelligence community—to back up its claims about al-Qaida and nuclear weapons and the immediate threats until Democrats on the Intelligence Committee demanded it.

Even then, the administration did not provide the intelligence estimate until October 1, 2002—2 days before the debate began on the resolution authorizing war. The vote on the resolution occurred 1 week later, on October 11.

Beyond the NIE, the suggestion that the Members of Congress have access to the same classified material as the President is preposterous. The President receives a Presidential daily brief and a briefing every morning with top intelligence officials. The White House has access to memos with intelligence information that the Congress never sees. Even when we ask for this information, they give it.

It is abundantly clear that the administration is engaged in nothing more than a devious attempt to obscure the facts and take the focus off the real reason we went to war in Iraq. No matter what the Vice President says, 150,000 American troops are bogged down in a quagmire in Iraq because the Bush administration misrepresented and distorted the intelligence to justify a war America never should have fought. They misled us on al-Qaida. They misled us on aluminum tubes, materials from Africa, and nuclear weapons.

What was said before by the administration does matter. The President’s words matter, and so do the Vice President’s, and so do the Secretary of State’s, and so do the Secretary of Defense’s, and the other high officials in the administration, and they did not square with the facts.

The Intelligence Committee agreed to investigate the clear discrepancies, and it is important they get to the bottom of this and find out how and why this President took America to war in Iraq. Americans are dying. Already more than 2,000 have been killed, and more than 15,000 have been wounded.

The American people deserve the truth. It is time for the President to stop passing the buck and for him to be held accountable. It is time for a change in this country. Something has to give. A tarnished White House and damaged Presidency is pulling America backwards.

Mr. President, I yield the floor.

Mr. GRASSLEY. Mr. President, I spend most of my time with the work of the Judiciary Committee and the work of the Finance Committee. I do not get into intelligence and Armed Services issues very often. But I listened to Senator KENNEDY’s criticism of President Bush and Vice President CHENEY that they deceived the American people.

I saw some things on television last night of which Senator KENNEDY ought to be reminded. If he watched television last night, he might have a little different view.

I heard him say that President Bush maybe had more information than Congress had, and so it was wrong for the President today to say that Congress is rewriting history in any way because he maybe had more information than we had. I believe that is what Senator KENNEDY said.

I do not know for sure if the President has more information than we have because when I go upstairs to S-407, to our secure briefing room, I am assuming I am getting the same information the President is getting. Perhaps not as often, but getting the same information. So I think it is ludicrous to say that Members of the Senate cannot be up to speed on what the threats are to our Nation. But, for sure, if he had watched television last night, he would have heard a speech by President Clinton in 1998. The speech was on the threat of Saddam Hussein to our country at that time. Surely, Senator KENNEDY cannot deny that President Clinton had exactly the same information President Bush would have had from our intelligence community. I very clearly heard President Clinton, when he was President, speak of the terrible threat that Saddam Hussein was to the world and to America, and that he was going down a road to do something about it.

Now, obviously, that did not happen. But we did pass a resolution called the
Iraqi Liberation Act, where Congress, in a unanimous vote took a position at that period of time that we considered Saddam Hussein a threat and that he ought to be removed from office, from the leadership of his country.

If then, while he was in office, using that intelligence, said Saddam Hussein as a threat, the same way President Bush did, I do not see how any Democrat can be on the floor of the Senate and say the President of the United States is deceiving the American people.

Also, last night I happened to hear a 2- or 3-minute speech by Senator Clinton, made in 2002, how horrible Saddam Hussein was and how he was somebody to fear and a threat and the inclination of doing something about it.

It is intellectually dishonest for any Democrat to come to the floor and accuse our President of misleading the American people. They ought to be ashamed of themselves. Have they no shame?

I have something I want to refer to because we have had people outside the Congress, outside the administration, look at some of these very issues. We had berman is a Republican, served on the DC Circuit. They gave a report about President daily briefings versus what is in the National Intelligence Estimate. There is no significant difference between the two reports, the President daily briefing and the National Intelligence Estimate. Quoting from the report:

It was not that the intelligence was markedly different. Rather, it was that the PDNs and the SEIBs, with their attention-grabbing headlines and drumbeat of repetition, left an impression of more corroborating reports where in fact there were very few sources. And in other instances, intelligence suggesting the existence of weapons programs was corroborated to senior policymakers, but later information casting doubt upon the validity of that intelligence was not.

That is shortcomings of our intelligence community, the same shortcomings that President Clinton probably experienced during his time in office, when he was making estimates of the threat of Saddam Hussein, the same way that President Bush was making those estimates.

The Robb-Silberman commission found that daily briefings to contain similar intelligence in “more alarmist” and “less nuanced” language. Continuing to quote:

As problematic as the October 2002 [National Intelligence Estimate] was, it was not the Community’s biggest analytic failure on Iraq. Even more misleading was the river of intelligence that flowed from the CIA to top policymakers over long periods of time—in the President’s Daily Brief and in its more widely distributed companion, the Senior Executive Intelligence Brief. These daily reports were, if anything, more alarmist and less nuanced than the [National Intelligence Estimate].

That is what one former Democratic Senator and a Republican judge, ap-pointed to a commission to look into this, have reported. When you take all of these things into consideration, plus the quotes of Senator Clinton that I referred to in the year 2002 that I saw on television last night, or the statements of President Clinton in 1998 when he was President that I saw on television last night, it seems to me it is absolutely wrong and misleading to come up here and say the President of the United States and the Vice President were deceiving the American people, particularly senators can have briefings if they want them.

FREEDOM IN ASIA AND BURMA

Mr. McCONNELL. Mr. President, I want to take a moment to commend President Bush for his superb remarks regarding freedom and democracy in Asia. It is fitting that these comments were made in Japan, a key strategic ally of the United States.

I will not repeat the entire speech—which I encourage all my colleagues to read—but will highlight two paragraphs. The President said:

Unlike China, some Asian nations still have not taken even the first steps toward freedom. These nations understand that economic liberty and political liberty go hand in hand, and they refuse to open up at all. The ruling parties in these countries have managed to hold onto power. The price of their refusal to open up is isolation, backwardness, and brutality. By closing the door to freedom, they create misery at home and sow instability in nations that represent Asia’s past, not its future.

We see that lack of freedom in Burma—a nation that should be one of the most prosperous and successful in Asia but is instead one of the region’s poorest. Fifteen years ago, the Burmese people cast their ballots—and they chose democracy. The government responded by jailing the leader of the pro-democracy majority. The result is that a country rich in human talent and natural resources is a place where millions struggle to obtain the most basic necessities. The Burmese military is widespread, and include rape, torture, and execution, and forced relocation. Foreign traffickers in persons, and use of child soldiers, and religious discrimination are all too common. The people of Burma live in the darkness of tyranny—but the light of freedom shines in their hearts. They want their liberty—and one day, they will have it.

These words should ring loudly and clearly throughout the region. I commend President Bush for these comments and for the solid leadership he has provided in freedom from Burma. Moreover, I applaud the efforts made by President Bush and Secretary Rice to put Burma on the U.N. Secu-rity Council’s agenda.

SUPPORT FOR Jailed JOURNALISTS’ DAY

Mr. LUGAR. Mr. President, today is “action day” to support jailed journalists around the world, as declared by the independent organization, Report-ers Without Borders. I rise today to express my support for this cause and to emphasize that our country has long believed that a free press is a cornerstone of democracy, both here and abroad. Last year, at my urging, Congress created a free press institute at the National Endowment for Democracy to promote, as part of our democracy-building efforts, another independent and sustainable news media organizations overseas. This year, I introduced the Free Flow of Information Act to allow journalists in this country to receive confidential sources, while another, Matt Cooper of Time magazine, was also threatened with jail for the same reason. I believe that in order for the United States to foster the spread of freedom and democracy globally, we must support an open and free press at home.

According to Reporters Without Borders, 112 journalists are currently jailed in 23 countries, including places like China, Cuba, Eritrea, and Burma. This is not good for the United States to keep. I urge the ad-ministration and our diplomats overseas to do everything they can to gain the release of these jailed journalists, who were doing nothing more than trying to keep their fellow citizens informed. I ask unanimous consent that the following information from Report-ers Without Borders be printed in the RECORD.

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

16th Jailed Journalists’ Support Day.

THURSDAY, NOVEMBER 17, 2005

Reporters Without Borders calls on the media to demonstrate their solidarity with journalists being unjustly held. News organizations are more than ever essential to the dialogue between citizens. The world’s press is threatened with future repression. But the media should be able to carry out their work to tell the world the truth, according to their consciences. To show respect for individual freedoms, refused to give in to censorship or to an enforced line of thought. In short, they simply tried to do their jobs.

In an appeal for solidarity with imprisoned journalists, Reporters Without Borders is organizing the 15th consecutive annual day of action. We are urging the worldwide news media throughout the world to acknowledge the fate of those who have to struggle every day for the right to report news. To break the silence concerning their plight and to bring it to the public attention were key goals. Reporters Without Borders calls on the news media to highlight the case of an imprisoned journalist on this year’s “action day”. Thursday, November 17. The jails of three countries hold more than half of the world’s imprisoned journalists. The three countries that constitute the world’s biggest prisons traps for the press are China (with 21 journalists behind bars), Cuba (23), and Eritrea (13).

Mobilization is needed to ease the harsh re-alities of prison conditions. Contact with their families and even proper nourish-ment, most of these journalists live within...
poor or non-existent sanitary conditions. They are frequently isolated from fellow prisoners and left to cope in terrible isolation.

The purpose of this Day is above all to free these journalists from yet another prison, that of silence and oblivion. Unless their cases are regularly brought before international courts, governments will retain impunity. They will have no reason to worry about the fate of prisoners in their jails. Publicity thus becomes a sort of “life insurance” concerning directly to the protection of the prisoners.

It also allows a furtherance of the struggle begun by the imprisoned journalists. Articles that bring them under the facts and circumstances of their arrest, as well as the issues the journalists were working on before they were imprisoned. In speaking about their case, the sponsor circumvents the censorship they suffered and exposes the unfairness of their imprisonment.

A media’s decision to cover the plight of a journalist demonstrates its commitment to defend the right to freely inform and to be informed. Publishers also show their solidarity with colleagues with whom they share their passion for a job that is so crucial to ensuring democracy. Since this campaign began in 1999, more than 3,000 journalists have been sponsored by media all around the world. Some media outlets decided to cover their plight without endorsing demonstrations and refer to their initiative as “medical days”.

Almost half of them have been released and in part as a result of the support from their sponsors. Several journalists sponsored by international media have been released, including Khashayar Amini (the Maldives) amnestied on 9 May 2005 or Raul Rivero (Cuba) released on 30 November 2004.

On the day of their release, many journalists stressed the value of not feeling “utterly forgotten”. It gave them the courage to continue to bear their imprisonment.

The struggle the news media undertake alongside Reporters Without Borders to defend the existence of a free press is not hopeless. Even when those steps appear to have been in vain, we know that international solidarity for a prisoner brings essential psychological support and often protects his or her life. This achievement alone represents a victory for the survival of the journalists and repression carried out by so many governments.

Please find below:

— a few examples of cases of jailed journalists

<table>
<thead>
<tr>
<th>press freedom barometer—Key statistics</th>
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<tbody>
<tr>
<td>the list of 112 journalists imprisoned worldwide (as of November 2, 2005)</td>
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<tr>
<td>the list of the current sponsors</td>
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<tr>
<td>Yu Dongyue—CHINA</td>
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<tr>
<td>A journalist and art critic with the Liuyang News, he was arrested on 23 May 1989. He was sentenced to 15 years in Tienmen Square in Beijing. He was convicted of &quot;sabotage&quot; and &quot;counter-revolutionary propaganda&quot; and served 11 months in jail. He had been held in Tanimas colleague of dissidents. The 112 journalists imprisoned worldwide since since 18 September 1994. After being moved several times, he is now in the main prison in Kigali.</td>
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<tr>
<td>or imprisoned, waging public-awareness campaigns and taking care offering help to journalists who are forced to flee their country. Reporters Without Borders takes action every day to combat censorship.</td>
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<td>PRESS FREEDOM BAROMETER</td>
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<td>Worldwide, more than 684 journalists have been killed since 1992.</td>
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<td>More than 1,450 journalists were arrested, beaten, threatened, kidnapped or otherwise harassed and more than 320 media were censored in 2004.</td>
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<tr>
<td>53 journalists have been killed since the start of 2005.</td>
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<td>5 media assistants have lost their lives since the start of 2005.</td>
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<td>73 journalists have been killed in Iraq in 2003, making it the deadliest war for the press since World War II.</td>
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<tr>
<td>Worldwide, 112 journalists and 3 media assistants are currently in prison for doing their job.</td>
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<tr>
<td>71 cyber-dissidents are currently in prison, 62 of them in China. 112 journalists are currently in prison just for trying to report the news.</td>
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<tr>
<td>The jails of three countries alone are holding more than half of the world’s imprisoned journalists.</td>
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<tr>
<td>The three countries that constitute the world’s biggest prisons traps for the press are China (with 31 journalists behind bars), Cuba (23), and Eritrea (13).</td>
</tr>
<tr>
<td>Their crimes? Revealing embarrassing facts, demanding more respect for civil liberties and refusing to censor or adopt a particular set of views. Physical and psychological harassment, intimidation and permanent surveillance are also used routinely.</td>
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<tr>
<td>The 112 journalists imprisoned worldwide (as of November 2, 2005)</td>
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Dominique Makel—RWANDA

Dominique Makeli, a Radio Rwanda commentator, has been in prison in Rwanda since September 1994. After being moved several times, he is now in the main prison in Kigali.

The public prosecutor told Reporters Without Borders in October 2004 that he was accused of “incitement to genocide in his reporting.” He had reported on an apparition of the Virgin Mary in Kibeho (west of Burundi) in May 1994 and was imprisoned for the policy of exterminating Tutsis. This was disputed by Makeli and many witnesses. His case-file was sent in August 2004 to a gacaca (a village court system revived by the authorities).

Complete biographies of these journalists and others are available upon request. Please contact Lucie Morillon, Reporters Without Borders Washington Director, (202) 256-5613 or lucie.morillon@rsf.org

Congressional Record — Senate

S13149
Afghanistan (1): Ali Mohaqiq Nasab: sentenced to two years in prison.

Algeria (1): Mohammed Benchicou: sentenced to two years in prison.


China (31): Asia continues to be the world’s most repressive continent for journalists. In East Asia, China is ranked 159th in the Reporters Without Borders Worldwide Press Freedom Index (October 29, 2005), marking. That puts it among one of the world’s 10 worst countries. Some media have been privatized, but the government’s propaganda department is watchful scrutinizing the media and the banned media has been banned from covering dozens of sensitive subjects in the course of the year the last year. Crackdown by the authorities and violence against journalists by armed groups prevent are keeping the media from expressing themselves.


Shi Tao: sentenced to 15 years in prison.

Zha Tao: sentenced to two years in prison.

Li Mingyong: sentenced to six years.

Yu Haofeng: sentenced to six years.

Zhang Wei Ming: sentenced to six years.

Zuo Shangwen: sentenced to five years.

Omar Moise Ruiz Hernandez: sentenced to one year in prison, he was not freed after completing serving his sentence.

Alfredo Felipe Fuentes: sentenced to 26 years.

Mijail Barzaga Lugo: sentenced to 15 years.

Mario Enrique Mayo Hernández: sentenced to 20 years.

Pablo Pacheco Ávila: sentenced to 20 years.

Fabio Prieto Llorente: sentenced to 20 years.

Adolfo Fernández Sainz: sentenced to 15 years.

Héctor Maseda Gutiérrez: sentenced to 20 years.

Julio César Gálvez Rodríguez: sentenced to 15 years.

Alfredo Manuel Pulido López: sentenced to 14 years.

José Ubaldo Izquierdo Hernández: sentenced to 15 years.

Víctor Henrando Arroyo Carmona: sentenced to 26 years.

Miguel Galván Gutiérrez: sentenced to 26 years.

Omar Rodríguez Saludes: sentenced to 27 years.

José Luis García Panque: sentenced to 24 years.

Ricardo González Alfonso: Reporters Without Borders correspondent, sentenced to 20 years.

Ivan Hernández Carrillo: sentenced to 25 years.

Egy I (1): Abd al-Mumin Gamal al Din Abd al Munim has been subject to serving out an indefinite imprisonment since October 30, 1993.

Erydie (13): 186th in the Worldwide Press Freedom Index, - a "black hole" country for news. Not one of the 13 journalists currently detained in custody has ever been given a trial. So therefore, none has received an official sentence.

Hamid Mohamed Said, Saleh Al Jaeezaer and Saidia Ahmed have been in prison since February 2002.

Seyoum Tsehay, jailed since September 21, 2001.


Medhanie Haile, Emanuel Asrat, Dawit Isaac and Felekech Yohannes, since September 18, 2001.

Dawit Haftomichal, since September 2001.

Ethiopia (2): Neither of the two imprisoned journalists has and so neither of them has been officially sentenced.

Sihirraw Inserimu and Dhabaassa Wakijira: imprisoned prisoners since 22 April 2000.

Iraq (5): Five journalists are being held incommunicado by the US Army without any information being provided to them.

Hamed Majed: detained since September 15, 2005.

All Omar Abraham Al-Mashadani: detained since August 8, 2005.

Sameer Mohannad Noor: imprisoned behind bars since June 4, 2005.

Ammar Daham Nafeh Khalaf: detained since April 11, 2005.

Abdel Amir Younes Hussein: in prison since April 5, 2005.

Iran (6): Mohammad Sedigh Kabovand: sentenced to 18 months.

Mada Amadi: awaiting trial, in prison since March 30, 2005.

Abolition of Torture and Executions (ACAT), a "human rights organization" and "supporting these men and women whose only crime is was wanting to report the news.

ằng Mohamed Saed: released from prison. Thanks to international pressure, he was given an additional six months in a press case. The sentences were commuted to 1 year on appeal (on September 29, 2004) to one year. The judicial authorities are investigating some 10 other accusations that have been brought against him.

Ahdarrhame El Badrawi: sentenced to 4 years since April 11, 2005.

Nepal (2): Nagendra Upadhyaya and Tejmarayan Sapkota: detained under an anti-terrorism law, and awaiting trial.

Uzbekistan (4): Nodir Zokirov, sentenced on August 26, 2005 to 6 months in prison.

Sairibjon Yakubov: sentenced to 20 years in prison.

José Ubaldo Izquierdo Hernández: sentenced to 25 years.

Jose Schamir: sentenced to 15 years.

Mijail Barzaga Lugo: sentenced to 26 years.

Abdullah Saeed: awaiting trial.

Morocco (2): Anas Tadili: sentenced to 10 months in prison on a non-political charge due back 10 years. He was given an additional 6 months in a press case. The sentences were commuted to 1 year on appeal (on September 29, 2004) to one year. The judicial authorities are investigating some 10 other accusations that have been brought against him.

Adhrarhame El Badrawi: sentenced to 4 years.

Paul Kamara: serving prison sentences totalling 4 years (two year sentences).

Hamadi Jefali: sentenced on January 31, 1991 to 1 year in prison for defamation. Given an additional 16-year sentence on August 23, 1992 for "membership in an illegal organization" and "wanting to change the nature of the state."

Turkey (2): Memik Horuz: sentenced to 15 years in prison on June 13, 2002 to 15 years in prison.

Sierra Leone (1): Paul Kamara: serving prison sentences totalling 4 years (two year sentences).

Abdullah Saad: sentenced to 9 months in prison.

Working together to advance the cause of press freedom. Reporters Without Borders would like to thank the sponsors of imprisoned journalists for all they have done and will continue to do. Journalists will offer them some protection from their jailers. By writing to journalists in prison, the public will offer them some protection from their jailers. By writing to journalists in prison, contacting their families, protesting to the relevant competent authorities, and setting up a website to help journalists who are in prison just for doing their jobs. On November 17, sponsors are asked to take special initiatives such as writing to pressure authorities for releasing their adopted journalists and to publicize their cases, so that they will not be forgotten and so that the publicity afforded them will offer them some protection from their jailers. By writing to journalists in prison, contacting their families, protesting to the relevant competent authorities, and setting up a website to help journalists who are in prison just for doing their jobs.
Mr. BIDEN. Mr. President, yesterday the U.S. Senate approved the conference report to accompany H.R. 2862, the Science-State-Justice Appropriations Bill. I am supporting this legislation because it provides critical funding for the Department of Justice, the FBI, and the Drug Enforcement Administration.

However, I rise to explain that I am voting for this bill reluctantly because I feel that some of the funding priorities set forth in the bill will leave our communities more vulnerable to terrorist attacks and traditional crime.

In particular, I have serious concerns about the wrongheaded trend of slashing Federal funding for State and local law enforcement and important criminal justice programs. This bill slashes funding for the Justice Assistance Grant and the COPS Hiring Program for the first time. The Congress has decided to zero out the COPS hiring Program. I believe that this decision is a terrible mistake on so many levels, and I fear that our Nation’s citizens will be less safe from traditional crime and terrorism as a result. Further, the bill slashes Federal assistance for the effective and cost-effective drug court program by an astounding 75 percent.

Back in 1984 when we passed the legislation that created the COPS Program, our crime rates were at all-time highs. At that time, we made a commitment to our State and local law enforcement partners. During those years, we invested roughly $2.1 billion for State and local enforcement, each year and substantially upgraded our ability to combat crime. We added over 100,000 officers to patrol our neighborhoods, and we expanded crime prevention programs such as community policing and the like. What was the ultimate result? Crime rates for violent crime, murder and rape were all reduced, and today they remain at all-time lows. Many law enforcement experts and local officials credit the COPS Program for helping to achieve these results. In fact, no one, to my knowledge, with law enforcement expertise has argued otherwise.

The International Association of Chiefs of Police, the National Sheriffs Association, the Fraternal Order of Police, the International Association of Police Organizations, and other local law enforcement groups all support the COPS Program. Attorney General Ashcroft has stated that the COPS Program was a miraculous success, and Attorney General Gonzalez stated that the COPS Program put officers on the street and we reduced crime. Moreover, a recent report by the Government Accountability Office concluded that COPS hiring grants had an impact on reducing crime.

Why would the Congress eliminate a program that is strongly supported by local law enforcement officials and has been proven effective by statisticians at the Government Accountability Office? Well, it has its basis in ideology. Some of my Republican colleagues argue that local crime is a local problem and the Federal Government should not be funding these local efforts. I completely disagree. How can it be a local responsibility when roughly 80 percent of the crimes committed by the most dangerous criminals in America relate to drugs, abuse of drugs, and the sale and trafficking of illicit drugs? These drugs are smuggled across our national borders from State to State and city to city by sophisticated drug cartels and street gangs. How does a local sheriff prevent drugs that start out in a foreign country from being trafficked into his or her jurisdiction? How does he or she prevent the recruitment of local kids into international street gangs? In my opinion, crime is a national problem, and it requires a national response. The COPS Program demonstrated the Federal Government’s commitment to approach crime as a national problem—and it worked.

I would also point out that State and local law enforcement forms our first line of defense against terrorism. Homeland security experts have pointed out the value that community policing programs can have in combating terrorism. This only makes sense—it is the local officer who knows the neighborhood who will be able to provide the types of information necessary to help in local law enforcement. In addition, it will be a local officer walking the beat who happens to catch a suspect trying to pump sarin gas into the local mall air-conditioning ducts. It won’t be a brave Special Forces agent with night vision goggles and local cop walking the beat. In this era of uncertainty, we need to be providing more support for our local police agencies to help make their efforts against terrorism and crime as robust as possible.

And by cutting the drug court program—one of the most effective programs to reduce substance abuse in the criminal population—we are sending a devastating message to the 16,000 individuals that graduate from drug courts each year. We are telling them that we don’t care that diversion programs are successful at helping people overcome addiction to reenter society as productive citizens, holding down jobs, and regaining custody of their children. We are sending a message that we would prefer to revert to the bad old days of locking up nonviolent drug offenders in prisons where most will get no drug treatment and they will most likely just sink deeper into a life of crime.

And what message are we sending to the 70,000 people currently enrolled in drug courts who are working hard to live sober, crime-free lives? By slashing funding for the drug court program we are telling them that we are not invested in their recovery and we are putting their future in drug court programs in jeopardy.

It makes absolutely no sense to me that we are cutting this cost-effective program by 75 percent. By enrolling nonviolent drug offenders in drug courts, States save an enormous amount of money. One study showed that California’s drug courts save the State $38 million a year. Another study showed that every dollar spent on a drug court program results in $8 saved. And it worked. In Dallas, TX, $9.43 over a 40 month period. It is inconceivable to me that we would choose to cut this program. The
National Association of Drug Court Professionals estimates that our actions here today will result in more than 13,000 individuals losing access to drug court services. These 13,000 people will likely continue their lives of crime and drugs and being a threat to public safety instead of getting enrolled in a tough-love program that will help them to turn their lives around and get sober. It is truly a tragedy.

It is my opinion that we found a winning formula when we made the decision to invest in our state and local law enforcement partners and smart on crime initiatives in the nineties, and I believe that we are making a terrible mistake when we reduce funding for them. There is no greater responsibility of the Federal Government than the protection of its citizens. This is true whether the threat comes from international terrorist or from a thug down the street, and I strongly believe that we are taking the wrong approach when we cut our resources.

And, the president of the National Sheriffs Association, got it right when he stated that “cuts of this magnitude will seriously inhibit our ability to protect our communities and secure the homeland.” Sheriff Ted Sexton, the president of the National Sheriffs Association, got it right when he stated that “cuts of this magnitude will seriously inhibit our ability to protect our communities and secure the homeland.”

I believe that the president of the International Association of Chiefs of Police was correct in pointing out that “demanding that we play a central role in our Nation’s homeland security efforts, while at the same time cutting the programs we need to do our job, is both hypocritical and irresponsible.” I hope that the Republican-led Congress and President Bush will heed the call of these brave men and women and fully fund these critical programs next year.

MANUFACTURING DEDUCTION LEGISLATION

Mr. SANTORUM. I introduced a bill last month, S. 1816, that is vitally important to manufacturing businesses and the workers they employ in Puerto Rico. My bill extends the benefits of the manufacturing deduction, enacted last year with the American Jobs Creation Act of 2004, to apply to manufacturing operations that are conducted in Puerto Rico and are subject to full U.S. tax.

The new manufacturing deduction means businesses operating in any of the 50 States will pay tax on their manufacturing income at 32 percent. Without the manufacturing deduction, U.S. businesses operating a branch in Puerto Rico will pay tax on their manufacturing income at 35 percent. This difference in tax treatment creates a disincentive for U.S. companies to conduct manufacturing operations in Puerto Rico, distorting manufacturing location choices and putting Puerto Rico at a disadvantage in terms of attracting and retaining investment.

My bill makes sure that manufacturing in the 50 States and manufacturing in Puerto Rico will be taxed at the same 32 percent rate. This will level the playing field for operations in Puerto Rico and operations in the States. I have a number of constituent corporations that operate in my State and have operations in Puerto Rico, and this provision is important to them.

I realize the proposal cannot be added to the budget reconciliation tax bill at this time but am hopeful it will be considered and enacted this year.

I want to applaud Ways and Means Committee Chairman BILL THOMAS for introducing H.R. 4323, which includes this extension of the manufacturing deduction to Puerto Rico. I look forward to working with Chairman THOMAS to get this important provision enacted.

MASSACRE AT SAN JOSE DE APARTADO

Mr. LEAHY. I want to speak about a matter that I suspect few Senators are aware of, but which should concern each of us.

On February 21, 2005, in the small Colombian community of San Jose de Apartado, eight people, including three children, were brutally murdered. Several of the bodies were mutilated and left to be eaten by wild animals.

This, unfortunately, was not unusual, as some 150 people, overwhelmingly civilians caught in the midst of Colombia’s conflict, have been killed by paramilitaries and soldiers of the Colombian army. Yet the government has much to answer for.

The president of the Colombian government finally, is the story of most heinous crimes. One of the consequences of the government’s tactless approach to this and previous cases is that several witnesses from the community have refused to come forward and give testimony, and this has hindered the investigation.

After a massacre of 6 members of this same community 5 years ago when over 100 people gave testimony to judicial authorities, no one has ever been indicted. No report on the investigation was ever issued. Convincing witnesses to come forward this time will require a degree of sensitivity by the government that has, to date, been sorely lacking.

We are told by the Colombian Government that an investigation of the massacre is ongoing. That, unfortunately, is the story of most heinous crimes in Colombia. Investigations often continue without end, and often the perpetrators avoid punishment. I am concerned that this case may be no different.

According to information I have received, neither the soldiers who were in the area at the time of the February 21 killings nor hospital workers who treated a girl who was wounded by soldiers there the previous day have been interviewed by investigators. I find this hard to believe, but if it is correct the government has much to answer for.

For 5 years, the United States has provided significant military aid to Colombia despite ongoing concerns about human rights. Several months ago, the
Secretary of State certified that the Colombian Government had met the human rights conditions in our law, and recommended the release of additional military aid. However, the report accompanying her certification also noted that "[w]hile the human rights performance of many of the Army’s units is improving, an exception is evidenced by continued accusations of human rights violations and collusion with paramilitaries against the Army’s 17th Brigade, which operates in southern Colombia. These reports reportedly include some 200 allegations involving the peace community of San Jose de Apartado in 2000–2001 and, most recently, of involvement in the killings near San Jose de Apartado in February 2005. As a result of these allegations, the United States has informed the Government of Colombia that it will not consider providing assistance to the 17th Brigade until all significant human rights allegations involving the unit are fully addressed.

While I might differ with the Secretary’s decision to make the certification at the time she did, which coincidently occurred just hours before President Uribe’s arrival at President Bush’s ranch in Texas, I commend her decision to withhold aid to the 17th Brigade. It is noteworthy, however, that concerns about the 17th Brigade were conveyed to the State Department well before this incident, including reports that its members were openly colluding with paramilitaries. Yet there is reason to believe that U.S. aid continued despite those reports.

This case presents the Bush administration with an important challenge. It shows that despite billions of dollars from the United States and lofty rhetoric about human rights, the Colombian Government’s initial reaction to this despicable crime was not appreciably different from what we saw years ago. They denied responsibility and blocked investigators even before an investigation began, and some of the key witnesses may not even have been interviewed 8 months later.

This is unfortunate because there has been progress on human rights under President Uribe’s government. Parts of the country are noticeably safer. The government reports a significant decline in violent crime. But labor leaders and human rights defenders are still threatened and killed, the judicial system is reeling, and impunity is more the rule than the exception. Clearly, much more needs to be done to protect human rights.

This case also presents a challenge for the Colombian Government to demonstrate, albeit belatedly, that it can respond with sympathy, with impartiality, and effectively to bring justice to the victims of a crime that epitomizes the worst of Colombia’s conflict.

I applaud the Office of the United Nations High Commissioner for Human Rights conducted its own investigation of the massacre, but that the Colombian Government has not requested a copy of the report of that investigation. If this is correct I urge the government to do so immediately and to release as much of the report to the public as possible without compromising the investigation.

This is not about nothing but suffering to the Colombian people. It has caused the deaths of countless innocent civilians, uprooted millions from their homes, and perpetuated the trade in illegal drugs that has corrupted many sectors of society. The conflict raging around them, the conflict that has been allowed to fester and grow, sought to insolate themselves from this danger by declaring themselves a peace community. That strategy failed, as one after another of their members was brutally murdered.

Before February 21, I was not aware of the many tragedies this community had already suffered. While I do know, as a former prosecutor, that some crimes are harder to solve than others, in so many countries, political will is often what really matters. It is imperative that this case not be added to the long list of unsolved, unpunished crimes in San Jose de Apartado, or become part of the history of impunity in Colombia. Who ever was responsible must be brought to justice.

Mr. President, I also want to mention the demobilization of paramilitaries that is underway in Colombia. We all want these paramilitaries to be dismantled, their commanders punished, their illegally acquired assets seized, and their victims compensated. The Colombian Government is asking the United States for millions of dollars to help finance the demobilization, and we want to help.

I am concerned, however, because if the demobilization of the paramilitary unit located in the area of San Jose de Apartado is indicative of the way this process is being handled, then serious problems need to be addressed. According to reports I have received, paramilitaries are engaging in the same threatening and violent behavior, they continue to collude with the army, and some have joined the army. Little has changed for the people in that area who continue to live in fear of losing their property and their lives. I hope the Colombian authorities who have been touting the success of the demobilization process will investigate these reports.

THE GREAT AMERICAN SMOKEOUT

Mr. SANTORUM. Mr. President, I would like to take a moment to acknowledge an important event that is taking place today in Philadelphia, PA and across the Nation—the 29th Annual American Cancer Society Great American Smokeout.

We all know that cancer is one of the greatest healthcare risks facing Americans today. For years, this disease has taken the lives of our families, our friends, and our neighbors. As a member of the bipartisan Senate Cancer Coalition, I certainly understand that there are few things that would have a greater impact on the quality of life, for millions throughout the world, than the eradication of this terrible disease.

Unfortunately, we are also all aware of the fact that we have not yet found a cure. And while scientists and researchers around the world work feverishly towards this lofty aspiration, the most important action we can take is the promotion of cancer prevention. The Great American Smokeout is a wonderful example of a successful program aimed at assisting those at great risk of developing cancer to change their ways. This annual event has, undoubtedly, saved lives.

Since the inaugural Great American Smokeout took place in 1976, this initiative has provided a powerful platform for the American Cancer Society to encourage Americans to stop smoking. This event, which urges Americans who take the unhealthy habit of smoking and who who take the unnecessary health risks associated with the use of tobacco products to band together and make a lifestyle change, is one of the most recognized awareness initiatives in the history of the American Cancer Society—and rightfully so. Rarely does any organization touch so many with its message in a single day as the American Cancer Society during the smokeout. And rarely is the intention more important as reducing the number of Americans who use tobacco products.

I am also pleased that the American Cancer Society has chosen my home State to host this year’s smokeout. Pennsylvania has a long history of working with the American Cancer Society, and in 2002, together with the Pennsylvania Department of Health, they established the Pennsylvania Free Quitline. This toll-free service, available 24 hours a day, 7 days a week, provides advice and counseling to those attempting to quit smoking. Studies have shown that smokers who take advantage of such services are twice as likely to successfully quit smoking. By choosing Pennsylvania as the host for one of their most important events, the society is reaffirming its commitment to decreasing the prevalence of tobacco use in my state—and, in turn, improving the health of all Pennsylvanians.

Mr. President, these types of efforts have helped the American Cancer Society develop a reputation as one of the most influential and effective participants in the fight to better the health of every American. The Great American Smokeout is a vital event put on by a truly impressive organization, and I thank the American Cancer Society for its leadership.

COLON CANCER SCREEN FOR LIFE ACT

Mr. NELSON of Nebraska. Mr. President, I rise in support of the Colon Cancer Screen for Life Act. S. 1010. Some
of its provisions were included in an amendment included in the reconciliation package. This legislation will increase the likelihood that Medicare beneficiaries will receive a colonoscopy screening examination which is proven to be a positive way to detect and treat colorectal cancer.

Colorectal cancer is the No. 2 cancer killer in the United States today. This year, according to the American Cancer Society, approximately 145,000 new cases will be diagnosed and 56,000 Americans will die from colon cancer. We have the power to change these sobering statistics by increasing access to this lifesaving procedure. Although Congress passed a colonoscopy screening benefit for Medicare beneficiaries back in 1997, the percentage of seniors receiving a colonoscopy reportedly has increased by only an estimated 1 percent. A recent UCLA study, as discussed in an October 11 Wall Street Journal article, documents the continued underutilization of screening colonoscopies. It points out that colorectal cancer screening rates still lag far behind those for cervical, breast and prostate cancer. As the Wall Street Journal article concludes, “The results were disturbing. In many cases, ‘we could eliminate this disease if America had the will,’” as the study’s lead author noted.

One reason for the underutilization of colonoscopy screening in the Medicare care rapidly rises because of the rates of reimbursement for the procedure. Medicare reimbursement for colonoscopies performed in the outpatient setting has dropped by nearly one-third from the initial 1998 reimbursement rates. In the majority of States today, Medicaid payment rates actually exceed Medicare reimbursement for colonoscopy. This fact alone underscores the Medicare reimbursement problem is real. This legislation increases Medicare reimbursement for colorectal cancer-related procedures to assure more equitable reimbursement for physicians who absorb significant costs in providing these valuable services.

Another reason for this underutilization is that Medicare currently does not pay for a physician office visit prior to a screening colonoscopy, although it does pay for a physician office visit prior to a diagnostic colonoscopy. This procedural and practical—both involve the same amount of risk, so there is simply no reason why Medicare would pay for an office visit prior to one procedure and not the other. Because Medicare does not pay for this necessary office visit, many physicians must provide them for free. This amendment would fix this discrepancy by providing Medicare coverage for a preoperative visit or consultation prior to a screening colonoscopy, as it does for a diagnostic colonoscopy.

Every year, thousands of Americans needlessly die from colorectal cancer. We have the means to change this and we should do so. I appreciate our Senator colleagues joining in support of this important legislation.

NATIONAL ADOPTION DAY
Mr. JOHNSON. Mr. President, I rise today to acknowledge National Adoption Day on November 19, 2005. With over 118,000 children available for adoption out of the U.S. foster care system, I think it is crucial to celebrate those lawyers, social workers, officials, and, most importantly, parents who help get many children out of foster homes into adoptive families.

National Adoption Day was started in 2000 by the Alliance for Children’s Rights, the Freddie Mac Foundation, and the Dave Thomas Foundation for Adoption and helped complete foster care adoptions in nine jurisdictions. National Adoption Day continued to grow and in 2001 completed adoptions in 17 jurisdictions. In 2002, the Casey Family Services' Adoption Network, the Congressional Coalition on Adoption Institute and Target became National Adoption Day partners and helped 34 cities across the country finalize 1,350 adoptions. In 2003, 3,100 adoptions were completed. National Adoption Day 2004 included 197 projects and adopted 2,200 children. In 2005, we celebrate the 10th annual adoption celebration.

As a member of the bipartisan Congressional Coalition on Adoption, I am committed to assisting children in the United States to find stable, loving and permanent homes. Additionally, I support the goals of National Adoption Day to encourage others to adopt children from foster care, to build stronger ties between local adoption agencies, courts, and adoption advocacy organizations, and to continue to research and recommend more about families wanting to adopt and the children waiting to be adopted.

I am also proud that Members of the Senate continue to support ways to make adoption easier and more affordable. Since the cost of adoption can be very high, we ought to do what we can to lessen this initial burden for the exceptional people who provide caring homes for children. Adoption proceedings and legal fees for some domestic adoptions can cost more than $10,000. To ease some of this burden, Congress adopted a $10,000 tax credit for adoption expenses. If we ask individuals to care for and adopt children, we must provide some relief from the financial burdens associated with that care. The adoption tax credit is an effective vehicle to provide this relief.

The commitment of adoptive parents in South Dakota and throughout our country to provide children with safe, permanent, and loving homes will, of course, have a positive impact on their lives. As we celebrate National Adoption Day on November 19, 2005, I call on my colleagues to continue supporting efforts to make adoption easier for parents, children and other important players in the adoption process.

HONORING OUR ARMED FORCES
PRIVATE FIRST CLASS TYLER R. MACKENZIE
Mr. SALAZAR. Mr. President, I want to take a few moments of this body’s time to remember a true fallen hero, a Coloradan that has been lost to us in defense of our freedoms.

Last week, on Veterans’ Day, the family of PFC Tyler R. Mackenzie buried him back home in Weld County. A native of Evans, CO, Private First Class Mackenzie was killed in early November near Baghdad when an improvised explosive device detonated near his Humvee. He was only 20 years old, taken from his family and friends just a few days shy of his 21st birthday.

Tyler was a tower of a young man, a six-foot-seven-inch high school football player at Greeley West High School. Tyler’s coaches remember him for having held himself to the highest standards and being his own toughest critic. He enjoyed the horticulture classes at Greeley West. He expected excellence from himself and refused to accept anything less.

After graduating Greeley West in 2003, Tyler went to work at his family’s business, manufacturing kitchen cabinets. He also worked for the Greeley-Evans School District 6.

Tyler was a man of faith, active in his church. Tyler also had a sense of humor, and his older sister used to call him “Monkey” for his ability to climb across the rafters of the family’s basement.

But seeking something else, perhaps a larger opportunity to give back to this Nation, Tyler joined the Army in January of this year. He became a member of the 1st Battalion, 502nd Infantry Regiment, 2nd Brigade Combat Team, 101st Airborne Division that bravely halted the march of tyranny across Europe during World War II. Private First Class Mackenzie was following a long tradition of military service in his family; his two grandfathers had served in the Navy during World War II, and his father had served as a military police officer with the Army.

Private First Class Mackenzie completed basic training in May of this year, and was deployed to Iraq on September 28. He had been in Iraq only 6 weeks before his tragic death.

Tyler is exactly the kind of young man we as a Nation are so fortunate to have serving in our Armed Forces. He was a young man of intellect, self-discipline, courage and concern. He joined the Army because he wanted to help, to serve his country as his father and grandfathers and so many others had before him. He wanted to ensure that Iraqis knew the full blessings of their new freedom and could share the same opportunities he had here.

Tyler’s sacrifice on behalf of this Nation is a reminder to all of us of the
Mr. President, I wish to speak for a moment about a brave son of Westminister, CO, lost to us in the fighting in Iraq: Marine LCpl Jeremy P. Tamburello.

Tamburello joined the Marine Corps in the summer of 2004, with a high school diploma in Adams County. Jeremy had a gift for science and dreamed of serving his Nation and the United States as a computer engineer. He was only 19 years old.

Jeremy was a straight-A high school student at Ranum High School in Adams County. He was a straight-A high school student at Ranum High School in Adams County. Jeremy had a gift for science and dreamed of serving his Nation and the United States as a computer engineer. He was only 19 years old.

When Jeremy announced his intention to join the Marine Corps, his father, Kevin, tried at first to talk him out of it, concerned about the terrible risks of serving during this time of conflict in Iraq. Kevin suggested to his son that he pursue a computer science degree at a technical college. Jeremy respected his father, but firm: “This is what I want to do, Dad. Sign the papers.”

And so in the summer of 2004, Jeremy Tamburello joined the Marine Corps and began his brave journey of service to America. This past August, he was deployed to Iraq. It was a challenge in which he was a firm believer. He cared about the future of the people of Iraq and about the sacrifices made by the over 3,000 Americans in the September 11th attacks. He wanted to serve his Nation and to defend those freedoms that all too often so many of us take for granted and help bring them to the fledgling democracy of Iraq.

This Nation is blessed to have a young man like Lance Cpl. Jeremy Tamburello. He served his country with honor and distinction, with a courage and conviction that makes us all so very proud. Lance Cpl. Tamburello did not seek glory or pararde honors, but instead chose to humbly serve to help shine the blessing of freedom and liberty to those who had for too long languished behind a curtain of oppression.

To Jeremy’s family, I can only offer the quiet and humble thanks of a grateful Nation. Jeremy exemplified the nobility and honor, courage and self sacrifice, that has made every American proud of his example. We shall not forget your sacrifice, nor his.

TRIBUTE TO STAFF SERGEANT KYLE B. WEHRLY

Mr. GRASSLEY. Mr. President, today I rise to discuss a brave son of our country in Operation Iraqi Freedom. He was a member of the 2nd Battalion, 7th Marine Regiment, 1st Marine Division, 1 Marine Expeditionary Force. His sacrifice should not be forgotten.

Yesterday, we were all saddened to learn that the 2nd Battalion, 7th Marine Regiment, 1st Marine Division, 1 Marine Expeditionary Force, lost a brave son of Westminister, CO, lost to us in the fighting in Iraq: Marine SSG Kyle B. Wehrly. On November 3, 2005, Staff Sergeant Wehrly was tragically killed in action during Operation Iraqi Freedom by an improvised explosive device outside of Ashraf, Iraq. He served with B Battery of the 2nd battalion, 123rd Field Artillery Regiment in the Army National Guard.

I request that all Americans join me today in honoring Sergeant Wehrly. We should all remember his bravery, his compassion, and his final sacrifice to the cause of freedom. Throughout our history, great men and women have stood up and given their lives. It is with great sadness that we pay tribute to another brave American whose time with us was all too short.

Staff Sergeant Wehrly patriotically joined the National Guard when he was only a junior in high school and was sent to the Middle East in October 2004. Upon his arrival in Iraq, his father, Rev. Peter Wehrly of Springfield, IL, recalls that his son only wanted to be sent things he could give away to the Iraqi children. “All he wanted was stuff for kids. Candy, flip-flops... We had five boxes of stuff. He didn’t want any- thing for himself.” Reverend Wehrly said.

All those who knew Staff Sergeant Wehrly will greatly miss him. My prayers go out to his family and friends in their time of grief, his father Peter, his mother Nita, and his wife Janet. We should especially remember Staff Sergeant Wehrly’s 6-year-old daughter, Kylee, who will unfortunately grow up with too few memories of her courageous and compassionate father. Our thoughts and prayers are with her and with the entire family. It is important to remind them and to remind all Americans that Staff Sergeant Wehrly did not die in vain but, rather, died protecting his country and protecting the freedom of countless individuals around the world. May he always be re-membered as the true American hero that he was.

TRIBUTE TO LANCE CORPORAL SCOTT Zubowski

Mr. BAYH. Mr. President, I rise today with a heavy heart and deep sense of gratitude to honor the life of a brave young man who grew up in North Manchester, Scott Zubowski, 20 years old, died on November 12 near Fallujah, Iraq when a roadside bomb exploded under the military vehicle in which he was riding. With his entire life before him, Scott risked everything to fight for the values Americans hold close to our hearts, in a land halfway around the world.

Remembered for his intelligence and honorable service, Scott was killed during his second tour of duty in Iraq. A 2003 graduate of Manchester High School, Scott enlisted in the Marine Corps shortly after graduation, inspired by his older brother’s Marine service. Recently married to another Manchester graduate, Scott was set to return home before his 21st birthday in March. On his classexmates told the Indianapolis Star Post, “Not only was he the smartest guy I’ve ever known, he was unique in a way for which words aren’t good enough to actually describe who he was. But to those of us who knew him and were his friends, his presence made a profound impact in our lives that still continues to shape us today.”

Scott was killed while serving his country in Operation Iraqi Freedom. He was a member of the 2nd Battalion, 7th Marine Regiment, 1st Marine Division, 1 Marine Expeditionary Force. This brave young soldier leaves behind his wife, Klancey; his mother, Barbara Weitzel; his father, Richard Zubowski; and his brothers, David and Brian.

Today, I join Scott’s family and friends in mourning his death. While we struggle to bear our sorrow over this loss, we can also take pride in the example he set, bravely fighting to make the world a safer place. It is his courage and strength of character that people will remember when they think of Scott, a memory that will burn brightly during these continuing days of conflict and grief.

For all those who know him, this statement has no meaning for his dedication to his family and his love of country. Today and always, Scott will be remembered by family members, friends and fellow Hoosiers as a true American hero and we honor the sacrifice he made while dutifully serving his country.

As I search for words to do justice in honoring Scott’s sacrifice, I am reminded of President Lincoln’s remarks as he addressed the families of the fallen soldiers in Gettysburg: “We cannot dedicate, we cannot consecrate, we cannot hallow this ground. The brave men, living and dead, who struggled here, have consecrated it, far above our poor power to add or detract. The world will little note nor long remember what we say here, but it can never forget what they did here.” This statement is just as true today as it was nearly 150 years ago, as I am certain that the impact of Scott’s actions will live on far longer than any record of these words.

It is my sad duty to enter the name of Scott Zubowski in the official record of the United States Senate for his service to this country and for his profound commitment to freedom, democracy and peace. When I think about this just cause in which we are engaged, and the unfortunate pain that comes with the loss of our heroes, I hope that families like Scott’s can find comfort in the words of the prophet Isaiah who said, “Lift up your eyes and look at the heavens; your hope is so bright a light; the Lord God will wipe away tears from off all faces.”

May God grant strength and peace to those who mourn, and may God be with all of you, as I know He is with Scott.

LOCAL LAW ENFORCEMENT ENHANCEMENT ACT OF 2005

Mr. SMITH. Mr. President, I rise today to speak about the hate crimes legislation. Each Congress, Senator KENNEDY and I introduce hate crimes legislation that would add new categories to current hate crimes law,
sending a signal that violence of any kind is unacceptable in our society. Likewise, each Congress I have come to send the floor to highlight a separate hate crime that has occurred in our country.

On October 22, 1998, in Madison, WI, Johnny L. Ellis attacked a man in what police say was a hate motivated crime. The victim, a man dressed in woman's clothing, was hit over the head with a full 40-ounce bottle of malt liquor, causing the bottle to break. Mr. Ellis then stabbed the victim in the stomach with the broken bottle, causing a wound that required 55 stitches. Throughout the ordeal Mr. Ellis referred to the victim as a "he-she."

I believe that our Government's first duty is to defend its citizens, in all circumstances, from threats to them at home. The Local Law Enforcement Enhancement Act is a major step forward in achieving that goal. I believe that by passing this legislation and changing current law, we can change hearts and minds as well.

ADDITIONAL STATEMENTS

RECOGNITION OF DANIEL PACK

Mr. ALLARD. Mr. President, I rise today to congratulate Daniel Pack for receiving Colorado's Professor of the Year Award in 2005.

Daniel J. Pack, Ph.D., P.E. currently serves as a professor in the Department of Electrical Engineering at the U.S. Air Force Academy, Colorado Springs, CO. He has enjoyed a distinguished career as a leader, scholar, and professional peer. Daniel Pack's long list of accomplishments is evidence of his superb teaching ability, dedication to his students and commitment to U.S. Air Force Academy.

It is an honor for me to recognize this outstanding achievement of Daniel Pack. I commend him for his efforts to enhance the quality of education and scholarship. We are very grateful for all he does to make a difference. His efforts are greatly appreciated.

Now more than ever before, it is essential that our students receive a well-rounded education. We must be able to trust in the skills and talents of college professors like Daniel Pack if we are to produce the next generation of our nation's leaders.

Congratulations again to Daniel Pack, recipient of Colorado's Professor of the Year Award in 2005.

TRIBUTE TO TOMMY F. GRIER

Mr. ALLARD. Mr. President, I rise today to pay tribute to Tommy F. Grier, who is retiring as the director of the Division of Emergency Management for the State of Colorado after spending more than 12 years in the emergency management field.

Colorado has been honored to have Tommy, a leading expert in the field of operational design and preparedness, helping to establish Colorado as a leader in the areas of homeland security and emergency management. Prior to working for the State of Colorado, BG Tommy F. Grier served his country as an operations officer in the U.S. Army with activities in the gamut of organizations from battalion through division level. He is a graduate of both the Naval War College and the Army War College.

Tommy had a long and distinguished military career, earning the Silver Star, the Legion of Merit with Oak Leaf Cluster, the Distinguished Flying Cross with three Oak Leaf Clusters, the Bronze Star with two Oak Leaf Clusters, Meritorious Service Medal with four Oak Leaf Clusters, Air Medal with "V" device and Numerals "40", the Army Commendation Medal, the master Parachutist Badge, Senior Army Aviator Badge, Special Forces Tab, and Army Staff Identification Badge.

He received his commission on August 16, 1962, through the U.S. Army Reserve Officers Training Corps. In July 1963, he was transferred to the Special Forces Training Group where he served as an executive officer to the commander and then subsequently as an instructor.

In 1966, he began the first of two tours in Southeast Asia, serving as an armed helicopter section leader with the 121st Aviation Company in the Republic of Vietnam; as Operations Officer, 25th Aviation Battalion, 25th Infantry Division during the Cambodian Incursion, and he commanded the 338th Aerial Weapons Company in I Corps, II Corps, and Laos.

Grier's assignments included the Director, Office of the Deputy Chief of Staff for Operations in Washington, DC; Executive to the Director of Requirements; Senior Operations Officer, Joint Staff for Planning and Controlling for "Jack Frost '79"—a full-scale military joint force readiness exercise; Chief, Infantry and Armor Branch, Enlisted Personnel Management Directorate, Military Personnel Center; and Operations Officer, 7th Infantry Division at Fort Ord, CA.

From July 1987 until his retirement from active duty, he served as Senior Advisor for the Colorado Army National Guard. Brigadier General Tommy F. Grier was appointed Assistant Adjutant General and Commander of the Army National Guard on Oct. 1, 1993. He retired from the Colorado Army National Guard in 1996.

While serving as the Assistant Adjutant General for Army and commander of the Colorado Army National Guard, Brigadier General F. Tommy Grier oversaw the participation of State troops for full, half, and a few days. He also oversaw the participation of State troops for the World War II commemorative commemorative commemorative commemorative commemorative commemorative commemorative commemorative commemorative commemorative commemorative commemorative commemorative commemorative commemorative commemorative commemorative commemorative commemorative commemorative commemorative commemorative commemorative commemorative commemorative commemorative commemorative commemorative commemorative commemorative commemorative commemorative commemorative commemorative commemorative commemorative commemorative commemorative commemorative commemorative commemorative commemorative commemorative commemorative commemorative commemorative commemorative commemorative commemorative commemorative commemorative commemorative commemorative commemorative commemorative commemorative commemorative commemorative commemorative commemorative commemorative commemorative commemorative commemorative commemorative commemorative commemorative commemorative commemorative commemorative commemorative commemorative commemorate

TRIBUTE TO PEGGY SHADDUCK PALOMBI

Mr. BUNNING. Mr. President, today I pay tribute to Peggy Shadduck Palombi of Lexington, KY, on being recognized as one of America's top professors in the 2005 U.S. Professors of the Year Program by the Council for Advancement and Support of Education.

The annual U.S. Professors of the Year Program was established in 1981 to reward outstanding professors for their dedication to teaching, commitment to students, and innovative instructional methods. It is the only national program to recognize college and university professors for their teaching skills.

Ms. Palombi, an associate professor at Transylvania University, in Lexington, KY, has been recognized by the Council for Advancement and Support of Education for her tireless work in exhibiting excellence at Transylvania University. Ms. Palombi sets an example of excellence for both colleagues.
and students alike. She inspires her students to achieve academically and contribute to the community.

I now ask my fellow colleagues to join me in thanking Ms. Palombi for her dedication and commitment to the education of America’s future. In order for our society to continue to advance in the right direction, we must have professors like Peggy Shadduck Palombi in our institutions of higher learning, in our communities, and in our lives. She is Kentucky at its finest.

RECOGNIZING OF THE SOCIETY OF PHYSICS STUDENTS

Mr. BUNNING. Mr. President, I pay tribute to the members of the Society of Physics Students, SPS, in the Department of Physics at the University of Louisville. The SPS will be celebrating 2005 as the World Year of Physics. The celebration will coincide with the 100-year anniversary of the publication of Albert Einstein’s Special Theory of Relativity, Quantization of the Electromagnetic Field, and the Energy-Mass Relationship.

The University of Louisville chapter has been recognized for achievement by numerous national physics organizations. Their recent accomplishments include the Blake Lilly Prize for Outreach, a national SPS designation as Outstanding Chapter, along with the Marsh White Award for Education and Outreach from the Sigma Pi Sigma National Physics Honor Society. In light of these efforts, I ask my fellow colleagues to join me in recognizing the Society of Physics Students at the University of Louisville for their celebration of 2005 as the World Year of Physics.

MICHIGAN STATE UNIVERSITY SESQUICENTENNIAL

Mr. LEVIN. Mr. President, I rise to pay tribute to Michigan State University as they continue their 150th anniversary celebration. Throughout its history, Michigan State has made a tremendous contribution to the State of Michigan and to our Nation as a whole.

Michigan State University, or the Agricultural College of the State of Michigan as it was originally known, was established by an act of the Michigan Legislature authorizing the creation of a school of higher education for agriculture. Two years later, Michigan State welcomed its first class of 83 students.

Nearly 100 years ago, President Teddy Roosevelt visited Michigan State and delivered a commencement speech to more than 20,000 students, faculty, and family of the graduates. In his speech, he stated “The fiftieth anniversary of the founding of this college is an event of national significance, for Michigan was the first State in the Union to found this, the first agricultural college in America.”

While Michigan State was the first agricultural college in the United States, the curriculum studied by its students went far beyond agriculture and included classes in English, philosophy, and economics. This multidisciplinary education produced well-rounded graduates and became the foundation of the educational philosophy later employed by the land grant colleges created by Congress in 1862. In addition, this philosophy marked an important change in the way higher education was perceived around the country. No longer was a college degree available only to society’s elite, but also to the less privileged who made use of the practical education they received to improve their own standard of living as well as that of their family, community, and our Nation as a whole. The significance of this shift in thinking cannot be overstated and remains as important today as it was in the mid-1800s.

Michigan State University’s commencement address was only one of many significant events in the history of Michigan State University. The University welcomed its first female students in 1870 and presented 22 degrees to women; the State’s color barrier was broken in the early 1900s when it awarded its first degrees to an African-American man, William Thompson, in 1904 and an African-American woman, Myrtle Craig, in 1907.

Among the nearly 400,000 Michigan State Alumni worldwide are 16 Rhodes Scholars, a Pulitzer Prize winner, a Grammy award winner, two former Michigan Governors, a former U.S. Senator and Secretary of Energy, and the first women to represent the State of Michigan in the U.S. Senate, my colleague and friend, Debbie STABENOW. Michigan State now offers more than 200 programs of study and serves almost 45,000 current students from all 50 States and more than 120 foreign countries.

Among many other things, researchers at Michigan State University are credited with the development of leading cancer fighting drugs and the processes of milk homogenization. Michigan State is currently home to the National Superconducting Cyclotron Laboratory, the leading rare isotope research facility in the country. The nucleus of this facility is improving our knowledge of the elements that make up the world around us and could provide new medical breakthroughs, including new tools for the treatment of cancer. This research, primarily funded by the National Science Foundation and the University, has made Michigan State’s nuclear physics doctoral program one of the most prestigious in the Nation.

I know my colleagues will join me in congratulating Michigan State University on 150 years of contributions to Michigan and the Nation as a whole. I would also like to wish Michigan State University, its students, faculty, alumni, and supporters good luck and continued success as they work to make the next 150 years as productive and full of accomplishment as previous 150 have been.

Ms. STABENOW. Mr. President, I rise today to celebrate the Sesquicentennial, the 150th anniversary, of my alma mater, Michigan State University, MSU.

Located on the banks of the Red Cedar River, Michigan State University was the first agricultural college in the Nation and the prototype for land-grant institutions later established under the Morrill Act of 1862. In fact, in the mid 1950s, the U.S. Postal Service honored Michigan State University with a postage stamp commemorating it as the original land-grant university.

The land-grant philosophy is rooted in the principle to extend the values of education to all who seek it, and the Morrill Act grew out to bring benefits of education to rural areas. The original tract of land in 1855 for my nascent college, then known as the Agricultural College of the State of Michigan, consisted of 677 acres. Additional lands were purchased, and presently, MSU is home to 16,000 acres. Michigan State has had more Rhodes Scholars than any other Big Ten Conference university in the past generation. U.S. News & World Report ranks 10 of MSU’s graduate departments in the Top 10 in their field nationally. On an international note, the University’s Study Abroad program is the largest of any public university in the Nation, offering more than 190 programs in more than 60 countries on all continents, including Antarctica. Furthermore, MSU is proud to have the highest percentage of in-state students among Michigan universities, with many of those who receive a bachelor’s degree from MSU staying and working in the state.

The University has a notable and strong athletic history. In its 108-year history, MSU has won six NCAA national football championships, while last year, both its men’s and women’s basketball teams made it to their respective and coveted Final Four tournaments. Sparty the Spartan is Michigan State University’s fearless and beloved figure known throughout the State of Michigan and recognized across the Nation as well. Sparty is the heart of Michigan State, forever supporting its teams, bringing smiles to young and old and continually uplifting all who meet him.

The State of Michigan has always been the “first beneficiary” of MSU’s
high-quality academic programs and its global networks. But it is through those networks that MSU also is engaged with the world beyond the boundaries of its campus. Michigan State has built partnerships across the nation and around the globe that fulfill its land-grant responsibilities to an international society and at the same time rebound benefits to Michigan, working in ways that will bring my constituents the greatest value and return, ways that will strengthen our communities, fuel our economy and provide all of our citizens with a better quality of life.

As I applaud today the deep history and strength of Michigan State University, I know its best days are still before it. From this Spartan, I wish Michigan State University a most wonderful sesquicentennial.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Williams, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the Committee on Environment and Public Works.

The following nominations received today are printed at the end of the Senate proceedings.

MESSAGES FROM THE HOUSE

ENROLLED BILL SIGNED

At 9:34 a.m., a message from the House of Representatives, delivered by Ms. Niland, one of its reading clerks, announced that the Speaker has signed the following enrolled bill:

S. 161. An act to provide for a land exchange in the State of Arizona between the Secretary of Agriculture and Yavapai Ranch Limited Partnership.

The enrolled bill was signed subsequently by the President pro tempore (Mr. STEVENS).

ENROLLED BILL SIGNED

At 10:55 a.m., a message from the House of Representatives, delivered by Ms. Chiappardi, one of its reading clerks, announced that the Speaker has signed the following enrolled bill:

H.R. 2862. An act making appropriations for Science, the Departments of State, Justice, and Commerce, and related agencies for the fiscal year ending September 30, 2006, and for other purposes.

The enrolled bill was signed subsequently by the President pro tempore (Mr. STEVENS).

At 12:22 p.m., a message from the House of Representatives, delivered by Ms. Niland, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 562. An act to authorize the Government of Ukraine to establish a memorial on Federal land in the District of Columbia to honor the victims of the manmade famine that occurred in Ukraine in 1932-1933.


H.R. 1036. An act to amend title 17, United States Code, to make technical corrections relating to Copyright Royalty Judges, and for other purposes.

H.R. 1422. An act to provide for the preservation of the historic confinement sites where Japanese Americans were detained during World War II, and for other purposes.

H.R. 1790. An act to protect children and their parents from being coerced into administering a controlled substance in order to attend school, and for other purposes.

H.R. 3551. An act to make technical corrections to laws relating to Native Americans, and for other purposes.

H.R. 3647. An act to render nationals of Denmark eligible to enter the United States as nonimmigrant traders and investors.

H.R. 4133. An act to temporarily increase the borrowing authority of the Federal Emergency Management Agency for carrying out the national flood insurance program.

H.R. 4337. An act to amend the Internal Revenue Code of 1986 to provide for Gulf tax credit bonds and advance refundings of certain tax-exempt bonds, and to provide a Federal guarantee on such bonds.

The message also announced that the House has passed the following bill, without amendment:

S. 1234. An act to increase, effective as of December 1, 2005, the rates of compensation for veterans with service-connected disabilities and the rates of dependency and indemnity compensation for the survivors of certain disabled veterans.

The message further announced that the House has agreed to the following concurrent resolutions, in which it requests the concurrence of the Senate:

H. Con. Res. 220. Concurrent resolution expressing the sense of the Congress that the Russian Federation must protect intellectual property rights.

H. Con. Res. 298. Concurrent resolution expressing the sense of the Congress regarding oversight of the Internet Corporation for Assigned Names and Numbers.

At 2:36 p.m., a message from the House of Representatives, delivered by Ms. Niland, one of its reading clerks, announced that the House has passed the following joint resolution, in which it requests the concurrence of the Senate:

H.J. Res. 72. Joint resolution making further continuing appropriations for the fiscal year 2006, and for other purposes.

At 4:36 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House, having had under consideration the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 3010) making appropriations for the Departments of Labor, Health and Human Services, and Education, and Related Agencies for the fiscal year ending September 30, 2006, and for other purposes, it was:

Resolved, that the House insist upon its amendment to the amendment of the Senate.

MEASURES REFERRED

The following bills were read the first and the second times by unanimous consent, and referred as indicated:

H.R. 562. An act to authorize the Government of Ukraine to establish a memorial on Federal land in the District of Columbia to honor the victims of the manmade famine that occurred in Ukraine in 1932-1933; to the Committee on Energy and Natural Resources.

H.R. 866. An act to make technical corrections to the United States Code; to the Committee on the Judiciary.

H.R. 1036. An act to amend title 17, United States Code, “Shipping”, as positive law; to the Committee on the Judiciary.

H.R. 1422. An act to provide for the preservation of the historic confinement sites where Japanese Americans were detained during World War II, and for other purposes; to the Committee on Energy and Natural Resources.

H.R. 1790. To protect children and their parents from being coerced into administering a controlled substance in order to attend school, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

H.R. 3647. An act to render nationals of Denmark eligible to enter the United States as nonimmigrant traders and investors; to the Committee on the Judiciary.

The following concurrent resolutions were read, and referred as indicated:

H.R. 1492. Concurrent resolution expressing the sense of the Congress that the Russian Federation must protect intellectual property rights; to the Committee on Foreign Relations.

H. Con. Res. 230. Concurrent resolution expressing the sense of the Congress that the Russian Federation must protect intellectual property rights; to the Committee on Ways and Means.

H. Con. Res. 268. Concurrent resolution expressing the sense of the Congress regarding oversight of the Internet Corporation for Assigned Names and Numbers; to the Committee on Commerce, Science, and Transportation.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, November 17, 2005, she had presented to the President of the United States the following enrolled bills:

S. 161. An act to provide for a land exchange in the State of Arizona between the Secretary of Agriculture and Yavapai Ranch Limited Partnership.

S. 1713. An act to make amendments to the Iran Nonproliferation Act to 2006 related to International Space Station payments, and for other purposes.

S. 1894. An act to amend part E title IV of the Social Security Act to provide for the making of foster care maintenance payments to private for-profit agencies.
EXECUTIVE AND OTHER COMMUNICATIONS

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

EC–4673. A communication from the Secretary, Judicial Conference of the United States, transmitting, a report of the proposed amendments to sections 141(a) and 144 of title 28, United States Code, to amend 18 U.S.C. 3672, to amend 28 U.S.C. 753 and the Judiciaries Appropriations Act of 1991; to the Committee on the Judiciary.

EC–4674. A communication from Assistant Attorney General, Office of Legislative Affairs, Department of Justice, pursuant to law, a report entitled “Report to Congress on the Activities and Operations of the Public Integrity Section for 2004 (CORRECTED)”; to the Committee on the Judiciary.

EC–4675. A communication from the Executive Secretary and Chief of Staff, U.S. Agency for International Development, transmitting, pursuant to law, the report of a communication in the position of Assistant Administrator, Bureau for Global Health and a communication regarding the proposed transfer of major defense equipment valued at $14,000,000 or more from the Government of the Netherlands to the Government of Chile; to the Committee on Foreign Relations.

EC–4676. A communication from the Acting Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, a certification regarding the proposed transfer of major defense equipment valued at $14,000,000 or more to the Government of Korea; to the Committee on Foreign Relations.

EC–4677. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, a certification regarding the proposed transfer of major defense equipment and defense articles in the amount of $50,000,000 or more to the Republic of Korea, Australia, Canada, United Kingdom, Israel, and Italy; to the Committee on Foreign Relations.

EC–4678. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, the certification of a proposed license for the export of major defense equipment and defense articles in the amount of $50,000,000 or more to the Republic of Korea, Australia, Canada, United Kingdom, Israel, and Italy; to the Committee on Foreign Relations.

EC–4679. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, the certification of a proposed license for the export of major defense equipment and defense articles in the amount of $44,000,000 or more to Mexico (Sentry command and control software); to the Committee on Foreign Relations.

EC–4680. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, the certification of a proposed license for the export of defense articles or defense services in the amount of $100,000,000 or more to Japan (F–15 aircraft spare parts and equipment and F100 engines); to the Committee on Foreign Relations.

EC–4681. A communication from the Acting Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to law, the annual report for 2004 on United States Participation in the United Nations; to the Committee on Foreign Relations.

EC–4682. A communication from the Under Secretary, Department of State, and Atmosphere, Department of Commerce, transmitting, pursuant to law, the Northwest Atlantic Fisheries Convention Act 2004 Annual Report; to the Committee on Commerce, Science, and Transportation.

EC–4683. A communication from the Acting Director, Office of Sustainable Fisheries, National Marine Fisheries Service, National Oceanic and Atmospheric Administration, transmitting, pursuant to law, the report of a rule entitled “Fisheries of the Northwestern United States: Summer Flounder Fishery Quota (I.D. No. 053050F) received on November 15, 2005; to the Committee on Commerce, Science, and Transportation.

EC–4684. A communication from the Acting Director, Office of Sustainable Fisheries, National Marine Fisheries Service, National Oceanic and Atmospheric Administration, transmitting, pursuant to law, the report of a rule entitled “Fisheries of the Northwestern United States: Summer Flounder Fishery Quota (I.D. No. 10005A) received on November 15, 2005; to the Committee on Commerce, Science, and Transportation.

EC–4685. A communication from the Deputy Assistant Administrator for Regulatory Programs, Office of Sustainable Fisheries, National Marine Fisheries Service, National Oceanic and Atmospheric Administration, transmitting, pursuant to law, the report of a rule entitled “Temporary Rule: Emergency Action for Purify Shellfish Poisoning Closure (RIN2120–AT46) received on November 15, 2005; to the Committee on Commerce, Science, and Transportation.

EC–4686. A communication from the Program Analyst, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled “Change of Controlling Agency for Restricted Areas: HI” (RIN2120–AA66)(2005–0236) received on November 15, 2005; to the Committee on Commerce, Science, and Transportation.

EC–4687. A communication from the Program Analyst, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled “Establishment and Revision of Class E Airspace; Yakutat, AK” (RIN2120–AA66)(2005–0237) received on November 15, 2005; to the Committee on Commerce, Science, and Transportation.

EC–4688. A communication from the Program Analyst, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled “Establishment and Revision of Class E Airspace; Exercise, CG” (RIN2120–AA66)(2005–0242) received on November 15, 2005; to the Committee on Commerce, Science, and Transportation.

EC–4689. A communication from the Program Analyst, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled “Establishment of Colored Federal Airways; AK” (RIN2120–AA66)(2005–0243) received on November 15, 2005; to the Committee on Commerce, Science, and Transportation.

EC–4690. A communication from the Program Analyst, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled “Establishment of Federal Airways; Yukon, CA” (RIN2120–AA66)(2005–0241) received on November 15, 2005; to the Committee on Commerce, Science, and Transportation.

EC–4691. A communication from the Program Analyst, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled “Modification of Class E Airspace; Salina Municipal Airport, KS” (RIN2120–AA66)(2005–0241) received on November 15, 2005; to the Committee on Commerce, Science, and Transportation.

EC–4692. A communication from the Program Analyst, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled “Modification of Class E Airspace; Dodge City Regional Airport, KS” (RIN2120–AA66)(2005–0240) received on November 15, 2005; to the Committee on Commerce, Science, and Transportation.

EC–4693. A communication from the Program Analyst, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled “Modification of Legal Description of Class D and Class E Airspace; Topeka, Forbes Field, KS” (RIN2120–AA66)(2005–0239) received on November 15, 2005; to the Committee on Commerce, Science, and Transportation.

EC–4694. A communication from the Program Analyst, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled “Establishment and Revision of Area Navigation Routes; Western United States” (RIN2120–AA66)(2005–0245) received on November 15, 2005; to the Committee on Commerce, Science, and Transportation.

EC–4695. A communication from the Program Analyst, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled “Establishment and Revision of Area Navigation Routes; Western United States” (RIN2120–AA66)(2005–0245) received on November 15, 2005; to the Committee on Commerce, Science, and Transportation.

EC–4696. A communication from the Program Analyst, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled “Establishment and Revision of Area Navigation Routes; Western United States” (RIN2120–AA66)(2005–0245) received on November 15, 2005; to the Committee on Commerce, Science, and Transportation.

EC–4697. A communication from the Program Analyst, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled “Establishment and Revision of Area Navigation Routes; Western United States” (RIN2120–AA66)(2005–0245) received on November 15, 2005; to the Committee on Commerce, Science, and Transportation.

EC–4698. A communication from the Program Analyst, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled “Establishment of Class E Airspace; Appleton, WI” (RIN2120–AA66)(2005–0246) received on November 15, 2005; to the Committee on Commerce, Science, and Transportation.

EC–4699. A communication from the Program Analyst, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled “Establishment of Class E3 Airspace; Riverside March Field, CA” (RIN2120–AA66)(2005–0246) received on November 15, 2005; to the Committee on Commerce, Science, and Transportation.

EC–4700. A communication from the Program Analyst, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled “Modification of Class D and E Airspace; Yakutat, AK” (RIN2120–AA66)(2005–0237) received on November 15, 2005; to the Committee on Commerce, Science, and Transportation.
EC-4701. A communication from the Program Analyst, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled “Airworthiness Directives: Airplanes, Aeronautical Products, and Parts” (2005-0504) received on November 15, 2005; to the Committee on Commerce, Science, and Transportation.

EC-4702. A communication from the Program Analyst, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled “Airworthiness Directives: Airplanes, Aeronautical Products, and Parts” (2005-0504) received on November 15, 2005; to the Committee on Commerce, Science, and Transportation.

EC-4703. A communication from the Program Analyst, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled “Airworthiness Directives: Airplanes, Aeronautical Products, and Parts” (2005-0504) received on November 15, 2005; to the Committee on Commerce, Science, and Transportation.

EC-4704. A communication from the Program Analyst, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled “Airworthiness Directives: Airplanes, Aeronautical Products, and Parts” (2005-0504) received on November 15, 2005; to the Committee on Commerce, Science, and Transportation.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. INHOFE, from the Committee on Commerce, Science, and Transportation, with amendments:


By Mr. SPECTER, from the Committee on Commerce, Science, and Transportation, without amendment:

S. 2029. An original bill to provide for the valuation of personal aircraft use for purposes of Federal income tax inclusion; to the Committee on Finance.

By Mr. SHIELLY:

S. 2031. A bill to provide for the valuation of employee personal use of noncommercial aircraft for purposes of Federal income tax inclusion; to the Committee on Finance.

By Mr. TED STEVENS:

S. 2032. An original bill to authorize the Secretary of Homeland Security to award grants to public transportation agencies to improve security, and for other purposes; from the Committee on Commerce, Science, and Transportation; placed on the calendar.

By Mr. BIDEN:

S. 2033. A bill to amend the Wild and Scenic Rivers Act to designate segments of the Taunton River in the Commonwealth of Massachusetts as a component of the National Wild and Scenic Rivers System; to the Committee on Energy and Natural Resources.

By Mr. KENNY:

S. 2034. A bill to direct the Secretary of the Interior to conduct a study to evaluate the significance of the Colonel James Barlow Farm in the Commonwealth of Massachusetts and assess the suitability and feasibility of including the farm in the National Park System as part of the Minute Man National Historical Park, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. CRAIG:

S. 2035. A bill to extend the time required for construction of a hydroelectric project in the State of Idaho, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. KERRY:

S. 2036. A bill to designate the facility of the United States Postal Service located at 320 High Street in Clinton, Massachusetts, as the "Raymond J. Salmon Post Office"; to the Committee on Homeland Security and Governmental Affairs.

By Mr. SALAZAR:

S. 2037. A bill to establish the Sangre de Cristo National Heritage Area in the State of Colorado, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. BURNS (for himself and Mr. BAUCUS, Mr. THUNE, Mr. GRASSLEY, Mr. RUSSELL, Mr. INHOFE, Mr. STEVENS, Mr. VENTRA, Mr. SCHUMER, Mr. BECKY, Mr. KENNY, Mr. TRACY, Mr. CAMPBELL, Mr. BIDEN, Mr. KERRY, Mr. JASTA, Mr. CAPO):
By Mr. DOMENICI (for himself, Mr. DORGAN, and Mr. TALENT): S. 2049. A bill to improve the security of the United States borders and for other purposes; to the Committee on the Judiciary.

By Ms. SNOWE (for herself and Ms. CANTWELL): S. 2050. A bill to establish an international convention on inland waters; to the Committee on Commerce, Science, and Transportation.

By Mr. AKAKA (for himself and Mr. INOUYE): S. 2051. A bill to extend eligibility for certain Federal benefits to citizens of the Freely Associated States; to the Committee on Finance.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

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

By Mr. CHAMBLISS (for himself and Mr. HARKIN): S. Res. 318. A resolution designating November 27, 2005, as “Drive Safer Sunday”; to the Committee on the Judiciary.

By Ms. MIKULSKI: S. Con. Res. 65. A concurrent resolution on the occasion of the 10th anniversary of the terrorist attacks on September 11, 2001, and for other purposes; to the Committee on the Judiciary.

ADDITIONAL COSPONSORS

S. 31

At the request of Mr. BIDEN, his name was added as a cosponsor of S. 31, a bill to amend the Electronic Fund Transfer Act to extend certain consumer protections to international remittance transfers of funds originating in the United States, and for other purposes.

S. 380

At the request of Ms. COLLINS, the names of the Senator from Michigan (Ms. STABENOW) and the Senator from South Dakota (Mr. JOHNSON) were added as cosponsors of S. 380, a bill to amend the Public Health Service Act to establish a State family support grant program to end the practice of parents giving legal custody of their seriously emotionally disturbed children to State agencies for the purpose of obtaining mental health services for those children.

S. 441

At the request of Mr. SANTORUM, the name of the Senator from South Carolina (Mr. DeMINT) was added as a cosponsor of S. 441, a bill to amend the Internal Revenue Code of 1986 to make permanent the classification of a motorsports entertainment complex.

S. 863

At the request of Mr. CONRAD, the names of the Senator from Indiana (Mr. BAYH), the Senator from Delaware (Mr. BIDEN), the Senator from California (Mrs. BOXER), the Senator from Georgia (Mr. CHAMBLISS), the Senator from Minnesota (Mr. COLEMAN), the Senator from Maine (Ms. COLLINS), the Senator from Texas (Mr. CORNYN), the Senator from Minnesota (Mr. DAYTON), the Senator from Wyoming (Mr. ENZI), the Senator from South Carolina (Mr. GRAHAM), the Senator from Iowa (Mr. GRASSLEY), the Senator from New Hampshire (Mr. GREGG), the Senator from Utah (Mr. HATCH), the Senator from Louisiana (Ms. LANDRIEU), the Senator from Indiana (Mr. LUGAR), the Senator from Florida (Mr. MARTINEZ), the Senator from Maryland (Ms. MUKLUSKI), the Senator from Washington (Mrs. MURRAY), the Senator from Illinois (Mr. OBAMA), the Senator from Nevada (Mr. REID), the Senator from Wyoming (Mr. THOMAS), and the Senator from Oregon (Mr. WYDEN) were added as cosponsors of S. 863, a bill to require the Secretary of the Treasury to mint coins in commemoration of the centenary of the bestowal of the Nobel Peace Prize on President Theodore Roosevelt, and for other purposes.

S. 908

At the request of Mr. MCCONNELL, the name of the Senator from South Carolina (Mr. GRAHAM) was added as a cosponsor of S. 908, a bill to allow Congress, State legislatures, and regulatory agencies to determine appropriate laws, rules, and regulations to address the problems of weight gain, obesity, and health conditions associated with weight gain or obesity.

S. 1213

At the request of Mr. GREGG, the name of the Senator from Oregon (Mr. WYDEN) was added as a cosponsor of S. 1213, a bill to authorize the construction of military facilities in underdeveloped coastal areas in order better to ensure their protection from development.
At the request of Mr. ENZI, the names of the Senator from Maine (Ms. SNOWE), the Senator from Michigan (Ms. STABENOW) and the Senator from Pennsylvania (Mr. SANTORUM) were added as cosponsors of S. 1418, a bill to enhance the availability and interoperability of a nationwide electronic health information technology system and to improve the quality and reduce the costs of health care in the United States.

At the request of Mr. CRAPO, the name of the Senator from South Dakota (Mr. THUNE) was added as a cosponsor of S. 1496, a bill to direct the Secretary of the Interior to conduct a pilot program under which up to 15 States may issue electronic Federal migratory bird hunting stamps.

At the request of Mr. FEINGOLD, the name of the Senator from Rhode Island (Mr. CHAFEE) was added as a cosponsor of S. 1508, a bill to require Senate candidates to file designations, statements, and reports in electronic form.

At the request of Ms. MIKULSKI, the names of the Senator from New Jersey (Mr. CORZINE), the Senator from Connecticut (Mr. DODD), the Senator from Michigan (Mr. LEVIN) and the Senator from Pennsylvania (Mr. SPECTER) were added as cosponsors of S. 1512, a bill to reauthorize the HOPE VI program for revitalization of severely distressed public housing, and for other purposes.

At the request of Mr. DORGAN, the names of the Senator from Vermont (Mr. LEAHY) and the Senator from Wisconsin (Mr. KINZIE) were added as cosponsors of S. 1631, a bill to amend the Internal Revenue Code of 1986 to impose a temporary windfall profit tax on crude oil and to rebate the tax collected back to the American consumer, and for other purposes.

At the request of Mr. INOUYE, the name of the Senator from Texas (Mrs. HUTCHISON) was added as a cosponsor of S. 1719, a bill to provide for the preservation of the historic confinement sites where Japanese Americans were detained during World War II, and for other purposes.

At the request of Mr. NELSON of Florida, the name of the Senator from Minnesota (Mr. DAYTON) was added as a cosponsor of S. 1841, a bill to amend title XVIII of the Social Security Act to provide extended and additional protection to Medicare beneficiaries who enroll for the Medicare prescription drug benefit during 2006.

At the request of Mr. HATCH, the name of the Senator from Mississippi (Mr. COCHRAN) was added as a cosponsor of S. 1883, a bill to amend the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 to assist property owners and Federal agencies in resolving disputes relating to private property.

At the request of Mr. COLEMAN, the name of the Senator from Mississippi (Mr. COCHRAN) was added as a cosponsor of S. 1952, a bill to provide grants for rural health information technology development activities.

At the request of Mr. KERRY, the names of the Senator from Indiana (Mr. BAYH) and the Senator from Mississippi (Mr. COCHRAN) were added as cosponsors of S. 1958, a bill to direct the Architect of the Capitol to obtain a statue of Rosa Parks and to place the statue in the United States Capitol in National Statuary Hall.

At the request of Mr. BIDEN, the name of the Senator from Hawaii (Mr. AKAKA) was added as a cosponsor of S. 1961, a bill to extend and expand the Child Safety Pilot Program.

At the request of Mr. BAUCUS, the names of the Senator from New Mexico (Mr. BINGAMAS) and the Senator from Massachusetts (Mr. KERRY) were added as cosponsors of S. 1969, a bill to express the sense of the Senate regarding Medicaid reconciliation legislation to be reported by a conference committee during the 109th Congress.

At the request of Mr. ISAKSON, the name of the Senator from Georgia (Mr. CHAMBLISS) was added as a cosponsor of S. 2015, a bill to provide a site for construction of a national health museum, and for other purposes.

At the request of Mr. CRAIG, the names of the Senator from Kentucky (Mr. BUNNING), the Senator from Montana (Mr. BURNS), the Senator from Oklahoma (Mr. Coburn), the Senator from Texas (Mrs. HUTCHISON) and the Senator from Connecticut (Mr. DODD) were added as cosponsors of S. Con. Res. 55, a concurrent resolution expressing the sense of the Congress regarding the conditions for the United States to become a signatory to any multilateral agreement on trade resulting from the World Trade Organization’s Doha Development Agenda Round.

At the request of Mr. TALENT, the names of the Senator from Illinois (Mr. DURBIN) and the Senator from Kansas (Mr. ROBERTS) were added as cosponsors of S. Con. Res. 60, a concurrent resolution designating the Negro Leagues Baseball Museum in Kansas City, Missouri, as America’s National Negro Leagues Baseball Museum.

Amendment No. 296

At the request of Mr. DURBIN, the names of the Senator from Massachusetts (Mr. KERRY), the Senator from Washington (Mrs. MURRAY) and the Senator from California (Ms. FEINSTEIN) were added as cosponsors of amendment No. 2596 proposed to S. 2020, an original bill to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006.

Statements on Introduced Bills and Joint Resolutions

By Mr. BYRD (for himself and Mr. ROBINSON), S. 2028. A bill to provide for the reinstatement of a license for a certain Federal Energy Regulatory Commission project; to the Committee on Energy and Natural Resources.

Mr. BYRD. Mr. President, I ask unanimous consent that the text of my bill to reinstate a hydroelectric license for a Federal Energy Regulatory Commission project in Grafton, WV, be printed in the RECORD.

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

S. 2028
Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, in the One Hundred Ninth Congress of the United States of America, begun and held at the City of Washington on the first day of December in the year of our Lord two thousand and three.

Section 1. Reinstatement of License for Federal Energy Regulatory Commission Project.

(a) In General.—Notwithstanding the time period specified in section 13 of the Federal Power Act (16 U.S.C. 806) that would otherwise apply to project number 7307 of the Federal Energy Regulatory Commission, the Commission shall, on the request of the licensee for the project, in accordance with that section (including the good faith, due diligence, and public interest requirements of that section and procedures established under that section), extend the time required for commencement of construction of the project until December 31, 2007.

(b) Applicability.—Subsection (a) shall apply to the project on the expiration of any extension, issued by the Commission under section 13 of the Federal Power Act (16 U.S.C. 806), of the time required for commencement of construction of the project.

(c) Reinstatement of Expired License.—If a license of the Commission for the project expires before the date of enactment of this Act, the Commission shall—

(1) reinstate the license effective as of the date of the expiration of the license; and

(2) extend the time required for commencement of construction of the project until December 31, 2007.

By Mr. BIDEN: S. 2030. A bill to bring to the FBI to full strength to carry out its mission; to the Committee on the Judiciary.

Mr. BIDEN. Mr. President, I rise today to reintroduce the Full Strength Bureau Initiative Act of 2005. This is a piece of legislation that I think is critically important to our national security. Over the past four years, we
have had numerous debates here in the Senate about what we need to do to protect ourselves from international terrorists. While I have disagreed with many of the specific decisions this Congress and President Bush have made, I do agree that we face a grave threat from radical fundamental terrorists. And, it should be a primary focus of our national security efforts. However, it simply makes no sense for us to spend all of our time worrying about terrorism if we turn a blind eye to traditional crime and the threat that it poses to our citizens. We simply have to be able to do both, and the legislation that I am introducing today will help do that.

Part of the response to address this threat has been to shift the primary function of the Federal Bureau of Investigation from investigating and capturing criminals to the prevention of terror attacks. I don’t disagree that this is an appropriate shift in priorities, but, we haven’t made the investments necessary for the FBI to shift priorities and meet its commitment to combat traditional crime. To address this concern, I am introducing legislation that will authorize funding for the FBI to meet this additional law enforcement need. These agents will replace the ones that have been reassigned to counterterrorism cases and will help keep our communities safe. The cost—$160 million per year—is minimal when compared to the benefits it will provide. Its passage will help ensure that the FBI has the resources to achieve its counterterrorism priorities without neglecting its traditional crime-fighting functions.

A 2004 Government Accountability Office found that the number of overall agents at the FBI has increased by only seven percent since 2001. During the same time, the overall percentage of agents dedicated to counterterrorism by twenty-five percent—with 678 agents being permanently shifted from drug, white collar, and violent crime cases to counter-terror activities. In addition, we know that many agents are working on counterterrorism cases even if they have not been “officially” dedicated to that effort in a process known within the FBI as “overburning.”

Ultimately, the GAO concluded, as it often does, that the impact on traditional criminal activities is statistically significant; however the report demonstrated many concerns. First, the report found that the FBI referred 236 counterterrorism matters to U.S. Attorneys for prosecution in fiscal year 2001, which ended three weeks after September 11. Two years later, in fiscal year 2003, the FBI referred 1,821 counterterrorism cases to U.S. Attorneys for prosecution—this is a 671 percent increase. During the same period of time, referrals for drug, white collar, and violent crime cases declined by 30 percent, 23 percent, and 10 percent respectively. This statistically demonstrates that the reprogramming effort—while critical—has had an impact on the FBI’s traditional crime fighting efforts.

In addition to investigating Federal crimes, the FBI also provides critical assistance to State and local law enforcement and has technical expertise and resources that are not available to many State and local agencies—especially smaller jurisdictions. These local agencies rely on the FBI to assist them on technical matters and also continue to apply to divert resources from criminal cases, a gap in overall law enforcement capabilities is developing. In order to preserve public safety and national security this is a gap that must be filled.

Unfortunately, local budget woes are making it impossible for local agencies to fill the slack. A recent survey indicated that 23 of 44 police agencies are facing an officer shortfall. The USA Today and the New York Times have highlighted this shortfall in New York, Cleveland, Los Angeles, Houston and others. In addition, I recently attended a Judiciary Committee hearing in Philadelphia and we heard testimony from the Philadelphia Chief of Police that he had lost 2,000 officers in recent years.

Unfortunately, local budget woes, the U.S. Congress continues to slash Federal assistance for State and local law enforcement. In this year’s Commerce, Justice, State appropriations bill, the Congress cut roughly $300 million from Justice, State appropriations bill, the Commerce, Justice, State appropriations bill, the Justice Assistance Grant and completely eliminated the COPS hiring program. Any local sheriff or police chief will tell you how important this funding assistance is to their efforts, and the investments that we made in the future. The COPS program helped drive down crime rates from all-time highs to the lowest levels in a generation. In addition, the COPS program has been statistically proven to reduce crime by the Government Accountability Office, and the Justice Assistance Grants are the primary grant programs used by local agencies to combat illegal drug use in their communities. I voted for this spending bill because it provided critical funding for the FBI reported officer shortages in New York, but I remain very critical of the cuts to state and local law enforcement assistance and hope that the President and the Republican-led Congress will change course.

Unfortunately, these cuts and the FBI reprogramming of agents from crime to counter-terror cases is creating a perfect storm that I’m afraid will contribute to rising crime rates in the future. The good news is that the 2004 Uniform Crime Reports show that crime remain at historic lows. But, many criminologists have pointed out that many crime indicators should caution against complacency. Last year, there were over 16,000 murders throughout the United States, and police chiefs and sheriffs are reporting worrying signs of local youth violence. Indeed, a 2005 report by the FBI on youth gangs shows that gang activity is on the rise. Rather than pull back, we need to re-double our effort to ensure that crime rates don’t rise in the future and to push them even lower. I’ve often said that the safety of Nation’s citizens should be the top priority of our Federal Government—this applies to combating international terrorists and traditional crime.

We spent a bulk of the nineties creating a Federal, State, and local partnership that helped make our Nation safer than it has been in a generation. This partnership is breaking down because the President and many in Congress feel that local crime that is not a national priority. I couldn’t disagree more. The safety of the American people is the most important priority that we have. It doesn’t matter whether the threat comes from international terrorists, drug traffickers, or from the thugs down the street. In my opinion, it is a terrible mistake to use the successes of the past ten years and the new focus on terrorism as an excuse to abandon our critical anti-crime responsibilities. We can—and we must do both. The American people are counting on us, and the legislation that I am introducing today will help ensure that we meet our commitment to the American people to make sure that they are safe from crime and terrorism.

By Mr. DURBIN (for himself, Mr. SPENCER, Mr. DEWINE, Mr. LEAHY, Mr. KENNEDY, Mrs. FEINSTEIN, Mr. FEINGOLD, Mr. HARKIN, Mr. AKAKA, Mr. LUTENBERG, Ms. CANTWELL, Mr. PRYOR, and Mr. KERRY):

S. 209. A bill to provide for loan repayments for prosecutors and public defenders; to the Committee on the Judiciary.

Mr. DURBIN. Mr. President, I rise today to introduce the Prosecutors and Defenders Incentive Act of 2005. I am honored to have the support and co-sponsorship of Senator DeWine with whom I have enjoyed working on similar measures in previous Congresses. I am further pleased that Senators SPENER, LEAHY, KENNEDY, FEINGOLD, FEINSTEIN, AKAKA, CANTWELL, LAUTENBERG, PRYOR, and KERRY have also agreed to join me as original cosponsors of this legislation. Our bill is designed to encourage the best and the brightest law school graduates to enter public service as criminal prosecutors and public defenders and to make the student loan repayment program available to them.

I am pleased that this legislation enjoys bipartisan support. I am anxious to work closely with Chairman SPENCER and the Honorary Member LEAHY to advance it through the Judiciary Committee and secure its enactment by the full Senate.
Our proposed loan repayment program is supported by the American Bar Association, the National District Attorneys Association, the National Association of Prosecutor Coordinators, the National Legal Aid and Defender Association, and the American Council of Chief Defenders.

We can—and should—do more to help prosecutor and public defender offices compete with the higher salaries available in the private sector. In many instanc-es, high aspirations and strong motivation to work in the public sector, many graduates find it economically impossible to pursue that career path due to the overwhelming burden of debt. The availability of student loan repayment can be a powerful incentive for attracting some of our most talented new lawyers to public service employment.

Many of today’s law graduates are finishing law school owing staggering amounts of student loan debt. According to the American Bar Association, the median total cumulative educational debt for law school graduates in the class of 2004 was $97,768 for private schools and $66,810 for public schools. Educational loan debts represent a financial obligation which must be repaid. A default on any loan triggers serious consequences. Moreover, the looming obligation can impact career choices for many new graduates.

Many budding prosecutors and public defenders face a disheartening dilemma. On the one hand, they have a deep commitment to pursuing a career in public service. On the other hand, they need a level of income to meet the demands of exorbitant educational loan liabilities. This wrenching choice has not only personal impact but adverse implications for the legal profession and its commitment to ensuring access to justice for all citizens. And from the perspective of aspirational and comparatively low salaries and high debt, make it extremely difficult to recruit and retain attorneys in prosecutor and public defender offices.

The results of a special study, “Lifting the Burden: Law Student Debt as a Barrier to Public Service,” published in August 2003 by the American Bar Association, reflects eight key findings, which I will describe in more specificity in my remarks.

First, law school tuition levels have skyrocketed. Second, the vast majority of law students borrow funds to finance their legal education. Third, law students are borrowing increasingly larger sums to finance their legal education. Fourth, public service salaries have not kept pace with rising law school debt burdens or private sector salaries. Fifth, high student debt bars many law graduates from pursuing public service careers. Sixth, many law graduates who take public service legal jobs must leave law practice after 3 years of experience. Seventh, public service employers report serious difficulty recruiting and retaining lawyers. And eighth, the legal profession and society pay a severe price when law graduates are shut out from pursuing public service legal careers due to high educational debt burdens.

On the matter of skyrocketing tuition levels, there have been steep and persistent hikes in the costs of legal education and in the tuition rates law school charge. Researchers found that tuition increased about 340 percent from 1985 to 2002 for private law school students and out-of-state students. In state students at public law schools saw their tuition jump about 500 percent. During the period 1992-2002, the cost of living in the United States rose 29 percent while the cost of tuition for public law schools rose 134 percent for residents and 100 percent for non-residents, and private law school tuition increased 76 percent.

In 1975, when private law school tuition averaged $3,525 and public law school tuition averaged $700, the need to borrow to finance a legal education was not as prevalent or necessary. In 1990, when tuition was $11,680 for private institutions and $3,012 for public law schools, it was at least doubled. As median law school annual tuitions were $24,920 for private law schools, $18,131 for non-resident students at public law schools, and $9,252 for resident students at public law schools. A computation of the tuition rates of the 186 ABA-accredited law schools for 2004 reflects that charges for State residents at public law schools average $10,820 per year. For nonresidents attending public law schools, the average tuition amounts to $20,176 per year. Students attending private law schools pay an average of $25,603 per year.

Additional amounts for food, lodging, books, fees and personal expenses increase the costs for 3 years to more than $100,000. For those who stay in law school beyond the first three years, costs can be even higher. The most comprehensive survey of associate compensation as of April 1, 2004 provided by the American Bar Association, and the American Council of Prosecutor Coordinators, found that law student debt prevents two-thirds of law student respondents from considering a public service career.

One national study of law debt conducted by Equal Justice Works, the Partnership for Public Service, and the National Association for Law Placement found that law student debt prevents two-thirds of law student respondents from considering a public service career. The report was based on a spring 2002 survey of graduating law students. Survey respondents included 1,622 students from 117 law schools representing 40 States, the District of Columbia, and Canada. Among the findings reported were the following: Overall, 66 percent of respondents stated that law school debt was a strong deterrent to pursuing a public interest or government job. The percentage is higher among those who ultimately accepted jobs in small or large private firms, with 83 percent and 78 percent, respectively, stating that debt prevented them from seeking work with public interest organizations or the Federal Government.

Seventy-three percent of students who had not yet accepted a job when surveyed also indicated that they were disinclined to seek a public interest or government position due to heavy debt load. Providing $6,000 a year in available loan repayment assistance would
result in increased interest in a post graduate Federal Government job for 83 percent of student respondents.

Despite their high debt burden, some law graduates initially accept public service jobs. However, the magnitude of debt paired with high turnover because many of these cannot afford loan obligations on a median starting salary of $36,000 and pay all their other remaining living expenses with the remaining $1,100 per month. Some who begin careers in public service, and who would like to remain, leave after a few years when they find their debts are too severely constraining on their hopes for making ends meet, much less raising children or saving for retirement.

Many public service employers report having a difficult time attracting the best qualified law graduates. Public service employers, such as prosecutor or public defender offices, have vacancies they cannot fill because new law graduates are unable to work for them. Alternatively, those who do hire law graduates find that, because of educational debt payments, those whom they do hire leave just at the point when they have acquired the experience to provide the most valuable services.

The legal profession and society pay a severe price when law graduates are shut out from pursuing public service legal careers due to high educational debt burdens. Our country, with difficulties in serving their communities as prosecutors or public defenders are unable to use their skills to do so. And when governments cannot hire new lawyers or keep experienced ones, the ability to protect the public safety is challenged. The inability of poor and moderate-income persons to obtain legal assistance can result in dire consequences to those individuals and the communities in which they live.

Our bill, the Prosecutors and Defenders Incentive Act, is designed to help remedy some of these problems. Enacting this measure will help make legal careers in public service as prosecutors and public defenders in the criminal justice system more financially viable and attractive to law school graduates who have incurred significant financial obligations in acquiring their education.

Our proposal would establish, within the Department of Justice, a program of student loan repayment for borrowers who agree to remain employed for at least 3 years as public attorneys who are either State or local criminal prosecutors or State, local, or Federal public defenders in criminal cases. It would allow eligible attorneys to receive student loan debt repayments of up to $10,000 per year, with a maximum aggregate over time of $60,000.

Repayment benefits for such public attorneys would be made available on a first-come, first-served basis and subject to the availability of appropriations. Priority would be given to borrowers who received repayment benefits for the preceding fiscal year and have completed less than 3 years of the first required service period. Borrowers could enter into an additional agreement, after the required 3-year period, for a successive period of service which may be less than 3 years. It would be voluntary, or part-time, and guaranteed under the Higher Education Act of 1965, including consolidation loans. Furthermore, it would extend to Federal public defenders the existing Perkins loan forgiveness program available to public defenders.

Our bill is modeled on the program for Federal executive branch employees which has been enjoying growing success. Federal law permits Federal executive branch agencies to repay their employees’ student loans, up to $10,000 in a year, and up to a lifetime maximum of $60,000. In exchange, the employee must agree to remain with the agency for at least 3 years.

During fiscal year 2004, 25 executive branch agencies provided 2,945 Federal employees with more than $16.4 million in student loan repayments, as reported by the Office of Personnel Management in April 2005. This marked a 42-percent increase in the number of attorneys for Federal service increase in benefits over fiscal year 2003.

It is noteworthy that across the Federal Government in 2004, agencies used the loan repayment program most often to recruit and retain attorneys. In a survey of Federal public defenders who received loan repayments, 83 percent of student respondents.

Imagine that—working for the public good seems selfish and irresponsible because I cannot do what I love and, at the same time, repay what I owe.”

I appreciate Ms. Walsh’s willingness to share her perspectives with me. By enacting and funding this legislation, we can take a meaningful step toward alleviating some of the financial burdens for attorneys such as Ms. Walsh who choose careers as criminal prosecutors and public defenders.

I know there are many other law graduates who, like Jennifer Walsh, want to apply their legal training and skills to their communities. The reality is that some of these attorneys desiring public service careers are unable to enter into such careers because new law graduates with less than 3 years of service have incurred significant financial obligations on a median starting salary of $36,000 and pay all their other remaining living expenses with the remaining $1,100 per month. This represents about one-third of my monthly take-home pay. I cannot help pay the mortgage on my house. I cannot save for my two children’s futures. During a financial crisis, my husband knows that he cannot allow me to help the family finances. . . . I am now faced with a Hobson’s choice—do I fulfill the needs of my indigent clients or my struggling family? I absolutely, positively don’t want to leave. But my responsibilities to my family and my student loan creditors make staying in the public sector feel selfish and irresponsible. Imagine that—working for the public good seems selfish and irresponsible because I cannot do what I love and, at the same time, repay what I owe.”

I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 2099
Be it enacted by the Senate and House of Representativesto the United States of America in Congress assembled.

SECTION 1. SHORT TITLE.
This Act may be cited as the “Prosecutors and Defenders Incentive Act of 2005”.

SEC. 2. LOAN REPAYMENT FOR PROSECUTORS AND DEFENDERS
Title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3711 et seq.) is amended by adding at the end the following:

“PART III—LOAN REPAYMENT FOR PROSECUTORS AND PUBLIC DEFENDERS

SEC. 2901. GRANT AUTHORIZATION.

(a) PURPOSE.—The purpose of this section is to encourage qualified individuals to enter and continue employment as prosecutors and public defenders.

(b) DEFINITIONS.—In this section:

(1) PROSECUTOR.—The term ‘prosecutor’ means a full-time employee of a State or local agency who—

(A) is continually licensed to practice law; and

(B) prosecutes criminal cases at the State or local level.

(2) PUBLIC DEFENDER.—The term ‘public defender’ means an attorney who—

(A) is continually licensed to practice law; and
"(B) is—

(i) a full-time employee of a State or local agency or a nonprofit organization operating under a contract with a State or unit of local government that provides legal representation to indigent persons in criminal cases; or

(ii) employed as a full-time Federal defender attorney in a defender organization established pursuant to subsection (g) of section 3006A of title 18, United States Code, that provides legal representation to indigent persons in criminal cases.

(3) STUDENT LOAN.—The term ‘student loan’ means—

(A) a loan made, insured, or guaranteed under part B of title IV of the Higher Education Act of 1965; 20 U.S.C. 1071 et seq.;

(B) a loan made under part D or E of title IV of the Higher Education Act of 1965; 20 U.S.C. 1078 et seq. and 1087aa et seq.; and

(C) a loan made under section 226b or 435(g) of the Higher Education Act of 1965; 20 U.S.C. 1087aa et seq. and 1087aa et seq.; and

(d) PROGRAM AUTHORIZED.—The Attorney General shall establish a program by which the Attorney General may, subject to paragraph (d), the borrower and the Attorney General may, subject to paragraph (d), the borrower prior to the date on which the Attorney General entered into an agreement with the borrower under this subsection.

(e) ADDITIONAL AGREEMENTS.—

(1) IN GENERAL.—On completion of the required period of service under an agreement under subsection (d), the borrower and the Attorney General, after giving priority in providing repayment benefits under this section in any fiscal year to a borrower who—

(A) is employed as a prosecutor or public defender;

(B) is not in default on a loan for which the borrower seeks forgiveness;

(C) is employed as a full-time Federal defender attorney in a defender organization established pursuant to subsection (g) of section 3006A of title 18, United States Code, that provides legal representation to indigent persons in criminal cases;

(D) the Attorney General may waive, in accordance with subsection (d), the Attorney General may waive, in accordance with subsection (d), the borrower and the Attorney General shall agree to a repayment benefit under this section on a first-come, first-served basis, and subject to the availability of appropriations.

(2) PRIORITY.—The Attorney General shall give priority to repayment benefits under this section in any fiscal year to a borrower who—

(A) received repayment benefits under this section during the preceding fiscal year; and

(B) has completed less than 3 years of the first required period of service specified for the borrower in an agreement entered into under subsection (d).

(g) REGULATIONS.—The Attorney General is authorized to issue such regulations as may be necessary to carry out the provisions of this section.

(h) AUTHORIZATION OF APPROPRIATIONS.—There are appropriated for the purpose of carrying out this section $25,000,000 for fiscal year 2005 and such sums as may be necessary for each succeeding fiscal year.

By Mr. AKAKA (for himself, Mr. LAUTENBERG, and Mr. CARPER):

S. 2040. A bill to amend the Homeland Security Act of 2002 (6 U.S.C. 101 et seq.) to ensure that the Department of Homeland Security is led by qualified, experienced personnel; to the Committee on Homeland Security and Governmental Affairs.

Mr. AKAKA. Mr. President, I rise today to introduce legislation that will help ensure our homeland security is in the hands of the best and the brightest leaders. The Department of Homeland Security Qualified Leaders Act will establish minimum qualification standards for appointment to the senior leadership positions in the Department of Homeland Security, DHS. I am joined by Senators LAUTENBERG and CARPER in introducing this bill, and I thank them for their support.

Hurricane Katrina and the resignation of Under Secretary Michael Brown have raised concerns regarding the experience and qualifications of political appointees in the Federal Government. Mr. Brown had minimal emergency management experience prior to joining the Federal Emergency Management Agency, FEMA. Despite Mr. Brown’s 3 years as a senior official at FEMA, the agency faltered during Hurricane Katrina under his leadership.

While not all of the Government’s failures to prepare for and respond to Hurricane Katrina can be placed at Mr. Brown’s doorstep, leadership matters. At a recent Homeland Security and Governmental Affairs Committee hearing on the Coast Guard’s response to Hurricane Katrina, Capt Bruce C. Jones, the commanding officer of Coast Guard Air Station New Orleans, testified, ‘‘What counts most in a crisis, is not the plan, it’s leadership. Not processes, but people. And not organizational charts, but organizational culture.’’

According to Captain Jones, one of the reasons the Coast Guard was able to respond immediately and perform efficiently during Hurricane Katrina is because the leaders of the Eighth District and Sector New Orleans were able to make quick, sound decisions while following a predetermined plan. Quick thinking and good judgement cannot be written into a plan.

In addition, DHS, with its multitude of management challenges, requires leaders with strong management experience. Over the past few years, the Department of Homeland Security Accountability Office has cited DHS for poor contract management, ineffective financial systems, and major human capital challenges. Moreover, DHS is in the process of implementing its Second Stage Review, an attempt to better organize the Department to meet its many missions. As Secretary Michael Chertoff overhauls the Department to create what will hopefully be a structure that serve DHS well for years to come, he needs senior officials who have experience running large organizations who know which systems and chains of command work and which do not. Good managers are needed across the Federal Government, but nowhere are they more needed than in an infant agency.

Compromiser General David Walker said in a September 21, 2005, interview with Federal Times that ‘‘for certain key positions, given that the position, there should be statutory qualification requirements for any nominee.’’ I agree.

For these reasons, we must ensure that the right people are leading DHS. Our bill delineates requirements for Senate-confirmed positions based on their compensation under the Executive Schedule, The most senior officials, those in Executive Level II and III, will be required to possess at least 5 years of management experience. 5 years of experience in a field relevant to the position for which the individual
is nominated, such as customs intelligence, or cybersecurity, and a demonstrated ability to manage a substantial staff and budget. These requirements will apply to the following positions: the Under Secretary of Science and Technology; the Under Secretary of Preparedness; the Director of FEMA; and the Under Secretary of Management. The Secretary and Deputy Secretary of Homeland Security are exempt from this bill.

Executive Level IV positions will be required to have significant management experience, at least 5 years of experience in a field relevant to the position for which the individual is nominated, and a demonstrated ability to manage a substantial staff and budget. These positions include the Assistant Secretary for Immigration and Customs Enforcement; the Assistant Secretary for Customs and Border Patrol; the Assistant Secretary for Border and Transportation Security Policy; the Assistant Secretary for Plans, Programs, and Budgets; the Director of the Office State and Local Government Coordination and Preparedness; the Director of U.S. Citizenship and Immigration Services; the Inspector General; the Chief Financial Officer; the U.S. Fire Administrator; and the General Counsel. The bill exempts the commandant of the Coast Guard from this section since requirements for selection of the commandant already exist in law.

I believe that any program or agency will succeed or fail based on leadership. This is especially true at Federal agencies, which need senior leaders with management skills and subject matter expertise. Our bill is a step in the right direction, and I urge my colleagues to join us in passing this important legislation.

I ask unanimous consent that the text of the bill be printed in the RECORD following my statement.

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

S. 240

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

SECTION 1. SHORT TITLE.
This Act may be cited as the “Department of Homeland Security Qualified Leaders Act of 2005.”

SEC. 2. FINDINGS.
Congress finds that—

(1) the Department of Homeland Security, a large organization comprised of 180,000 employees and 22 legacy agencies, has a complex mission of securing the homeland from man-made and natural disasters;

(2) the Department and the agencies within require strong leadership from proven managers with significant experience in their respective fields; and

(3) the majority of positions requiring Senate confirmation to which the Department do not have minimum qualifications.

SEC. 3. QUALIFICATIONS OF CERTAIN SENIOR OFFICERS.

(a) In General. The Homeland Security Act of 2002 (6 U.S.C. 101 et seq.) is amended by inserting after section 103 the following:

"SEC. 104. QUALIFICATIONS OF CERTAIN SENIOR OFFICERS.

"(a) EXECUTIVE SCHEDULE LEVEL II OR III POSITIONS.—
"(1) POSITIONS.—This subsection shall apply to any position in the Department that—
"(B) at least 5 years of significant experience in a field relevant to the position for which the individual is nominated; and
"(C) a demonstrated ability to manage a substantial staff and budget.

"(2) ADDITIONAL QUALIFICATIONS.—In addition to any other qualification applicable to a position described under paragraph (1), any individual appointed to such a position shall possess—
"(A) at least 5 years of executive leadership and management experience in the public or private sector;
"(B) at least 5 years of significant experience in a field relevant to the position for which the individual is nominated; and
"(C) a demonstrated ability to manage a substantial staff and budget.

"(b) EXECUTIVE SCHEDULE LEVEL IV POSITIONS.—
"(1) POSITIONS.—This subsection shall apply to any position in the Department that—
"(A) requires appointment by the President, by and with the advice and consent of the Senate; and
"(B) is at level IV of the Executive Schedule under section 5315 of title 5, United States Code, (including any position for which the rate of pay is determined by reference to level II or III of the Executive Schedule).

"(2) ADDITIONAL QUALIFICATIONS.—In addition to any other qualification applicable to a position described under paragraph (1), any individual appointed to such a position shall possess—
"(A) significant executive leadership and management experience in the public or private sector;
"(B) at least 5 years of significant experience in a field relevant to the position for which the individual is nominated; and
"(C) a demonstrated ability to manage a substantial staff and budget.

"(c) EXCEPTIONS.—This section shall not apply to the position of—
"(1) the Secretary;
"(2) the Deputy Secretary of Homeland Security; or
"(3) the Commandant of the Coast Guard.

"(d) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to lessen any qualification otherwise required of any position.

"(e) SENSE OF CONGRESS.—It is the sense of Congress that individuals nominated by the President for the positions of Secretary and Deputy Secretary of Homeland Security be qualified to perform the duties of their respective positions by reason of their experience and expertise in a relevant field because of the significant level of responsibility entrusted to these individuals.

(b) TECHNICAL AND CONFORMING AMENDMENT.—The table of contents in section 1 of the Homeland Security Act of 2002 (6 U.S.C. 101) is amended by inserting after the Item relating to section 103 the following:

"Sec. 104. Qualifications of certain senior officers.".

By Mr. REID:
S. 241. A bill to provide for the conveyance of a United States Fish and Wildlife Service administrative site to the city of Las Vegas, Nevada; to the Committee on Environment and Public Works.

Mr. REID. Mr. President, I rise today to introduce the Ed Fountain Park Expansion Act. This legislation would transfer approximately eight acres of property in the Las Vegas Valley to allow for the expansion of one of the city’s most popular parks.

Ed Fountain Park is one of the best known and well-used parks in the city of Las Vegas. Located in a mature part of the city, adjacent to one of the oldest golf courses, Ed Fountain Park has provided recreational opportunities for generations of local residents. For many years it has been home to Pop Warner football practices, youth soccer games, and family picnics and reunions. On any given day or night, a multitude of activities are taking place at the park, many of which are associated with the numerous nonprofit organizations that utilize the park’s resources.

The city of Las Vegas contacted my office several months ago to express their desire to expand Ed Fountain Park by acquiring land adjacent to the park that served as the site of the local administrative offices for the Bureau of Land Management, U.S. Fish and Wildlife Service. The property was vacated by both Federal land management agencies several years ago after they relocated to a larger, multi-jurisdictional facility in the northwest part of the Las Vegas Valley. The property to be acquired by the city is technically classified as part of the Desert National Wildlife Refuge Complex and is currently under the jurisdiction of the Fish and Wildlife Service. The parcel in question, however, is many miles away from the actual wildlife refuge and sits as a vacant urban lot. The former administrative offices that were housed on the land were placed there many decades ago, and this area was up for sale in the outskirt of town. Now, after years of unprecedented growth, this land is surrounded by well-established neighborhoods. The site also contains a single empty historical structure that would be part of the conveyance.

Were the property under the jurisdiction of the BLM, as is usually the case in the Las Vegas Valley, the property could have been transferred administratively under the authority of the Recreation and Public Purposes Act. But because it is the property of the Fish and Wildlife Service, legislation is needed to transfer ownership of the property from the Fish and Wildlife Service to the city.

This legislation provides the city with maximum flexibility to use the parcel to expand Ed Fountain Park, to build new athletic fields, to develop a community center, or any combination of these uses. All of these potential uses are in the public interest and provide important justification for conveying the land to the city at no cost. I look forward to working with the distinguished chairman and ranking
member of the Environment and Public Works Committee to move this legislation forward in a timely manner. I ask unanimous consent that the text of the bill be printed in the Record.

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

S. 2041

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

SEC. 1. SHORT TITLE.

This Act may be cited as the "Ed Fountain Park Expansion Act".

SEC. 2. DEFINITIONS.

In this Act:

(1) ADMINISTRATIVE SITE.—The term "administrative site" means the parcel of real property identified as "Lands to be Conveyed to the City of Las Vegas; approximately, 7.89 acres" on the map entitled "Ed Fountain Park Expansion" and dated November 1, 2005.

(2) CITY.—The term "City" means the city of Las Vegas, Nevada.

(3) SECRETARY.—The term "Secretary" means the Secretary of the Interior, acting through the Director of the United States Fish and Wildlife Service.

SEC. 3. CONVEYANCE OF UNITED STATES FISH AND WILDLIFE SERVICE ADMINISTRATIVE SITE, LAS VEGAS, NEVADA.

(a) IN GENERAL.—The Secretary shall convey to the City, without consideration, all right, title, and interest of the United States in and to the administrative site for use by the City:

(1) as a park;

(2) for any other recreation or nonprofit-related purpose.

(b) ADMINISTRATIVE EXPENSES.—As a condition of the conveyance under subsection (a), the Secretary shall require that the City pay the administrative costs of the conveyance, including survey costs and any other costs associated with the conveyance.

(c) REVERSIONARY INTEREST.—

(1) IN GENERAL.—If the Secretary determines that the City is not using the administrative site for a purpose described in paragraph (1) or (2) of subsection (a), all right, title, and interest of the City in and to the administrative site (including any improvements to the administrative site) shall revert, at the option of the Secretary, to the United States.

(2) HEARING.—Any determination of the Secretary with respect to a reversion under paragraph (1) shall be made—

(A) on the record; and

(B) after an opportunity for a hearing.

By Mr. CHAMBLISS (for himself and Mr. HARKIN): S. 2042

A bill to amend the Federal Insecticide, Fungicide, and Rodenticide Act to implement pesticide-related obligations of the United States under the international conventions or protocols known as the PIC Convention, the POPs Convention, and the LRTAP POPs Protocol; to the Committee on Agriculture, Nutrition, and Forestry.

Mr. CHAMBLISS. Mr. President, today, Senator HARKIN and I are introducing the POPs, LRTAP POPs and PIC Implementation Act of 2005. This bill will amend the Federal Insecticide, Fungicide and Rodenticide Act (FIFRA) to implement the United States’ pesticide-related obligations under the Stockholm Convention on Persistent Organic Pollutants (POPs Convention), the Aarhus Protocol on Persistent Organic Pollutants to the Geneva Convention on Long Range Transboundary Air Pollution (LRTAP POPs Protocol) and the Rotterdam Convention on Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade (PIC Convention).

POPs are certain chemicals that are toxic, persistent in the environment for an extended period of time, and can bio-accumulate in the human food chain. POPs have been linked to adverse health effects on humans and animals. Due to their persistent characteristics and ability to circulate globally, POPs that are released in one part of the world can travel to neighboring regions and negatively affect environments where they are not produced or used.

The United States has taken a leading role in reducing and eliminating the production and use of POPs. In the late 1960s and 1970s, the United States prohibited the manufacture of new PCBs and severely restricted the use of remaining stocks. And over the past 35 years, the United States has had a strong regulatory structure to reduce the production and use of dangerous pesticides. Even prior to signing the POPs Convention, the United States prohibited the sale of all the POPs pesticides initially targeted by the convention.

In 2001, President George W. Bush signed the POPs Convention. Its ultimate goal is the safe management of hazardous chemicals. Over time, the convention will help bring an end to the production and use of dangerous pollutants around the world and to positively affect the U.S. environment and public health.

Specifically, the convention requires all signatory nations to stop the production and use of 12 listed POPs, including DDT, PCBs and dioxins. Parties to the convention include the United States under the POPs Convention.

Also, the LRTAP POPs Protocol includes four additional chemicals to the United States under the POPs Convention. Also, the LRTAP POPs Protocol includes four additional chemicals to the LRTAP POPs Protocol.

In 1998, the PIC Convention established an information sharing process to promote cooperative efforts among the parties to the convention regarding trade in chemicals. The process is designed to help nations decide whether to allow a chemical to be imported. Basically, the PIC Convention provides for an information-gathering process that importing countries by nations exporting chemicals that have been banned or severely restricted in the importing country.

In order for the United States to become a party to the conventions, the Senate must ratify the POPs and PIC Conventions. Congress also must pass implementing legislation. This bill does not include a ratification resolution and it does not amend the Toxic Substances Control Act.

At this time, the United States is not a party to the conventions and does not have a seat at the negotiating table. This weak position hampers the ability of our technical experts and negotiators to protect our leadership role in international pesticide policy and regulations. Our observer-only status also limits our ability to participate in the critical decisions that affect U.S. businesses and economic interests and our environment and public health. The delay in ratifying the conventions serves to marginalize us.

The U.S. delegation was unable to fully participate in the first meeting of parties to the POPs Convention held in May 2005 in Punta del Este, Uruguay. The next meeting of the parties to the POPs Convention is May 2006. I urge my colleagues to ratify the conventions and pass implementing legislation so that the United States can claim its rightful place as a world leader in the safe management of hazardous chemicals.

I look forward to working with my colleagues on the Senate Foreign Relations Committee and the Environment and Public Works Committee on this matter.

Mr. HARKIN. Mr. President, today I am pleased to join with Chairman CHAMBLISS in introducing legislation to implement the Stockholm Convention on Persistent Organic Pollutants, the
LRTAP POPs Protocol, and the Rotterdam PIC Protocol. These three agreements provide an international framework for controlling and eliminating the use of chemicals that have the greatest potential for long-term environmental damage. These persistent organic pollutants, or POPs, are chemicals that do not easily break down in the environment. As a result, they tend to move across international boundaries and bio-accumulate—in other words, they build up the food chain.

This legislation modifies existing U.S. law under the Federal Insecticide, Fungicide andicide Act, FIFRA, to bring us into compliance with these agreements with regard to chemicals used in agriculture. Implementation of the agreements will also require modification of the Toxic Substances Control Act, TSCA.

These conventions and protocols have already entered into force. But at this point, though the United States is a signatory to all of them, we have not ratified them. All of the chemicals that are listed in the agreement are already banned or tightly controlled under U.S. law, but the Stockholm Convention’s Review Committee just met in Geneva and these chemicals are being evaluated for decisions being made without our delegation able to fully participate as a party to the agreement. The United States needs to ratify the convention in order to have a voice in this process.

Our goal in writing this legislation is narrow. It has not been our intention to open up FIFRA as part of this process, but only to craft those changes compelled by our international commitments. That is not to say that FIFRA is perfect or could not be improved and strengthened—only that this is not the occasion to launch into changing the domestic law beyond the narrow goal of compliance with these agreements.

Some have urged that this measure provide for automatic processes triggered by the decisions of the review committee overseeing the Stockholm Convention. For instance, if the review committee lists a chemical, they would have the United States automatically take steps to regulate or ban the chemical domestically. I have sympathy with that approach, and I would hope that our existing environmental laws would be used to restrict the use of such chemicals. The challenge is to enact a process of listing new chemicals under the convention that this legislation will bring us into compliance with our international obligations.

The most controversial aspect of this legislation is the provisions that deal with the process by which new chemicals are brought under the convention’s control. It is critically important that the position of the United States in the international regulation of chemicals take into account the views of all parties—pesticide manufacturers, farmers, environmental scientists, State regulators—everyone who has a stake in the process.

Under the Stockholm Convention, the process of listing new POPs chemicals follows a three-part process. The review committee determines whether a chemical satisfies the agreed screening criteria in the convention; if the criteria are satisfied, a risk profile is prepared; if on the basis of the risk profile, a decision to ban or regulate action is required, the committee or parties would consider listing the chemical.

In each of these stages, the U.S. position should be informed by formal notice and comment periods as provided in existing law. The Federal notice and comment process is open, well developed, and well understood by stakeholders in the process. If this process is optional, there is the risk that the U.S. position could be formed without taking into account views.

While nothing in this legislation dictates that any particular position in this established process be taken by the administration, there is a requirement that the administration use this process to collect information to inform its position in the international body regarding any particular chemical.

The administration’s draft of this legislation gave the EPA Administrator the authority to initiate a notice and comment period but did not require it. The argument for this position was a constitutional claim that the executive authority over negotiations with other nations includes a right to rely on whatever information that the president chooses to use. The remedy for negotiating a faulty treaty, according to the letter received from the Department of Justice, is for the Senate to refuse to consent to the treaty.

This position is not consistent with existing Federal law and is impractical particularly in a process like this one, where the negotiation in question would never be subject to ratification by the Senate. My concern with this constitutional theory resulted in an exchange of correspondence last year, when this bill was being drafted by then-Chairman Cochran.

I wrote to then-Administrator Michael Leavitt at the EPA, asking for a written explanation of the administration’s position on this issue. This resulted in two letters, one from Administrator Leavitt on behalf of the EPA dated March 25, 2004, and one from Assistant Attorney General William Moschella on behalf of the Department of Justice dated March 25, 2004. Finally, I requested an analysis of the constitutional issues raised by this provision from the American Law Division of the Congressional Research Service and received a memorandum dated March 30, 2004. I will offer all of these letters and the CRS memorandum for inclusion in the RECORD at the end of my statement.

In this material, I find that the administration’s position is not well supported, and I would urge the Senate to reject any effort to include it in this legislation. The CRS memorandum on the EPA draft summary of the state of the law follows:

Stated succinctly, the separation of powers doctrine ‘‘implicit in the Constitution and well established in case law, forbids Congress from infringing upon the Executive Branch’s ability to negotiate international treaties or agreements with regard to chemicals controlled under the CAA. The Supreme Court has established that in determining whether an act of Congress has violated the doctrine, ‘‘the proper inquiry focuses on the extent to which it prevents the Executive Branch from accomplishing its constitutionally assigned functions.”

The memo goes on to state that it is ‘‘difficult to see how a mandatory notice and comment requirement would implicate this traditional executive function. The memo includes what it terms ‘‘a matter of debate’’ that ‘‘it does not appear that a mandatory notice and comment requirement would present any substantive separation of powers concern.’’ Clearly, there is no merit to the Justice Department’s contention that mandatory notice and comment would be an unconstitutional intrusion into the President’s exclusive prerogative over foreign policy. Clearly, future steps taken domestically to carry out these international agreements would be enabled without any substantive separation of powers concern.’’

I appreciate the opportunity to work with Chairman Chambliss on this legislation, and with our committee’s previous chair, Senator Cochran, whose work was critical to develop this legislation. I am hopeful that we can work together with the other body to reach agreement on implementing legislation along the lines of this bill,
that will clear the way for ratification of the Stockholm Convention.

I ask unanimous consent to include in the RECORD a letter to Administrator Michael Leavitt, his response from March 25, 2004, the response to the same letter by William J. Lampman on behalf of the Justice Department, and the memorandum of law from the Congressional Research Service.

There being no objection, the material was printed in the RECORD, as follows:


Hon. MICHAEL LEAVITT,
Administrator, Environmental Protection Administration, Washington, DC.

DEAR ADMINISTRATOR LEAVITT: Thank you for your note asking for my views on proposed action concerning the Stockholm Convention.

I appreciate your willingness to support the legislative efforts of the Administration to allow the United States to become a Party to the Stockholm Convention on Persistent Organic Pollutants (POPs) that are explicitly controlled by the Stockholm Protocol. I certainly want to be helpful in that regard and support moving implementing legislation forward to give the Environmental Protection Agency the ability to eliminate the threat that persistent organic pollutants (POPs) pose to our environment.

As we move forward on this legislation, I believe it is important to regulate not only the substances identified by the William J. Lampman's commentary on behalf of the Justice Department, but also to improve the agency's ability to address these types of pollutants through our regulatory system as expeditiously as possible, with opportunities for public participation and comment. This public participation and comment is particularly critical to meet the Department of Justice's requirement in the memorandum of law from the Department of Justice to discuss its constitutional analysis of the proposal that it received from the Justice Department. As the memorandum indicates, the Justice Department's analysis seeks to identify the decision that underlies the constitutional concerns that were raised in your letter.

One version of proposed implementing legislation would provide for mandatory notice and comment procedures. As you noted in your letter, the United States could use the notice and comment procedures under the Stockholm Protocol to add or remove any substance from the Convention's coverage. The Administration therefore proposes to include mandatory consultation requirements in the implementing legislation.

For the reasons indicated in your letter, I do not agree with the concern that the mandatory consultation requirement would raise constitutional concerns. As you note in your letter, the extensive notice and comment procedures under the proposal to add or remove any substance from the Convention's coverage would provide for extensive public input. This public input would also be provided for in your letter, the United States could use the notice and comment procedures under the proposal to add or remove any substance from the Convention's coverage. The Administration therefore proposes to include mandatory consultation requirements in the implementing legislation.

I appreciate the reiteration of your concern to pass the legislation and to completing the necessary steps for the United States to move forward to ratify the Protocol. I look forward to working with you. If you have any further questions, please contact me or your staff may contact Peter Pagano in EPA’s Office of Congressional and Intergovernmental Relations, at (202) 564-3678.

Sincerely, MICHAE L O. LEAVITT.


Hon. TOM HARKIN,
Ranking Member, Committee on Agriculture, Nutrition, and Forestry, U.S. Senate, Washington, DC.


Specifically, you are interested in the discretionary notice and comment procedures contained within the Administration's proposed legislation to implement the FIFRA-related obligations of the three environmental treaties referenced above. At the request of the Department of Justice, the Administration's proposal does not make these consultations mandatory, but you requested additional information about the constitutional concern underlying that decision.

The Stockholm Convention creates an international "Persistent Organic Pollutants Review Committee" to evaluate whether various substances should be added or removed from the Convention's coverage. The United States expects to play a strong role at this committee meeting as the United States has never signed the Rotterdam Convention.

The Stockholm Convention creates an international "Persistent Organic Pollutants Review Committee" to evaluate whether various substances should be added or removed from the Convention's coverage. The United States expects to play a strong role at this committee meeting as the United States has never signed the Rotterdam Convention.

The Executive branch has sole authority over the Executive Branch to take advantage of this knowledge. The statutory notice and comment procedures are precatory, however, because the Department of Justice has advised the Administration that it has concluded that a mandatory consultation requirement would raise constitutional concerns with respect to the President's foreign policy negotiations with other nations. I have forwarded your letter to the Department of Justice to respond to you more specifically on this point.

I do, however, agree with the concern behind your letter that “public participation and notice and comment is particularly important to inform the agency in the evaluation of potential new pollutants brought before the review committee.” The constitutional concerns that are presented by a mandatory consultation requirement are affected by the Executive Branch to take advantage of this knowledge. The statutory notice and comment procedures are precatory, however, because the Department of Justice has advised the Administration that it has concluded that a mandatory consultation requirement would raise constitutional concerns with respect to the President's foreign policy negotiations with other nations. I have forwarded your letter to the Department of Justice to respond to you more specifically on this point.

I do, however, agree with the concern behind your letter that “public participation and notice and comment is particularly important to inform the agency in the evaluation of potential new pollutants brought before the review committee.” The constitutional concerns that are presented by a mandatory consultation requirement are affected by the Executive Branch to take advantage of this knowledge. The statutory notice and comment procedures are precatory, however, because the Department of Justice has advised the Administration that it has concluded that a mandatory consultation requirement would raise constitutional concerns with respect to the President's foreign policy negotiations with other nations. I have forwarded your letter to the Department of Justice to respond to you more specifically on this point.

In this section, there is a mandatory requirement that the Administration publish a semi-annual report that provides a full description of the events occurring at the international level and any domestic regulatory actions that have been initiated. The report is based on the annual federal register notices. I will be interested in your reaction to this proposal, which I believe addresses our respective concerns.

I appreciate the reiteration of your commitment to passing this legislation and to completing the necessary steps for the United States to join these three very important multilateral environmental treaties. I look forward to working with you. If you have any further questions, please contact me or your staff may contact Peter Pagano in EPA's Office of Congressional and Intergovernmental Relations, at (202) 564-3678.

Sincerely, MICHAEL O. LEAVITT.
alone has the power to speak or listen as a representative of the nation. He makes treaties with the advice and consent of the Senate; but he alone negotiates. Into the field of negotiable propositions he can not intrude, for the Constitution is powerless to invade it."

See also New York Times Co. v. United States, 403 U.S. 713, 728 (1971) (Stewart, J., concurring) ("In the governmental structure created by the Constitution, the Executive is endowed with enormous power in the two related areas of national defense and international relations."); United States v. Louisiana, 334 U.S. 1, 35 (1948) ("[T]he constitutional representative of the United States in its dealings with foreign nations"); Earth Island Inst. v. Christopher, 6 F.3d 648, 652-54 (9th Cir. 1993); Sanchez-Expresion v. United States, 302, 210 (App. D.C. 1985) (Scalia, J.) ("[B]road leeway is "traditionally accorded the Executive in matters of foreign affairs.").

Within this constitutional framework, statutes cannot direct the President to vote a certain way in an international forum, and they cannot require that the President consult with specific private organizations as he prepares to cast such a vote. Congress can only authorize the President to gather information from secrecy and despatch on the other, are thus combined in the system. But no treaty, so formed, becomes binding upon the country, unless it receives the deliberate assent of the Executive Branch to exercise that authority to publish notices in the Federal Register and to provide an opportunity for comment in response to certain actions taken by parties to the POPs Conventions and the LRTAP POPS Protocol.

The Administration has asserted that the notice and comment provisions in its proposal are necessarily "precautionary" in nature, "[a] mandatory consultation requirement would raise constitutional concerns." You have asked whether it would be constitutionally problematic to make the notice and comment provisions in the draft proposal mandatory, despite the concerns raised by the Administration. A review of relevant constitutional principles appears to indicate that such a requirement would pass constitutional muster.

POPs Convention

The POPs Convention was signed by the United States on May 31, 2001, and requires nations to reduce or eliminate the production and use of listed chemicals. The POPs Convention allows new chemicals to be added to the list by amendment to the relevant treaty annexes, and an amendment may be proposed by any party to the Convention. The amendments are considered at a meeting of the Conference of Parties after the circulation of such a proposal to all parties at least six months in advance of the meeting. The POPs Convention includes the Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals in International Trade (PIC Convention) and the Protocol on Persistent Organic Pollutants to the Convention on Long-Range Transboundary Air Pollution (LRTAP POPS Protocol).

The Administration has asserted that the notice and comment provisions in its proposal are necessarily "precautionary," and a mandatory consultation requirement would raise constitutional concerns. The Administration concludes that a mandatory consultation requirement would raise similar constitutional concerns and therefore recommended that more precautionary language be used.

That said, the Department does not take issue with the general belief that "public participation and notice and comment is particularly important to inform the Administration in its evaluation of potential new pollutants brought before the review committee." The constitutional concerns that are presented by a mandatory consultation requirement can be avoided by fully authorizing the Executive Branch to gather information from the public, but not requiring the President to consult with that authority. To ensure that the public is well informed about events that are taking place internationally, and to provide an opportunity for the consideration of public comment in the event that the President chooses not to execute the discretionary notice and comment procedures, the bill requires that the Administration publish a semi-annual Federal Register notice that provides a full description of the events occurring at the international level and any domestic regulatory actions that have been initiated. Because this requirement based on the calendar dates that are publicly available, and is not linked to decisions in the international process, this does not raise the same constitutional concerns.

We trust this provides an answer to your inquiry. We would welcome the opportunity to assist you with any future inquiries you may have. The Office of Management and Budget has advised that there is no objection to the submission of this letter from the standpoint of the Administration's program.

Sincerely,

William Moschella,
Assistant Attorney General.
of the Convention. Prior to the addition of a chemical, the LRTAP POPs Protocol requires the completion of a risk profile on the chemical establishing that it meets selection criteria specified in the protocol.

THE DRAFT PROPOSAL

The Administration’s draft proposal, as supplied by your office, provides for the implementation of the LRTAP and POPs Conventions and the LRTAP POPs Protocol. To effectuate this implementation, the proposal imbues the Administrator with the discretionary authority to publish notices in the Federal Register in response to actions taken to add chemicals to the list of those covered under the POPs Convention and the LRTAP POPs Protocol.

As noted above, the POPs Convention establishes a POPs Review Committee that is responsible for proposing additions to the POPs Convention or to the Protocol. It is interesting to note that while the draft proposal makes the mandatory provisions applicable to those listed in the POPs Convention and recommending to the Conference of the Parties whether a proposed chemical should be considered for listing by the Conference. In the event that the POPs Review Committee does not forward a proposal, the Conference may choose to consider the proposal on its own accord. Section 3(4) of the draft bill contains several provisions authorizing the Administrator of the EPA to publish notices in the Federal Register at certain stages of the process and to provide an opportunity for comment on a proposed listing. In particular, Section 3(4), establishing a new 7 U.S.C. 136o(e)(3), authorizes the Administrator to publish notice and opportunity for comment after a decision by the POPs Review Committee that a listing proposal meets the screening criteria specified in the Act. Alternatively, if the Conference of the Parties decides that such a proposal should proceed.

Likewise, a new 7 U.S.C. 136o(e)(4) would authorize the publication of notice and opportunity for comment upon a determination by the POPs Review Committee that a proposed listing warrants global action, or, alternatively, if the Conference of the Parties decides that such a proposal should proceed. Finally, a new 7 U.S.C. 136o(e)(5) would authorize the publication of notice and opportunity for comment after the POPs Review Committee recommends that the Conference of the Parties consider making a listing decision numerous times at issue.

Publication of notice and opportunity for comment would also be authorized after a party to the LRTAP POPs Protocol submits a risk profile of a proposed pesticide to add a chemical to those already listed. Additional notice and comment proceedings would be authorized in instances where the Executive Body determines that further consideration of a pesticide is warranted, as well as after the completion of a technical review of a proposal to add a chemical to the LRTAP POPs Protocol. It is interesting to note that while the draft proposal makes the decision as to whether to engage at all in notice and comment procedures discretionary, the draft bill imposes a requirement that the Administrator is required to provide detailed elements of notice in the event that such procedures are offered.

ANALYSIS

You have specifically inquired as to whether it would violate the doctrine of separation of powers to make the aforementioned discretionary notice and comment procedures mandatory. As expressed in the general concern voiced by the Administration that “a mandatory consultation requirement would raise constitutional questions.” An examination of applicable principles and precent appears to indicate that a mandatory notice and comment requirement would be constitutionally permissible.

Stated succinctly, the separation of powers doctrine “implicit in the Constitution and well established in case law, forbids Congress from infringing upon the Executive Branch’s ability to perform its traditional functions.” The Supreme Court has established that in determining whether a reviewing court has violated the doctrine, “the proper inquiry focuses on the extent to which it prevents the Executive Branch from accomplishing its constitutionally delegated function. Furthermore, as was noted by the Court of Appeals for the Ninth Circuit in "Confederated Tribes of Siletz, States. Although the Supreme Court has not announced a formal list of elements to be considered when determining whether a violation of the doctrine has occurred, it has consistently looked to at least two factors: (1) the governmental branch to which the function in question is traditionally assigned; and (2) the delegation of discretion involved.”

The mandatory notice and comment requirement would offend the separation of powers doctrine would hinge on the assertion that such a requirement would present any substantive separation of powers concerns. The Supreme Court has established that in considering whether an act of Congress has infringed upon the Executive Branch’s possession of the Executive Branch, subject to the claims of executive privilege. As a general proposition, Congress is entitled to full access to information that is in the possession of the Executive Branch, subject to claims of executive privilege. In addition to the general assertion that a mandatory notice and comment requirement would intrude on the President’s power over the “field of negotiation” in foreign affairs, the DOJ letter states that any potential requirement that the Administrator consult with private parties prior to consideration of comments received therefrom would also be constitutionally problematic. However, it is likewise difficult to ascertain how such a provision would necessarily impair the ability of the executive branch to carry out its core functions in this context. There is no indication that such a provision would be for purposes of the disclosure of sensitive information, or to require the inclusion of such individuals in the actual negotiation process. Rather, the notice and comment procedures at issue would be tailored to ensure that the public is kept informed regarding ongoing proceedings in this context, and is further afforded the opportunity to comment on consideration to comments received therefrom. Accordingly, it appears that such a dynamic would not raise concerns any more significant than existing consultation requirements. Based on these factors, it does not appear that a mandatory notice and comment requirement would present any substantive separation of powers concerns.

By Mr. DURBIN (for himself, Mr. COCHRAN, and Mr. SALAZAR):

S. 2043. A bill to amend the Robert T. Stafford Disaster Relief and Emergency Assistance Act to provide grants for mass evacuation exercises for urban and suburban areas and the execution of emergency response plans, and for other purposes; to the Committee on Homeland Security and Governmental Affairs.

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

There being no objection, the bill was ordered to be printed in the RECORD.

S. 2043 Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Mass Evacuation Exercise Assistance Act of 2005".

SEC. 2. MASS EVACUATION EXERCISES AND EXECUTION OF EMERGENCY RESPONSE PLANS.

Section 201 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5131) is amended by adding at the end the following:

"(e) GRANTS FOR MASS EVACUATION EXERCISES FOR URBAN AND SUBURBAN AREAS AND THE EXECUTION OF EMERGENCY RESPONSE PLANS.

"(1) IN GENERAL.—The Secretary of Homeland Security shall make grants to States or units of local governments nominated by the State from funds made available under this section to conduct representative to consult with the appropriate congressional committees and to publish de-
the mass evacuation of persons in urban and suburban areas; and

"(B) execute plans developed under subparagraph (A), including the purchase and stocking of necessary supplies for emergency routes and shelters.

"(2) CONDITIONS.—As a condition for the receipt of assistance under paragraph (1)(A), the Secretary of Homeland Security may establish any guidelines and standards for the programs that the Secretary determines to be appropriate.

"(3) REQUIREMENTS.—To the maximum extent practicable, a program assisted under paragraph (1)(A) shall incorporate the coordination of public and private transportation resources in the plans developed and the exercises carried out under the program.

"(4) PARTICIPATION OF MEMBERS OF THE ARMED FORCES.—

"(A) IN GENERAL.—The Secretary of Defense may authorize the participation of members of the Armed Forces and the use of appropriate Department of Defense equipment and materials in an exercise carried out under a program assisted under this subsection.

"(B) REIMBURSEMENT FOR PARTICIPATION OF GUARD.—In the event the National Guard in State status participate in an exercise carried out under a program assisted under this subsection, the Secretary of Defense may, using amounts available to the Department of Defense for the fiscal year for the National Guard for the State for which the National Guard provides assistance, authorize reimbursement for the National Guard for the costs incurred in the State under the provisions of the National Guard Act.

"(5) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this subsection $250,000,000 for each of fiscal years 2006 through 2010.

"(6) ANNUAL REPORT.—

"(1) REQUIREMENT.—Each State or unit of local government receiving a grant under subsection (e)(1) shall, in consultation with relevant local governments, develop and maintain detailed and comprehensive mass evacuation plans for each area in the jurisdiction of the State unit of local government.

"(2) PLAN DEVELOPMENT.—In developing the evacuation plans required under paragraph (1), each State or unit of local government shall, to the maximum extent practicable—

"(A) assist urban and suburban county and municipal governments in establishing and maintaining mass evacuation plans;

"(B) assist hospitals, nursing homes, other institutional adult congregate living facilities, group homes, and other health or residential care facilities that house individuals with special needs in establishing and maintaining mass evacuation plans; and

"(C) plans described in subparagraphs (A) and (B) and coordinate evacuation efforts with the entities described in subparagraphs (A) and (B).

"(3) PLAN CONTENTS.—Each State, county, and municipal mass evacuation plans shall, to the maximum extent practicable—

"(A) establish incident command and decision-making processes;

"(B) identify primary and alternate escape routes;

"(C) establish procedures for converting 2-way traffic to 1-way evacuation routes, removing tollgates, ensuring the free movement of emergency vehicles, and deploying traffic management personnel and appropriate traffic signs;

"(D) maintain detailed inventories of drivers and public and private vehicles, including buses, vans, and handicap-accessible vehicles, needed into service;

"(E) maintain detailed inventories of emergency shelter locations and develop the necessary agreements with neighboring jurisdictions to operate or use the shelters in the event of a mass evacuation;

"(F) establish procedures for informing the public in advance of mass evacuations and during an evacuation and return procedures after an evacuation, including the use of television, radio, print, and online media, land-based and mobile phone technology, and vehicles equipped with public address systems;

"(G) identify primary and alternate staging locations for emergency responders;

"(H) identify maps in the ability to respond to different types of disasters, including the capacity to handle surges in demand for hospital, emergency medical, coroner, morgue, and mortuary services, decontamination, and criminal investigations;

"(I) establish procedures to evacuate individuals with special needs, including individuals who are low-income, disabled, homeless, or elderly or who do not speak English;

"(J) establish procedures for evacuating animals that assist the disabled;

"(K) establish procedures for protecting property, preventing looting, and accounting for pets; and

"(L) ensure the participation of the private and nonprofit sectors.

"(4) UPDATING OF PLANS.—State, county, municipal, and private plans under this subsection shall be updated on a regular basis.

"(5) REPORT TO STATES.—The Secretary of Homeland Security shall assist States and local governments in developing and maintaining the plans described in subsection (f) by—

"(1) establishing and maintaining comprehensive best practices for evacuation planning, training, and execution;

"(2) establishing and maintaining a coordinated curriculum based on the best practices established under paragraph (1);

"(3) providing the training curriculum developed under paragraph (3) to State and local officials;

"(4) maintaining a list of qualified government agencies, private sector consultants, and nonprofit organizations that can assist local governments in setting up evacuation plans and;

"(5) establishing and maintaining a comprehensive guide for State and local governments regarding—

"(A) the types of Federal assistance that are available to respond to emergencies; and

"(B) the steps necessary to apply for that assistance.

"(6) REPORT TO CONGRESS.—Not later than 1 year after the date of enactment of this subsection, the Comptroller General of the United States shall conduct a study detailing—

"(1) any Federal laws that pose an obstacle to effective evacuation planning;

"(2) any State or local laws that pose an obstacle to effective evacuation planning; and

"(3) the political and economic pressures that discourage governors, county executives, mayors, and other officials from—

"(A) ordering an evacuation; or

"(B) conducting exercises for the mass evacuation of people.

By Mr. DeWINE.

S. 2046. A bill to establish a National Methamphetamine Information Clearinghouse to promote sharing information regarding successful law enforcement, treatment, and treatment-based programs to combat the production, use, and effects of methamphetamine and grants available for such programs, and for the other purposes; to the Committee on the Judiciary.

Mr. DeWINE. Mr. President, today I am introducing a bill that would create a National Methamphetamine Information Clearinghouse (NMIC). This web-based source of information would promote sharing of “best practices” regarding law enforcement, treatment, environmental, social services, and treatment-based programs to combat the production, use, and effects of methamphetamine.

The purpose of the NMIC is to make a one-stop shop, where all the “best practices” in the fight against meth can be found—information from law enforcement, treatment-based organizations, social services and environmental agencies. It will be a website providing information that agencies and organizations submit, describing community health centers might post notifications. The people who have had success with addressing meth and meth-related issues will be providing this information. Additionally, there will be information and links regarding available resources and funding to States.

The NMIC will serve two distinct populations—law enforcement and the broader community. The NMIC will contain a restricted access area where law enforcement will be able to post their successful strategies, training techniques, and conference notes so that other law enforcement will be able to get ideas and incorporate them in their own jurisdiction. A training un-restricted portion of the website will include resources for other agencies and the public at large. For example, child protection agencies might post techniques on dealing with meth orphans, and environmental groups might post tips on cleaning up the toxic waste.

So, a landlord or hotel owner whose property was used as a meth lab and who wants to be able to rent out the property again, or the mother who wants to figure out if her child is a meth addict—and what to do if she is—they would all be able to find useful information on the site.

One of our challenges in the fight against meth is finding those who need assistance and connecting them with those who can help—and that is exactly what this clearinghouse can do. Many people and organizations that have had some success in controlling meth are more than willing to share the techniques they found that work, if only they knew who needed the information. And, there are those who are just starting to attack the meth problem in their communities and need guidance as to how to make that start an effective one. The NMIC can help bring those groups of people together and enhance everyone’s ability to fight the plague of meth.

NMIC will be housed under the auspices of the Department of Justice and
will be governed by an Advisory Council comprised of 10 members from a variety of agencies and organizations. It is this Council who will monitor the submissions to the Clearinghouse and make sure that the information found on the site is accurate, up-to-date, and useful.

The bill I am introducing today provides the basic outline of this idea, and over the next two months, I will be working closely with law enforcement and community groups to modify and improve the Clearinghouse before we move forward with this legislation next year. I look forward to that process and encourage all of my colleagues to join with me this effort to combat the meth problem.

I ask unanimous consent that the text of the bill be ordered to be printed in the RECORD.

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

S. 2046

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

SEC. 1. SHORT TITLE.

This Act may be cited as the “National Methamphetamine Information Clearinghouse Act of 2006”.

SEC. 2. DEFINITIONS.

In this Act—

(1) the term “Council” means the National Methamphetamine Advisory Council established under section 3(b)(1);

(2) the term “drug endangered children” means children whose physical, mental, or emotional health are at risk because of the production, use, or effects of methamphetamine by another person;

(3) the term “National Methamphetamine Information Clearinghouse” or “NMIC” means the information clearinghouse established under section 3(a); and

(4) the term “qualified entity” means a State or local government, school board, or public health, law enforcement, nonprofit, or other nongovernmental organization providing services related to methamphetamines.

SEC. 3. ESTABLISHMENT OF CLEARINGHOUSE AND ADVISORY COUNCIL.

(a) CLEARINGHOUSE.—There is established, under the supervision of the Attorney General of the United States, an information clearinghouse to be known as the National Methamphetamine Information Clearinghouse.

(b) ADVISORY COUNCIL.—

(1) IN GENERAL.—There is established an advisory council to be known as the National Methamphetamine Advisory Council.

(2) MEMBERSHIP.—The Council shall consist of 10 members appointed by the Attorney General—

(A) not fewer than 4 of whom shall be representatives of law enforcement agencies;

(B) not fewer than 4 of whom shall be representatives of nongovernmental and nonprofit organizations providing services related to methamphetamines; and

(C) 1 of whom shall be a representative of the Department of Health and Human Services.

(3) PERIOD OF APPOINTMENT; VACANCIES.—Members shall be appointed for 3 years. Any vacancy in the Council shall not affect its powers, but shall be filled in the same manner as the original appointment.

SEC. 4. COMPONENTS AND REVIEW.

(a) IN GENERAL.—The NMIC shall promote sharing information regarding successful law enforcement, treatment, environmental, social, services, and other programs related to the production, use, or effects of methamphetamine and grants available for such programs.

(b) COMPONENTS.—The NMIC shall include—

(1) a toll-free number; and

(2) a website that—

(A) provides information on the short-term and long-term effects of methamphetamine use;

(B) provides information regarding methamphetamine treatment programs and programs for drug endangered children, including descriptions of successful programs and contact information and resources;

(C) provides information regarding grants for methamphetamine-related programs, including contact information and links to websites;

(D) allows a qualified entity to submit items to be posted on the website regarding successful public or private programs or other useful information related the production, use, or effects of methamphetamine;

(E) includes a restricted section that may only be accessed by a law enforcement organization that certifies that it has strategic training techniques, and other information that the Council determines helpful to law enforcement agencies efforts to combat the production, use or effects of methamphetamine;

(F) allows public access to all information not in a restricted section; and

(G) contains any additional information the Council determines may be useful in combating the production, use, or effects of methamphetamine.

(b) REVIEW OF POSTED INFORMATION.—

(1) IN GENERAL.—Not later than 45 days after the date of submission of an item by a qualified entity, the Council shall review the item submitted for posting on the website described in subsection (b)(2)—

(A) to evaluate and determine whether the item, as submitted or as modified, meets the requirements for posting; and

(B) in consultation with the Attorney General, to determine whether the item should be posted in a restricted section of the website.

(2) DETERMINATION.—Not later than 45 days after the date of submission of an item, the Council shall—

(A) post the item on the website described in subsection (b)(2); or

(B) notify the qualified entity that submitted the item whether the item shall not be posted and modifications, if any, that the qualified entity may make to allow the item to be posted.

(c) REVIEW OF POSTED INFORMATION.—

There are authorized to be appropriated—

(1) for fiscal year 2006—

(A) $1,000,000 to establish the NMIC and Council; and

(B) such sums as are necessary for the operation of the NMIC and Council; and

(2) for each of fiscal years 2007 through 2010, such sums as are necessary for the operation of the NMIC and Council.

By Mr. OBAMA (for himself and Mrs. CLINTON):

S. 2047. A bill to promote healthy communities; to the Committee on Health, Education, Labor, and Pensions.

Mr. OBAMA. Mr. President, today, I am introducing the Healthy Communities Act of 2006, and I am pleased to have the support of my good friend and colleague Senator HILLARY RODHAM CLINTON.

Over the last few decades, our medical researchers and scientists have developed increasingly sophisticated and high tech methods to diagnose and treat disease. Yet, this approach has caused us to lose sight of the need for providing disease-free lives on the front-end, with greater investment in basic public health interventions that too often get short shrift.

Today, I would like to bring it back to the basics and talk about environmental quality. The air we breathe, the food we eat, the houses in which we live, and the parks in which our children play—all of these factors contribute to our health. Environmental health, as defined by the World Health Organization, includes both the direct, damaging effects of chemicals, radiation, and some biological agents, and the effects on health and well-being of the broad physical, psychological, social, and aesthetic environment. The legislation that I have introduced today is an attempt to focus that aspect of the environment that is the physical environment—the toxics and pollutants that we may not notice, but are present in our everyday surroundings and taking a toll on our health.

The Blue State of Illinois is known to face a number of environmental challenges, including high levels of lead poisoning. It is estimated that over 400,000 children in this country suffer from elevated blood lead levels. Despite the unfortunate distribution of the relatively number 1 for children with elevated blood lead levels, 6,691 children have elevated blood lead levels, which is 50 percent higher than the number of children in the second ranked city of Boston. Elevated blood levels are known to cause behavioral and learning problems, slowed growth, impaired hearing and damage to the kidneys, brain and bone marrow. Adults are not exempt from lead toxicity—poisoned air from lead paint in older homes has far-reaching repercussions in children, environmental toxins are estimated to cause
up to 35 percent of asthma cases, up to 10 percent of cancer cases, and up to 20 percent of neurobehavioral disorders. Overall, an estimated 25 percent of preventable illnesses worldwide can be attributed to poor environmental quality. Factors such as cancer, heart disease, asthma, birth defects, infertility, and obesity are all caused or exacerbated by toxics or pollutants in the environment.

Minority Americans are significantly more likely to be affected than other Americans. Some studies have found that 3 of every 5 African- and Latino Americans live in communities with one or more toxic waste sites. Communities with existing incinerators, and those that are proposed for expansion, of new incinerators, have substantially higher numbers of minority residents. Minority Americans are already plagued with higher rates of death and disease, and fewer health resources in their neighborhoods. As we focus our efforts on environmental health, we must be cognizant that some groups are disproportionately affected by federal policies and decision-making, and deserve special attention.

The Healthy Communities Act of 2005 addresses environmental health concerns in a comprehensive fashion, building upon many of the successful federal initiatives and filling in gaps in our efforts. The bill establishes an independent advisory committee to provide recommendations across all relevant Federal agencies. It asks the CDC and the EPA to assess and report the environmental public health of the nation, and each State. The Health Action Zone Program will provide intense Federal attention and resources to clean up and address the health needs of the nation’s most blighted communities. Environmental research, including air monitoring, and health tracking initiatives. Finally, the Act promotes environmental health workforce programs at the CDC and the NIH.

The Healthy Communities Act of 2005 will raise national attention on the importance of the environment, and its relationship to good health. As we work to make our future stronger for our communities, let us look to our past. The Environmental Policy Act (NEPA) of 1969, Congress wrote that it is the continuing responsibility of the Federal Government to assure that all Americans live in “safe, healthful and aesthetically and culturally pleasing surroundings.” Almost forty years later, our responsibility to the American people continues. I encourage all of my colleagues to join me and support passage of this bill.

By Mr. OBAMA:

S. 2048. A bill to direct the Consumer Product Safety Commission to classify certain children’s products containing lead to be banned hazardous substances; to the Committee on Commerce, Science, and Transportation.

Mr. OBAMA. Mr. President, I rise today to introduce the Lead Free Toys Act of 2005, which directs the Consumer Product Safety Commission to intensify efforts to reduce lead exposure for children.

The unfortunate reality is many children—particularly in low-income families—continue to be exposed to the continued presence of high blood lead levels. Over 400,000 children in this country have elevated blood lead levels, with my own hometown of Chicago having the largest concentration of these children.

Lead is a highly toxic substance that can produce a range of health problems in children, including IQ deficiencies, reading and learning disabilities, impaired hearing, reduced attention, spans, hyperactivity, and damage to the kidneys, brain, and bone marrow. Even low levels of blood lead in pregnant women, infants, and children can lead to impaired cognitive abilities, fetal organ development and behavioral problems. We know that lead poisoning is completely preventable. As the Nation has increased efforts to reduce environmental lead exposure, the number of children with high blood levels has steadily dropped. Restricting lead in gasoline and water has been major accomplishments in this regard. But much work remains to be done.

Earlier today I introduced the Healthy Communities Act of 2005. to strengthen Federal and local efforts to address environmental health issues in communities already affected by lead and other toxins. However, we need to take greater proactive steps to prevent contamination, and the Lead Free Toys Act of 2005 will help us do just that. Disturbingly, lead is present in a number of toys and other frequently used objects by young children. According to research conducted by the National Center for Environmental Health, about half of tested lunch boxes have unsafe levels of lead. The highly popular Angela Anaconda lunch box was found to have 56,400 parts per million of lead, which is more than 90 times the 600 parts per million legal limit for lead in paint for children’s products. Other lunch boxes showed levels of lead between two and twenty-five times the legal limit for lead paint in children’s products. In most cases, the highest lead levels were found in the lining of lunch boxes, where lead could come into direct contact with food.

This problem is not limited to lunchboxes. One study found that 60 percent of more than 400 pieces of costume jewelry purchased at major department stores contain dangerous amounts of lead. From September 2003 through July 2004, there were 3 recalls of nearly 150 million pieces of toy jewelry because of toxic levels of lead.

This past August the Centers for Disease Control updated its “Preventing Lead Poisoning in Young Children” statement calling for the elimination of all nonessential uses of lead in children’s products. Specifically, the CDC urged a more systematic approach to identifying lead-contaminated items and prohibiting their sale before children are exposed, rather than usual recall efforts after exposure has occurred. The Consumer Product Safety Commission leads our national efforts to safeguard our children from potentially dangerous objects. However, the Commission has dragged its feet in aggressively addressing this lead in toys. The Lead Free Toys Act, introduced by my colleague Congressman HENRY WAXMAN earlier this year, requires the Consumer Product Safety Commission to prescribe regulations classifying any consumer product containing lead as a banned hazardous substance under the Hazardous Substances Act. It defines “children’s product containing lead” as any consumer product marketed or used by children under age 6 that contains more than trace amounts of lead as determined by the Commission and prescribed by regulations. The Act also requires the Commission to issue standards for reducing lead in electronic devices.

It’s a national disgrace that toys that could pose a serious and significant danger to children are readily available in our department stores and markets. The Lead Free Toys Act of 2005 will help us keep our children safe and healthy, and contribute to national efforts to reduce lead exposure. I ask each of my colleagues to help support this Act.

By Mr. DOMENICI (for himself, Mr. DORGAN, and Mr. TALENT):

S. 2049. A bill to improve the security of the United States borders and for other purposes; to the Committee on the Judiciary.

Mr. DOMENICI. Mr. President, I rise today with my friend from North Dakota, Senator DORGAN, and my friend from Missouri, Senator TALENT, to introduce a bill of critical importance to the security of our borders: the Border Modernization and Security Act of 2005.

Securing our borders is the first necessary step towards immigration reform, and I believe the legislation I am introducing makes an enormous leap in the right direction.

Our bill builds upon legislation we introduced in the last Congress to improve our port of entry infrastructure as well as a lot of good ideas proposed by other Senators in this Congress, and adds some provisions that I think are important to improving our border security and immigration reform effort.

The Border Modernization and Security Act increases the number of Customs and Border Protection (CBP), Immigration and Customs Enforcement (ICE) agents each by 1000 for each of fiscal years 2007 through 2011. These personnel are necessary to improve our enforcement at ports of entry and within the United States, and increasing the number of these employees goes hand in hand with our recent efforts to increase the number of
border patrol agents who are enforcing the law along our international borders. Along this same line, the bill allows the Department of Homeland Security (DHS) to support its border and immigration enforcement forces with National Guard volunteers and law enforcement officers, provides for an increase in the number of DHS alien and immigration investigative personnel, and increases the number of Deputy Marshals to investigate criminal immigration matters.

Increasing the number of DHS employees alone will not solve our border problems. Unauthorized aliens also cause a significant burden on our courts. For example, for the 12-month period ending September 30, 2004, 364 felony cases per judge were filed in the New Mexico District. It is apparent how burdensome this number is for my border State’s court when you consider that the national average of felony cases filed per judge is 68. To help with these growing levels, our bill increases the number of DHS immigration attorneys, federal defenders, Office of Immigration Litigation attorneys, assistant US Attorneys, and immigration judges.

Immigration personnel is only one aspect of our effort to secure the border. Any border security effort must provide DHS personnel with necessary technologies and assets. To that end, our bill authorizes funds for the Department of Homeland Security to acquire new technologies, construct roads, fences, and barriers, purchase air assets, vehicles, and other equipment, maintain temporary and permanent border checkpoints, and construct the appropriate facilities to support the increased number of DHS personnel being hired. Such assets are invaluable tools for our CBP and ICE personnel, and we must make sure those men and women have what they need. We also provide for up to 15,000 new detention beds for unauthorized aliens in our bill.

Another area Congress must address is our land port of entry infrastructure. No American border has undergone a comprehensive infrastructure overhaul since 1986, when Senator Dennis DeConcini of Arizona and I put forth a $357 million effort to modernize the southwest border. A great deal has changed in the past nineteen years. More importantly, much has changed since 9/11. Congress has passed legislation to improve security at airports and seaports, but we have not yet addressed the needs of our busiest ports, located on the United States’ northern and southwestern land borders. The Border Modernization and Security Act would change that and would prevent terrorists from exploiting weaknesses at our land ports.

My bill requires the General Service Administration (GSA) to identify port of entry infrastructure and technology improvement projects that would enhance homeland security. The GSA would work with the Department of Homeland Security to prioritize and implement these projects based on needs along the border. The Secretary of Homeland Security would also have to prepare a Land Border Security Plan to assess the vulnerabilities at each port of entry located on the northern border or the southern border. This plan would require the cooperation of Federal, State and local entities involved at our borders to ensure that everyone who plays a role in border security is consulted about the plan.

The Border Modernization and Security Act would also modernize homeland security along the United States’ borders by implementing technology demonstration programs to test and evaluate new port of entry and border security technologies. Because equipment and technology alone will not solve the security problems on our border, these test sites will also house facilities to provide the necessary training to personnel who must implement and use these technologies under realistic conditions.

We must also improve the enforcement of existing immigration laws. Our bill authorizes funds for the Department of Homeland Security to expand its Expedited Removal Procedures so that DHS may remove non-Mexican illegal aliens who have spent less than 14 days in the US and who are apprehended within 100 miles of the international border to the alien’s country of origin. We also allow DHS to use biometric information at entry and exit data system at our land ports of entry so we can more accurately keep track of who is entering and leaving the US.

In order for the Department to more easily identify and remove unauthorized aliens who commit crimes under State law and are held in State and local prisons, we authorize the expansion of DHS’ Institutional Removal Program. Because of the burden these aliens place on State and local prisons, DHS will be responsible for reimbursing prisons that detain an alien after the alien has completed his prison sentence in order to effectuate the alien’s transfer to federal custody.

Along the same line, the Border Modernization and Security Act provides additional assistance to States that are impacted by unauthorized aliens who commit crimes. I know first hand the impact such aliens have on our State and local law enforcement agencies and prosecutors and judges in New Mexico, so our bill reauthorizes the State Criminal Alien Assistance Program to help our States with the costs of incarcerating these aliens. Additionally, the bill allows for the reimbursement of State and local costs of processing illegal aliens through the criminal justice system and creates a new grant program for State, local, and Indian tribe law enforcement agencies who incur costs related to border security activities.

I believe that these measures are an important part of addressing this nation’s homeland security needs, and I am pleased to introduce this bill today with Senators DORGAN and TALENT.

I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 2049

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

SECTION 1. SHORT TITLE.

This Act may be cited as the “Border Security and Modernization Act of 2005”.

SEC. 2. DEFINITIONS.

In this Act:

(1) DEPARTMENT.—Except as otherwise provided, the term “Department” means the Department of Homeland Security.

(2) SECRETARY.—Except as otherwise provided, the term “Secretary” means the Secretary of Homeland Security.

(3) STATE.—Except as otherwise provided, the term “State” has the meaning given the term in section 101 of the Immigration and Nationality Act (8 U.S.C. 1101 (a)(36)).

SEC. 3. CONSTRUCTION.

Nothing in this Act may be construed to require law enforcement personnel of a State or political subdivision of a State to—

(1) report the identity of a victim of, or a witness to, a criminal offense to the Secretary for immigration enforcement purposes;

(2) arrest such victim or witness for a violation of the immigration laws of the United States;

(3) enforce the immigration laws of the United States.

TITLE I—BORDER PROTECTION

Subtitle A—Personnel and Training

SEC. 101. PERSONNEL OF THE DEPARTMENT OF HOMELAND SECURITY.

(a) IN GENERAL.—

(1) CUSTOMS AND BORDER PROTECTION OFFICERS.—During each of the fiscal years 2007 through 2011, the Secretary shall, subject to the availability of appropriations for such purpose, increase by not less than 100,000 the number of positions for full-time active duty officers of the Bureau of Customs and Border Protection of the Department for such fiscal year.

(2) IMMIGRATION AND CUSTOMS ENFORCEMENT INSPECTORS.—Section 5203 of the Intelligence Reform and Terrorism Prevention Act of 2004 (Public Law 108-458; 118 Stat. 3734) is amended by striking “500” and inserting “1,000”.

(3) INVESTIGATIVE PERSONNEL.—In addition to the positions authorized under section 5203 of the Intelligence Reform and Terrorism Prevention Act of 2004, as amended by paragraph (2), during each of the fiscal years 2007 through 2011, the Secretary shall, subject to the availability of appropriations for such purpose, increase by not less than 100 the number of positions for investigative personnel within the Department to investigate alien smuggling and immigration status violations for such fiscal year.

(4) LEGAL PERSONNEL.—During each of the fiscal years 2007 through 2011, the Secretary shall, subject to the availability of appropriations for such purpose, increase by not less than 100 the number of positions for attorneys in the Office of General Counsel of the Department who represent the Department in immigration matters for such fiscal year.

(5) WAIVER OF PTE LIMITATION.—The Secretary is authorized to waive any limitation on the number of full-time equivalent personnel employed by the Department to fulfill...
the requirements of paragraph (1) and the amendment made by paragraph (2).

(b) TRAINING.—The Secretary shall provide appropriate training for the agents, officers, inspectors, and support personnel of the Department on an ongoing basis to utilize new technologies and techniques to ensure that the proficiency levels of such personnel are acceptable to protect the international borders of the United States.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary for each of fiscal years 2007 through 2011 such sums as may be necessary to carry out this section.

SEC. 102.PLEMENTARY ASSIGNMENTS TO THE DEPARTMENT OF JUSTICE AND OTHER LAW ENFORCEMENT AGENCIES

(a) LITIGATION ATTORNEYS.—During each of the fiscal years 2007 through 2011, the Attorney General shall, subject to the availability of appropriations for such purpose, increase by not less than 50 the number of positions for attorneys in the Office of Immigration Litigation of the Department of Justice for such fiscal year.

(b) UNITED STATES ATTORNEYS.—During each of the fiscal years 2007 through 2011, the Attorney General shall, subject to the availability of appropriations for such purpose, increase by not less than 50 the number of United States Attorneys to litigate immigration cases in the Federal courts for such fiscal year.

(c) UNITED STATES MARSHALS.—During each of the fiscal years 2007 through 2011, the Attorney General shall, subject to the availability of appropriations for such purpose, increase by not less than 50 the number of Deputy—United States Marshals to investigate criminal immigration matters.

(d) IMMIGRATION JUDGES.—During each of fiscal years 2007 through 2011, the Attorney General shall, subject to the availability of appropriations for such purpose, increase by not less than 100 the number of immigration judges for such fiscal year.

(e) DEFENSE ATTORNEYS.—During each of the fiscal years 2007 through 2011, the Director of the Administrative Office of the United States Courts shall, subject to the availability of appropriations for such purpose, increase by not less than 100 the number of attorneys in the Federal Defenders Program for such fiscal year.

(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Attorney General for each of fiscal years 2007 through 2011 such sums as may be necessary to carry out this section, including the hiring of necessary support staff.

SEC. 103. USE OF THE NATIONAL GUARD FOR BORDER SECURITY ACTIVITIES

(a) IN GENERAL.—Section 112 of title 32, United States Code, is amended—

(1) by striking “drug interdiction and counter-drug activities” each place it appears and inserting “drug interdiction, counter-drug, and border activities” and

(2) in subparagraphs (A) and (B) of subsection (g), striking “drug interdiction or counter-drug activities” each place it appears and inserting “drug interdiction, counter-drug, or border activities”.

(b) DEFINITIONS.—(1) DRUG INTERDCTION, COUNTER-DRUG, AND BORDER ACTIVITIES.—Subsection (h)(1) of such section is amended to read as follows—

“(1) The terms ‘drug interdiction’, ‘counter-drug’, and ‘border activities’, with respect to the National Guard of a State, means the use of National Guard personnel in—

“(A) activities related to detection and sampling activities conducted by personnel of the Department of Homeland Security, including drug demand reduction activities authorized by the law of the State and requested by the Governor of the State; or

“(B) activities conducted in cooperation with personnel of the Department of Homeland Security to secure the international borders of the United States, including constructing roads, fencing, and vehicle barriers, assisting in search and rescue operations, and patrolling the Department of Homeland Security, and monitoring international borders, and excluding any law enforcement activities conducted by personnel of the Department of Homeland Security.”.

SEC. 104. DEPUTY BORDER PATROL AGENT PROGRAM

(a) AUTHORITY TO ESTABLISH.—The Secretary may establish a Deputy Border Patrol Agent Program in this section referred to as the “Program” in the Office of Border Patrol.

(b) MANDATES.—The purpose of the Program shall be to establish a volunteer force of trained, retired law enforcement officers to assist the Secretary in carrying out the mission of the Department to achieve operational control of the borders of the United States.

(c) QUALIFICATIONS.—An individual may participate as a volunteer in the Program only if the individual—

(1) is a retired law enforcement officer,

(2) has experience in the field of immigration enforcement, and

(3) is recommended by the Secretary or by the Attorney General.

(d) TRAINING AND OTHER REQUIREMENTS.—The Secretary may require an individual who participates as a volunteer in the Program to participate in such training, testing, and other requirements that the Secretary determines are appropriate.

SEC. 105. DOCUMENT FRAUD DETECTION

(a) TRAINING.—The Secretary shall provide appropriate training to provide such border security functions that the Secretary determines are appropriate.

(b) ORGANIZATION.—The Secretary shall assign individuals participating in the Program to participate in such training, testing, and other requirements that the Secretary determines are appropriate.

(c) SWERING IN.—Upon completion of any training, testing, or other procedures required by the Secretary, an individual who participates in the Program shall be sworn in and assigned to the Office of Border Patrol.

(d) ASSIGNMENT OF VOLUNTEERS.—The Secretary may assign individuals participating in the Program to provide patrol services at facilities and locations along the international borders of the United States, including—

(1) the ports of entry infrastructure.

(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $10,000,000 for each of the fiscal years 2007 through 2011 to carry out this section.

SEC. 106. DOCUMENT FRAUD DETECTION

(a) TRAINING.—The Secretary shall provide appropriate training to provide such border security functions that the Secretary determines are appropriate.

(b) ORGANIZATION.—The Secretary shall assign individuals participating in the Program to participate in such training, testing, and other requirements that the Secretary determines are appropriate.

(c) SWERING IN.—Upon completion of any training, testing, or other procedures required by the Secretary, an individual who participates in the Program shall be sworn in and assigned to the Office of Border Patrol.

(d) ASSIGNMENT OF VOLUNTEERS.—The Secretary may assign individuals participating in the Program to provide patrol services at facilities and locations along the international borders of the United States, including—

(1) the ports of entry infrastructure.

(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $10,000,000 for each of the fiscal years 2007 through 2011 to carry out this section.

SEC. 111. MODIFICATION OF BORDER INFRASTRUCTURE

(a) DEFINITIONS.—In this section—


(2) MAQUILO.—The term ‘maquiladora’ means an entity located in Mexico that assembles and produces goods from imported parts for export to the United States.

(3) NORTHERN BORDER.—The term ‘northern border’ means the international border between the United States and Canada.

(4) SOUTHERN BORDER.—The term ‘southern border’ means the international border between the United States and Mexico.

(b) BORDER TECHNOLOGIES, ASSETS, AND CONSTRUCTION.

(1) ACQUISITION.—The Secretary shall procure technologies necessary to support the mission of the Department to achieve operational control of the international borders of the United States. In determining what technologies to procure, the Secretary shall consult with the Secretary of Defense and the head of the National Laboratories and Technology Centers of the Department of Energy.

(2) CONSTRUCTION OF BORDER CONTROL FACILITIES.—The Secretary shall construct roads, acquire vehicle barriers, and construct fencing necessary to support such mission.

(3) PERSONNEL.—The Secretary shall acquire unmanned aerial vehicles, police-type vehicles, helicopters, all terrain vehicles, interoperable communications equipment, firefighting vehicles, and other equipment and assets as may be necessary to support such mission.

(4) FACILITIES.—The Secretary shall construct such facilities as are necessary to support the number of employees of the Department who are hired pursuant to any provision of this Act or of subtitle B of title V of the National Intelligence Reform and Terrorism Prevention Act of 2004 (Public Law 108-458; 118 Stat. 3733).

(5) CHECKPOINTS.—The Secretary may construct and maintain temporary or permanent checkpoints on roadways located in close proximity to the northern border or the southern border to support such mission.

(c) PORT OF ENTRY INFRASTRUCTURE ASSESSMENT STUDY.

(1) REQUIREMENT TO UPDATE.—In order to carry out the mission of the Department to achieve operational control of the international borders of the United States, not later than January 31 of each year, the Administrator of General Services shall update the Secretary on the first day of the calendar year after the date of the enactment of this Act, and shall update the Secretary on the first day of each calendar year thereafter, the number of port of entry infrastructure assessment that is set out in the joint explanatory statement in the conference report accompanying H.R. 2940 of the 105th Congress (as amended).

(2) CONSULTATION.—In preparing the update required by paragraph (1), the Administrator of General Services shall consult with the Director of the Office of Management and Budget, the Secretary, and the Commissioner of Customs Services, the Immigration and Naturalization Service, and the General Services Administration in accordance with the matters relating to the ports of entry infrastructure assessment that is set out in the joint explanatory statement in the conference report accompanying H.R. 2940 of the 105th Congress (as amended).
(C) prioritize each project described in subparagraph (A) or (B) based on the likelihood of incorporating any demonstrated technology for use throughout the Department.

(h) INTERNATIONAL AGREEMENTS.—Funds authorized in this Act may be used for the implementation of agreements described in the Declaration on Embracing Technology and Cooperation to Promote the Secure and Efficient Flow of People and Commerce across our Shared Border between the United States and Mexico, agreed to March 22, 2002, Monterrey, Mexico (commonly known as the Border Partnership Action Plan) or the Smart Border Declaration between the United States and Canada, agreed to December 12, 2001, Ottawa, Canada that are consistent with the provisions described in the Declaration.

(1) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated the following:

(1) For each of the fiscal years 2007 through 2011, $1,000,000,000 to carry out subsection (b).

(2) For each of the fiscal years 2007 through 2011, such sums as may be necessary to carry out paragraph (1) of subsection (c).

(3) For each of the fiscal years 2007 through 2011, $100,000,000 to carry out paragraph (4) of subsection (c).

(4) For each of the fiscal years 2007 through 2011, such sums as may be necessary to carry out subsection (d).

(5) For fiscal year 2007, $30,000,000 to carry out paragraph (1) of subsection (e); and

(6) For fiscal year 2007, $5,000,000 to carry out paragraph (2) of subsection (e); and

(7) For each of the fiscal years 2008 through 2011, such sums as may be necessary to carry out such paragraph.

(8) For fiscal year 2007, $50,000,000 to carry out subsection (f), and not more than $10,000,000 of such sums may be expended for technology demonstration program activities at any 1 port of entry demonstration site during such fiscal year.

(9) For each of the fiscal years 2008 through 2011, such sums as may be necessary to carry out subsection (f), and not more
that $10,000,000 may be expended for technology demonstration program activities at any 1 port of entry demonstration site in any such fiscal year.

(2) by redesignating the fiscal years 2007 through 2011, $10,000,000 to carry out subsection (g).

SEC. 112. DETENTION SPACE AND REMOVAL FACILITIES.

Section 532(a) of the Intelligence Reform and Terrorism Protection Act of 2004 (Public Law 108-458; 118 Stat. 3734) is amended by striking "8,000" and inserting "15,000".

SEC. 113. INCREASE OF FEDERAL DETENTION SPACE AND THE UTILIZATION OF FEDERAL FACILITIES IDENTIFIED AS INOPERABLE.

(a) CONSTRUCTION OR ACQUISITION OF DETENTION FACILITIES.—

(1) In General.—The Secretary shall construct or acquire additional detention facili-

ties in the United States.

(2) Determination of Location.—The location of any detention facility built or ac-

quired in accordance with this subsection shall be determined by the Deputy Assistant Director of the Office of Detention and Re-

moval Operations within the Bureau of Im-

migration and Customs Enforcement of the Department.

(b) Use of Federal Facilities Identified for Closure.—In acquiring detention facili-

ties under subsection (a), the Secretary shall, to the maximum extent practical, re-

quest the transfer of appropriate portions of military installations approved for closure or reuse by any other Federal facilities identified for closure.

SEC. 114. ALTERNATIVES TO DETENTION.

In this section, the term "removal Operations within the Bureau of Im-

migration and Nationality Act (8 U.S.C. 1225) is amended

authorized under this subsection.

(1) AUTHORIZATION OF APPROPRIATIONS.—

There are authorized to be appropriated $500,000,000 for each of the fiscal years 2007 through 2011 to carry out this section.

TITLe II—IMMIGRATION PROVISIONS

SEC. 201. EXPEDITED REMOVAL BETWEEN PORTS OF ENTRY.

(a) In General.—Section 235 of the Immigration and Nationality Act (8 U.S.C. 1225) is amended—

(1) in subsection (b)(1)(A)(i), by striking "the officer" and inserting "a supervisory officer";

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

"(4) EXPANSION.—The Secretary of Homeland Security shall make the expedited re-

moval provisions of this subsection available in all border patrol sectors on the southern border of the United States as soon as operationally possible.

(5) TRAINING.—The Secretary of Homeland Security shall provide employees of the De-

partment of Homeland Security with com-

prehensive training on the procedures au-

thorized under this subsection.

(b) AUTHORIZATION OF APPROPRIATIONS.—

There are authorized to be appropriated $20,000,000 for each of fiscal years 2007 through 2011 to carry out this section.

SEC. 202. CANCELLATION OF VISAS.

Section 222(g) of the Immigration and Nationality Act (8 U.S.C. 1222(g)) is amended—

(1) in paragraph (1), by inserting "and any other nonimmigrant visa issued by the Secretary to the United States or a consular or ballistic officer, as" in the provision that is in the possession of the alien after "such visa"; and

(2) in paragraph (2)(A), by striking "other than the visa described in paragraph (1) issued in a consular office located in the country of the aliens nationality or foreign residence".

SEC. 203. BIOMETRIC ENTRY-EXIT SYSTEM.

(a) Grounds of Inadmissibility.—Section 212 of the Immigration and Nationality Act (8 U.S.C. 1182) is amended—

(1) in subsection (a)(7), by adding at the end the following:

"(C) Writings or Biometric Data.—Any alien who fails to comply with a lawful request for biometric data is inadmissible.";

and

(2) in subsection (d), by inserting after paragraph (1) the following:

"(2) The Secretary of Homeland Security may waive the application of subparagraph (A) with respect to an individual alien or a class of aliens, at the discretion of the Secretary.".

(b) Collection of Biometric Data From Aliens Departing the United States.—Section 215 of the Immigration and Nationality Act (8 U.S.C. 1185(d)) is amended—

(1) by redesignating subsection (c) as subsection (g); and

(2) by inserting after subsection (b) the fol-

lowing:

"(c) The Secretary of Homeland Security is authorized to require aliens departing the United States to provide biometric data and other information relating to their immigra-

tion status.";

SEC. 204. REIMBURSEMENT FOR STATES.

(a) Immigration Costs.—Section 241(i)(5) of the Immigration and Nationality Act (8 U.S.C. 1231(i)(5)) is amended to read as fol-

ows:

"(b) There are authorized to be appro-

priated $750,000,000 for fiscal year 2007;

(B) any lawful permanent resident who

is—

(1) entering the United States; and

(2) any applicant for admission or alien

seeking to transit through the United States; or

(3) any permanent resident who

is—

(1) entering the United States; and

(2) any applicant for admission or alien

seeking to transit through the United States.

SEC. 103 of the Immigration and Nationality Act (8 U.S.C. 1103) is amended by adding after subsection (a)(3) the following:

"(4) Notwithstanding any other provision of law, the Secretary of Homeland Security,
the Attorney General, or any court may not—

“(1) grant or order the grant of adjustment of status to that of an alien lawfully admitted for permanent residence;

“(2) grant or order the grant of any other status, relief, protection from removal, or other benefit under the immigration laws; or

“(3) issue a merit finding or related to such grant by the Attorney General, the Secretary, or any court,

until such background and security checks as the Secretary may in his discretion require have been completed to the satisfaction of the Secretary.”;

SEC. 206. RELEASE OF ALIENS FROM NON-CONTINUOUS COUNTRIES.

Section 236(a)(2) of the Immigration and Nationality Act (8 U.S.C. 1226(a)(2)) is amended—

(1) by striking “On being notified” and inserting the following:

“(1) IN GENERAL.—Upon notification”; and

(2) by striking “The Attorney General” each place it appears and inserting “Secretary of Homeland Security”; and

(3) in the case of a third or subsequent removal of an alien who is a citizen, subject, national, or resident of that country after the alien has been ordered removed, and after the alien has been released from incarceration, the Secretary of State, may deny admission to any citizen, subject, national or resident of that country until the country accepts the alien that was ordered removed.

TITLE III—PENALTIES

SEC. 301. INCREASED CRIMINAL PENALTIES FOR ALIEN SMUGGLING.

Section 276a(a)(3) of the Immigration and Nationality Act (8 U.S.C. 1326a(a)(3)) is amended—

(1) by striking “3 years nor more than 25 years;” and

(2) by striking “sentence to a term of 3 years nor more than 14 days” and inserting “sentence to a term of 3 years nor more than 30 days;”.

SEC. 302. INCREASED CRIMINAL PENALTIES FOR DOCUMENT FRAUD.

Section 1546 of title 18, United States Code, is amended—

(1) in subsection (a)—

(A) by striking “not more than 25 years” and inserting “not less than 25 years”;

(B) by inserting “and if the terrorism offense resulted in the death of any person, shall be punished by death or imprisonment for life,” after “section 2331 of this title”;

(C) by striking “imprisoned not more than 40 years”;

(D) by striking “10 years” and inserting “20 years”; and

(E) by striking “imprisoned not more than 30 years”;

(2) in subsection (b), by striking “8 years” and inserting “10 years”.

SEC. 303. INCREASED CRIMINAL PENALTIES FOR CERTAIN CRIMES.

In general.—Title 18, United States Code, is amended by inserting after chapter 51 the following:

“CHAPTER 52—ILLEGAL ALIENS

“SEC. 1131. ENHANCED PENALTIES FOR CERTAIN CRIMES COMMITTED BY ILLEGAL ALIENS.

“(a) Any alien unlawfully present in the United States, who commits, or conspires or attempts to commit, a crime of violence or a drug trafficking offense (as defined in section 2321(a)(6) of this title) during the period in which he was subject to removal, shall be fined under this title and if the terrorism of—

(I) committing, or conspire or attempt to commit, a crime of violence, the alien shall be sentenced to a term of not less than 10 years nor more than 30 years; and

(II) committing a drug trafficking offense (as defined in section 2321(a)(6) of this title) in furtherance of a drug trafficking offense, the alien shall be sentenced to a term of not less than 5 years nor more than 30 years.

“(b) If an alien who violates subsection (a) was previously removed under the Immigration and Nationality Act (8 U.S.C. 1101 et seq.) on the ground of having committed a crime, the alien shall be sentenced to not less than 15 years in prison.

“(c) A sentence of imprisonment imposed under this section shall run consecutively to any other sentence of imprisonment imposed for any other crime.

“(2) Clerical Amendment.—The table of chapters at the beginning of part I of title 18, United States Code, is amended by inserting after the item relating to chapter 51 the following:

“52. Illegal aliens ........................................ 1131”.

SEC. 304. INCREASED CRIMINAL PENALTIES FOR CRIMINAL STREET GANGS.

(a) INADMISSIBILITY.—Section 212(a)(2) of the Immigration and Nationality Act (8 U.S.C. 1182(a)(2)) is amended—

(1) by redesignating subparagraph (F) as subparagraph (J); and

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

“(G) an alien who is determined by a court to be a member of a criminal street gang (as defined in section 521 of this title, United States Code) is inadmissible.

(b) DEPORTABILITY.—Section 237(a)(2) of the Immigration and Nationality Act (8 U.S.C. 1227(a)(2)) is amended by adding at the end the following:

“(G) an alien who is determined by a court to be a member of a criminal street gang (as defined in section 521 of this title, United States Code) is deportable.

(c) TEMPORARY PROTECTED STATUS.—Section 244(c)(5)(B) of the Immigration and Nationality Act (8 U.S.C. 1254(a)(5)(B)) is amended—

(1) in clause (i), by striking “or” at the end;

(2) in clause (ii), by striking the period at the end and inserting “; or”;

(3) by adding at the end the following:—

“(III) the alien is determined by a court to be a member of a criminal street gang (as defined in section 521 of this title, United States Code).”.

SEC. 402. AUTHORIZATION FOR DETENTION AFTER COMPLETION OF STATE OR LOCAL PRISON SENTENCE.

(a) IN GENERAL.—Law enforcement officers of a State or political subdivision of a State are authorized to—

(1) hold an illegal alien for a period of up to 14 days after the alien has completed the alien’s State or local prison sentence in order to effectuate the alien’s removal to Federal custody when the alien is removable or not lawfully present in the United States; or

(b) issue a detainer that will allow aliens who have served a State or local prison sentence to be detained by an appropriate prison and Federal custodian that is not in the same prison for the detention of an alien as described in subsection (a).

(b) COST COMPUTATION.—The amount of reimbursement provided for costs incurred carrying out subsection (a) shall be determined in accordance with a formula determined by the Secretary.

(c) TECHNOLOGY USAGE.—Technology such as videoconferencing shall be used to the extent practicable in order to make the Institutional Removal Program available in remote locations.
the alien has received notice of the violation of the United States, regardless of whether records of violations of the immigration laws following new paragraph:

(1) by redesigning paragraph (4) as paragraph (3) and

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

(a) Providing Information to the National Crime Information Center.—

(1) In general.—Not later than 1 year after the date of enactment of this Act, the Secretary shall provide the National Crime Information Center of the Department of Justice with such information as the Director may have related to—

(A) any alien against whom a final order of removal has been issued;

(B) any alien who is subject to a voluntary departure agreement that has become invalid under section 240B(a)(3) of the Immigration and Nationality Act (8 U.S.C. 1229c); and

(C) any alien whose visa has been revoked.

(2) Requirement to provide and use information.—The information described in paragraph (1) shall be provided to the National Crime Information Center, and the Center shall enter the information into the Immigration Violators File of the National Crime Information Center database if the name and date of birth are available for the individual of whether the alien has received notice of a final order of removal or the alien has already been removed.

(3) Removal of information.—Should an individual be granted cancellation of removal under section 240A of the Immigration and Nationality Act (8 U.S.C. 1229b), or granted permission to legally enter the United States pursuant to the Immigration and Nationality Act after a voluntary departure under section 240B of the Immigration and Nationality Act (8 U.S.C. 1229c), information shall be provided to the National Crime Information Center in accordance with paragraph (1) of this section shall be promptly removed.

(b) Inclusion of Information in the National Crime Information Center Database.—Section 534(a) of title 28, United States Code, is amended—

(1) in paragraph (3), by striking “and” at the end;

(2) by redesignating paragraph (4) as paragraph (5); and

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

(d) acquire, collect, classify, and preserve records of the immigration laws of the United States, regardless of whether the alien has received notice of the violation or the alien has already been removed; and.

Mr. DORGAN. Mr. President, I am pleased to join Senator DOMENICI in introducing the Border Security and Modernization Act of 2005.

Senator DOMENICI and I represent border States, but the bill we are introducing today is not one of merely regional importance. Border security is an issue that affects our country as a whole. We cannot have homeland security without strong and effective border security.

The Administration has signaled that it wants to have a vigorous debate on border security and immigration issue early next year. Our bill does not attempt to change immigration law, but it squarely addresses the border security issue.

I believe working on border security long before the attacks of September 11, 2001. The Northern border is over 4,000 miles long. In the past, almost all of our resources in this country were targeted at the Southern border. It used to be that we had ports of entry at the Northern border where, at night, the only barrier was an orange rubber cone in the middle of the road. The po-lite people crossing at night actually stopped before they came across the border. Those who were not so polite would run over it at 60 miles an hour.

In 2001, before the September 11 at-tacks, I proposed something called the Northern Initiative. That bill added hundreds of Customs officers to the Northern border, and it became law. I also worked to replace the orange cones with hardened gates. But we clearly have to do much more.

The legislation we are introducing today, which Senator DOMENICI has described in detail, would devote significant new resources to our border security. Among other things, this legis-la-tion would authorize the hiring of an additional 10,000 Border Patrol Protection inspectors and Immigration and Customs Enforcement officers a year for the next five years. It would authorize the Department of Homeland Security to work with States to use the National Guard and a volunteer force of retired law enforcement officers as resources to help monitor the borders. And it would have the Federal Government reimburse State governments for the cost of detaining undocumented aliens while decisions are made regarding the status of these individuals.

This bipartisan proposal is not about immigration. It’s about border security. We need to do a better job of se-curing our borders, and we need to do so on an urgent basis. We hope our colleagues will join us, on a bipartisan basis, in supporting this legislation.

By Ms. SNOWE (for herself and Ms. CANTWELL).

S. 2050. A bill to establish a commis-sion on inland waters policy: to the Committee on Commerce, Science, and Transportation.

I rise today to introduce legislation that creates a national commission on inland waters policy to support the long-term sustainability of our water resources. A 2001 National Academy of Sciences report found that U.S. Federal policies and research lack the coordi-nation necessary to respond to increasing future demands. The overarching goal of this legislation is to rec-o-mmend actions that will better co-ordinate and improve the Federal Gov-ernment’s water management policies, similar to the U.S. Commission on Ocean Policy, PL 106–517.

My legislation is supported by the American Society of Limnology and Oceanography, ASLO, and the Council of Scientific Society Presidents, CSSP, representing 1.4 million scientists and science educators. I especially want to thank Dr. Peter Jumars of the School of Marine Sciences at University of Maine at Orono and Darling Marine Center and immediate past president of ASLO, for all of his extensive knowl-edge and assistance that helped craft the legislation.

The bill creates a commission to study the Nation’s policies for inland waters—a category that would include all lakes, streams, rivers, ground-water, and wetlands. The stewardship of these resources is essential to human health, the ecosystem, the economy, agriculture, energy production, and the transportation sector.

The National Academy of Sciences, NAS, issued a report in 2001 describing that water resources of the United States will be subjected to more in-tense and a broader array of pressures in the 21st century. It found that U.S. Federal policies and research lack the coordination necessary to respond to increasing future demands. An inland waters policy commission should be viewed as an attempt to make sure our Nation’s clean water laws are achieving their purpose. Water pol-icy and water resource management policies have been very contentious in many parts of the Nation and have oftentimes pitted people and their livelihoods against preservation concerns.

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

S. 2051. A bill to extend eligibility for certain Federal benefits to citizens of the Freely Associated States; to the Committee on Finance.

Mr. AKAKA. Mr. President, I rise today to introduce legislation with my senior colleague from Hawai‘i, Senator DAN INOUYE, to provide certain Federal
public benefits for citizens of the Freely Associated State, FAS, who are residing in the United States. The bill would provide eligibility for non-emergency Medicaid, Food Stamps, Temporary Assistance to Needy Families, TANF, and Supplemental Security Income, SSI, to FAS citizens residing in the United States.

Citizens from the FAS are from the Republic of the Marshall Islands, RMI, the Federated States of Micronesia, FSM, and the Republic of Palau, which are jurisdictions that have a unique political relationship with the United States. The Compact of Free Association established these nations as sovereign states responsible for their own foreign policies. However, the FAS remain dependent upon the United States for military protection and economic assistance.

Under the compact, the United States has the right to reject the strategic use of, or military access to, the FAS by other countries, which is often referred to as the "right of strategic denial." In addition, the U.S. may block FAS government policies that it deems inconsistent with its duty to defend the FAS, which is referred to as the "defense veto." The compact states that the United States has exclusive military base rights in the FAS.

In exchange for these prerogatives, the U.S. agrees to shoulder the entire financial burden to support the FAS economically, with the goal of producing self-sufficiency, and FAS citizens are allowed free entry into the United States as non-immigrants for the purposes of education, medical treatment, and employment. Many FAS citizens reside in the State of Hawaii. Since 1997, when Hawaii began reporting its impact costs, the State has identified more than $140 million in costs associated with FAS citizens. In 2002, the State of Hawaii expended more than $32 million in assistance to FAS citizens. P.L. 108-188, the Compact of Free Association Amendments Act of 2003, provides $30 million in annual funding for compact impact assistance to be shared between the State of Hawaii, Guam, the Commonwealth of the Northern Mariana Islands, CNMI, and American Samoa. While this funding is a positive step forward, it does not begin to reimburse the affected jurisdictions for the costs associated with FAS citizens.

This legislation would provide assistance to states and territories that shoulder the majority of the costs associated with the compact. The Federal Government must provide appropriate resources to help States meet the needs of the FAS citizens—an obligation based on a Federal commitment. It is unconscionable for a State or territory to shoulder the entire financial burden of providing necessary educational, medical, and social services to individuals who are to be rehoused in that same territory when the obligation is that of the Federal Government. For that reason, we are seeking to provide reimbursement of these costs. It is time for the Federal Government to take up some of the financial responsibility that until now has been carried by the State of Hawaii, CNMI, Guam, and American Samoa by restoring public benefits to FAS citizens.

This bill would enable eligibility of FAS citizens for nonemergency Medicaid. FAS citizens lost many of their public benefits as a result of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, including Medicaid coverage. FAS citizens were previously eligible for Medicaid as aliens permanently residing under color of law in the United States.

After the enactment of welfare reform, the State of Hawaii could no longer claim Federal matching funds for services rendered to FAS citizens. Yet the State of Hawaii, Guam, American Samoa, and the CNMI have continued to meet the health care needs of FAS citizens. The State of Hawaii has used its resources to provide Medicaid services to FAS citizens.

In 2003 alone, the State spent approximately $9.77 million to provide Medicaid services without receiving any Federal matching funds. This represents a Federal shortfall in funding to the State of Hawaii’s Medicaid program from $6.75 million in State fiscal year 2002. Furthermore, the trend in the need for health care services among FAS citizens continues to rise. During fiscal year 2002, the number of individuals served in the State of Hawaii’s Medicaid program grew from 3,291 to 4,818 people based on the average monthly enrollment. This is an increase of 46 percent.

This bill would also provide eligibility for FAS citizens residing in the United States to participate in the Temporary Assistance for Needy Families and Supplemental Security Income programs. According to Hawaii’s attorney general, financial assistance in the form of Temporary Assistance to Needy Families, TANF, Program, a State program, provided $5.1 million to FAS citizens in State fiscal year 2003. This continues an upward trend from $4.5 million in State fiscal year 2002. This total includes funds that go to the General Assistance Program, which supports individuals and couples with little or no income and who have a temporary, incapacitating medical condition; the aged, blind, and permanently disabled; and individuals with little or no income who are not eligible for federally-funded Supplemental Security Income; and the State’s TANF Program that assists other needy families who are not eligible for Federal funding under the Temporary Assistance to Needy Families program. The financial assistance that the State of Hawaii provides to FAS citizens in the form of TANF is a great support to those families attempting to achieve economic stability, but it has a significant financial impact on the State’s budget.

The bill would also provide eligibility for the Food Stamp Program. Mr. President, the Food Stamp Program serves as the first line of defense against hunger. It is the cornerstone of the Federal food assistance program and provides crucial support to needy households and those making the transition from welfare to work. We have partially addressed the complicated issue of alien eligibility for public benefits such as food stamps, but again, I must say it is just partial. Not only should all legal immigrants receive these benefits, but so should citizens of the FAS. Exclusion of FAS citizens from Federal, State, or local public benefits or programs is an unintended and misguided consequence of the welfare reform law. We allow certain legal immigrants eligibility in the program. Yet FAS citizens, who are not considered immigrants but who are required to up for the Selective Service if they are residing in the United States are ineligible to receiving food stamps. This bill corrects this inequity.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD. I also ask unanimous consent that a letter of support I received last week from Mayor Lillian Koller of the State of Hawaii, Department of Human Services be printed in the RECORD.

I look forward to working with my colleagues to enact this measure which is of critical importance to my State of Hawaii, which has borne the costs of these benefits for FAS citizens living in Hawaii for the past 19 years.

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

S. 2051

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

SECTION 1. EXCEPTION FOR CITIZENS OF FREELY ASSOCIATED STATES.

(a) In General.—Section 402(a)(2) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(a)(2)) is amended by adding at the end the following:

"(i) EXCEPTION FOR CITIZENS OF FREELY ASSOCIATED STATES.—With respect to eligibility for benefits for the specified Federal programs described in paragraph (3), paragraph (1) shall not apply to any individual who lawfully resides in the United States (including territories and possessions of the United States) in accordance with—

(1) section 141 of the Compact of Free Association between the Government of the United States and the Government of the Federated States of Micronesia, approved by Congress in the Compact of Free Association Amendments Act of 2003;

(2) section 141 of the Compact of Free Association between the Government of the United States and the Government of the Republic of the Marshall Islands, approved by Congress in the Compact of Free Association Amendments Act of 1996;

(3) section 141 of the Compact of Free Association between the Government of the United States and the Government of Palau, approved by Congress in Public Law 99-658 (100 Stat. 3672);"

(b) MEDICAID AND TANF EXCEPTIONS.—Section 402(b)(2) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(b)(2)) is amended by adding at the end the following:
Allowing Compact migrants to be served with Federal funds under the TANF, SSI, Food Stamps, and Medicaid programs would tremendously assist the State of Hawaii. I appreciate your leadership in this area and look forward to continuing to work with you on your legislative efforts to assist Compact migrants in Hawaii.

Sincerely,

Lillian B. Koller, Esq.
Director

SUBMITTED RESOLUTIONS

SENATE RESOLUTION 318—DESIGNATING NOVEMBER 27, 2005, AS “DRIVE SAFER SUNDAY”

Mr. CHAMBLISS (for himself and Mr. ISAKSON) submitted the following resolution; which was referred to the Committee on the Judiciary:

Whereas motor vehicle travel is the primary means of transportation in the United States;
Whereas everyone on the roads and highways should drive more safely to reduce deaths and injuries resulting from motor vehicle accidents;
Whereas the death of almost 43,000 people a year in more than 6 million highway crashes in America has been called an epidemic by Transportation Secretary Norman Mineta;
 Whereas according to the National Highway Transportation Safety Administration, wearing a seat belt saved 15,434 lives in 2004; and

Whereas the Sunday after Thanksgiving is the busiest highway traffic day of the year: Now, therefore, be it

Resolved, That the Senate—

(1) encourages—

(A) high schools, colleges, universities, administrators, teachers, primary schools, and secondary schools to launch campus-wide educational campaigns to urge students to be careful about safety when driving;
(B) national trucking firms to alert their drivers to be especially focused on driving safely during the heaviest traffic day of the year, and to publicize the importance of the day using Citizen’s band (CB) radios and in truck stops across the Nation;
(C) clergy to remind their members to travel safely when attending services and gatherings;
(D) law enforcement personnel to remind drivers and passengers to drive particularly safely on the Sunday after Thanksgiving; and
(E) everyone to use the Sunday after Thanksgiving as an opportunity to educate themselves about highway safety;

(2) designates November 27, 2005, as “Drive Safer Sunday”.

SENATE RESOLUTION 319—COMMENDING RELIEF EFFORTS IN RESPONSE TO THE EARTHQUAKE IN SOUTH ASIA AND URGING A COMMITMENT BY THE UNITED STATES AND THE INTERNATIONAL COMMUNITY TO HELP REBUILD CRITICAL INFRASTRUCTURE IN THE AFFECTED AREAS

Ms. MIKULSKI submitted the following resolution; which was referred to the Committee on Foreign Relations:

Whereas on October 8, 2005, a magnitude 7.6 earthquake struck Pakistan, India, and Afghanistan; Whereas the epicenter of the earthquake was located near Muzaffarabad, the capital of Pakistan-administered Kashmir, and approximately 60 miles north-northeast of Islamabad, with aftershocks and landslides continuing to affect the region; Whereas the most affected areas are the North West Frontier Province, Northern Pakistan, Pakistan-administered Kashmir, and Indian-administered Kashmir; Whereas more than 75,000 people have died, nearly 70,000 are injured, and approximately 2 million people are homeless as a result of the earthquake, and, according to the Executive Director of the United Nations Children’s Fund (UNICEF), 17,000 of the dead are children; Whereas the United States has pledged a total of $156,000,000 to provide assistance in the affected countries, with $50,000,000 to be used for humanitarian assistance, $50,000,000 to be used for reconstruction, and $56,000,000 to be used to support Department of Defense relief operations; Whereas the total amount of humanitarian assistance committed to Pakistan by the United States Agency for International Development is more than twice the amount committed to India; Whereas the Department of Defense has deployed approximately 875 members of the Armed Forces and 31 helicopters to aid in the earthquake relief effort; Whereas since October 8, 2005, United States helicopters have flown more than 1,000 missions, evacuated approximately 3,400 people, and delivered nearly 5,600,000 pounds of supplies; Whereas the delivery of humanitarian assistance to the affected areas is difficult due to the mountainous terrain, weather, and damaged or collapsed infrastructure; Whereas Secretary of State Condoleezza Rice, during her October 12, 2005, visit to Pakistan, said the United States would support the efforts of the Government of Pakistan over the long-term to provide assistance to the victims of the earthquake and rebuild areas of the country devastated by the earthquake; Whereas the cost of rebuilding the affected areas could be in excess of $20 billion; and
 Whereas the recovery and reconstruction of the areas devastated by the earthquake will require the concerted leadership of the United States and the international community: Now, therefore, be it

Resolved, That the Senate—

(1) commends the members of the United States Armed Forces and civilian employees of the Department of State and the United States Agency for International Development for taking swift action to assist the victims of the earthquake in South Asia that occurred on October 8, 2005; (2) commends the international relief effort that includes the work of individual countries, numerous international organizations, and various relief and non-governmental entities; (3) commends the Governments of Pakistan and India for their cooperation in the common cause of saving lives and providing humanitarian relief to people on both sides of the Line of Control; (4) encourages further cooperation between Pakistan and India on relief operations and efforts to fortify and sustain stability in the region as they cope with the impact of the earthquake during the winter of 2005 and the spring of 2006 and seek to rehabilitate the lives of the affected communities; and (5) urges the United States and the world community to reaffirm their commitment to
additional generous support for relief and long-term reconstruction efforts in areas affected by the earthquake; and

(6) urges continued attention by international agencies to the needs of vulnerable populations in the stricken countries, particularly the thousands of children who have been left parentless in the wake of the disaster.

Ms. MIKULSKI. Mr. President, today I am submitting a resolution commending relief efforts in response to the earthquake in South Asia and urging a commitment by the United States Government, international institutions, and local communities to help rebuild critical infrastructure in the affected areas.

On October 8, 2005, a devastating magnitude 7.6 earthquake hit remote mountainous regions of northern Afghanistan, Pakistan and India. More than 75,000 people have died, nearly 70,000 have been injured and 2.8 million remain homeless. On a bipartisan basis, the President and members of Congress joined the world community in expressing our unique assets to help those suffering in the face of this terrible disaster. But expressions of sympathy are not enough. The United States must set an example and lead the world in the humanitarian effort of recovery and reconstruction of our sympathy and pledging our assistance.

I am submitting a resolution recognizing the critical role of USAID in providing aid and relief. Organizations like Catholic Relief Services, Mercy Corps and Save the Children all have a presence in Pakistan and are providing aid and relief. At President Bush’s request, five major American corporations are encouraging additional private donations. General Electric, Xerox, Chevron, and UPS are coordinating a nationwide fund raising effort through the South Asia Earthquake Relief Fund. To date, more than $46 million has been donated by American corporations.

As Americans, we can all be proud of these efforts to help the people of South Asia survive, recover and rebuild. I applaud President Bush and his administration for acting quickly to provide relief and support. But I know that, together, we can do better.

That’s why I support the immediate reprogramming by USAID of assistance funds for Pakistan in the FY 2006 Foreign Operations Act to help meet the immediate, emergency need for medical care and shelter. The nearly 3 million Pakistanis left homeless by the earthquake are already facing snow and freezing rain. Conservative estimates suggest another 80,000 people will need shelter in the next few months without a massive effort to provide thousands of heated tents. Those people can not afford to wait for the next supplemental appropriations bill— we must act now.

The United States should also engage with the international community to boost relief and recovery efforts. The United Nations has already responded, convening a donors’ conference to organize international relief efforts. Economic institutions like the World Bank and the Paris Club can assist long-term recovery efforts by re-examining their debt policy toward the affected countries. And members of NATO and the European Union must step-up their support for relief and recovery. NATO in particular has a unique asset that can make a difference today for people on the ground in South Asia.

I also believe the United States should make a long-term investment in rebuilding the areas devastated by the earthquake. We have strong partnerships with the nations of South Asia, and we have strong affection for their people. We must commit to work with our friends for as long as it takes to help them rebuild their infrastructure, particularly its health care system now overwhelmed by caring for the weak and injured.

The people and governments of Pakistan, India and Afghanistan must know that the United States will be an unwavering partner in their recovery and reconstruction. Our U.S. military and the employees of the State Department and USAID are working hard to extend support to our friends in this terrible time of need. We thank them for their service and pledge that we, too, will do our part.

SENATE CONCURRENT RESOLUTION 65—RECOGNIZING THE BENEFITS AND IMPORTANCE OF FEDERALLY-QUALIFIED HEALTH CENTERS AND THEIR MEDICAID PROSPECTIVE PAYMENT SYSTEM

Mr. BURR (for himself, Mr. OBAMA, Mr. BINGHAM, Mr. BOND, Mr. KERRY, Mr. SMITH, Mr. SALAZAR, Mr. SCHUMER, Mr. REED, Mr. DODD, Mr. DURBIN, and Mr. SNOWE) submitted the following concurrent resolution; which was referred to the Committee on Finance:

S. CON. RES. 65

Whereas community, migrant, public housing, and homeless health centers form the backbone of the health care safety net of the United States, providing health care to nearly 6,000,000 of the 53,000,000 people enrolled in the Medicaid Program nationwide;

Whereas health center patients are more likely than the general population to be enrolled in Medicaid, with 36 percent of all health center patients enrolled in Medicaid compared to 12 percent nationally;

Whereas in 1989, Congress established the Medicaid program to cover health care costs of all disabled, elderly, and low-income populations and individuals covered by the Medicaid program; and

Whereas in 2000, Congress established the health center program to allow providers to care for the Medicaid population by re-authorizing the Medicaid program and increasing the Medicaid payment rate to 65 percent of allowable charges. The health center program is critical in providing care to the uninsured, underserved and vulnerable populations of this country.

Whereas the program provides health care to millions of Medicaid recipients and uninsured Americans, and supports care for over 65,000,000 people in the United States;

Whereas Medicaid payments for health center services are 30 percent less than the cost of treating those that receive care elsewhere, and similarly, 26 to 40 percent lower for prescription drug costs, 35 percent lower for diabetics, and 20 percent lower for asthma;

Whereas health center Medicaid patients are 22 percent less likely to be hospitalized for conditions that were potentially avoidable than those obtaining care elsewhere;

Whereas a bipartisan majority of Congress in 2000 established a prospective payment system (PPS) to ensure that Federally-qualified health centers receive sufficient Medicaid funding for health care activities and expenses; and

Whereas the PPS system should be a model for other health centers and providers to provide expanded health care services to more people in need, while promoting efficient operation of and ensuring adequate Medicaid reimbursement for these centers;

Whereas without the assurance of sufficient Medicaid funding under the prospective payment system, health centers would be forced to cross-subsidize Medicaid underpayments with Federal grant dollars intended to care for the uninsured;

WHEREAS the PPS system recognizes the critical role of health centers as an essential source of health care for millions of Medicaid recipients and uninsured Americans and supports care for over 65,000,000 people in the United States;

Whereas the PPS system also recognizes the critical role of health centers in providing care for millions of Medicaid recipient and uninsured Americans and supports care for over 65,000,000 people in the United States;

Whereas the PPS system also recognizes the critical role of health centers in providing care for millions of Medicaid recipients and uninsured Americans and supports care for over 65,000,000 people in the United States; and

WHEREAS Congress recognizes the critical role of health centers to help maintain this system of health care.

NOW, THEREFORE, be it

Resolved by the Senate (the House of Representatives concurring), That—

(1) it is the sense of Congress that the Medicaid prospective payment system for the Federally-qualified health center program is critical in ensuring Medicaid recipients and the uninsured population of the Nation have access to quality affordable primary and preventive care services; and

(2) Congress recognizes the critical role of health centers as an essential source of health care for millions of Medicaid recipients and uninsured Americans and supports care for over 65,000,000 people in the United States;

(3) Congress recognizes the critical role of health centers as an essential source of health care for millions of Medicaid recipients and uninsured Americans and supports care for over 65,000,000 people in the United States; and

(4) Congress recognizes the critical role of health centers as an essential source of health care for millions of Medicaid recipients and uninsured Americans and supports care for over 65,000,000 people in the United States; and

(5) Congress recognizes the critical role of health centers as an essential source of health care for millions of Medicaid recipients and uninsured Americans and supports care for over 65,000,000 people in the United States; and

(6) Congress recognizes the critical role of health centers as an essential source of health care for millions of Medicaid recipients and uninsured Americans and supports care for over 65,000,000 people in the United States;
Mr. OBAMA. Mr. President, today, Senator BURR and I are introducing a resolution that reaffirms the importance of the Medicaid prospective payment system for federally qualified health centers.

Federally qualified health centers—community, migrant, public housing, and homeless health centers—form the backbone of the Nation’s health care safety net. FQHC’s provide cost-effective, high-quality health care to the Nation’s poor and medically under-served, including the working poor, the uninsured, and many high-risk and vulnerable populations.

Federally qualified health centers serve nearly 1 of 5 low-income children. Two-thirds of health center patients are members of racial and ethnic minority groups. And over 675,000 homeless persons receive care at health centers every year.

FQHC’s play a particularly critical role in serving patients enrolled in Medicaid. Health centers provide care to nearly 6 million of the 53 million people enrolled in the Medicaid Program nationwide. Thirty-six percent of all FQHC patients are Medicaid beneficiaries compared to 12 percent nationally. Notably, the cost of treating Medicaid patients at FQHCs is about one-third less than the cost for those receiving care elsewhere, with drug costs alone about 25 percent lower.

In 2000, a bipartisan majority of the Congress established a prospective payment system, or PPS, to ensure that FQHC’s receive fair Medicaid reimbursement. This system strikes a balance between protecting Federal investment in such health centers and allowing State flexibility in designing the payment system for these centers. The PPS allows health centers to provide and expand primary care services to more people in need, promotes efficient operation of FQHC’s, and ensures they receive adequate Medicaid reimbursement.

Today, PPS has allowed health centers to provide quality health care to nearly 15 million people nationally, while also delivering significant cost savings to the Medicaid Program. Congress should recognize the critical role of such health centers as the primary source of care for millions of Medicaid recipients and uninsured Americans and support continuation of the prospective payment system.

SENATE CONCURRENT RESOLUTION 66—AFFIRMING THAT THE INTENT OF CONGRESS IN PASSING THE NATIONAL WILDLIFE REFUGE SYSTEM IMPROVEMENT ACT OF 1997 WAS TO ALLOW HUNTING AND FISHING ON PUBLIC LAND WITHIN THE NATIONAL WILDLIFE REFUGE SYSTEM AND DECLARING THAT THE PURPOSE OF RESERVING CERTAIN LAND AS PUBLIC LAND IS TO MAKE THE LAND AVAILABLE TO THE PUBLIC FOR REASONABLE USES

Mr. VITTER submitted the following concurrent resolution; which was referred to the Committee on Energy and Natural Resources:

S. CON. RES. 66

Whereas hunting and fishing have a long and distinguished history in the United States;

Whereas hunting and fishing remain an important part of the lifestyle and culture of people from many different areas of the country and from all walks of life;

Whereas sportmen and sportswomen have worked for decades to ensure that public land and other land that is used for hunting and fishing is cared for, protected, and preserved;

Whereas the land that makes up the National Wildlife Refuge System has been widely used for hunting, fishing, and other sporting purposes;

Whereas in 1997, Congress passed the National Wildlife Refuge System Improvement Act of 1997 (Public Law 105–57; 111 Stat. 1252), which clearly and directly stated that hunting and fishing, as wildlife-dependent recreational activities, could be considered compatible uses of public land, including land within the National Wildlife Refuge System; and

Whereas the National Wildlife Refuge System Improvement Act of 1997 (Public Law 105–57; 111 Stat. 1252) was passed by a vote of 419–1, demonstrating the nonpartisan nature of the legislation and the tremendous amount of support the legislation enjoyed; Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring): (1) in passing the National Wildlife Refuge System Improvement Act of 1997 (Public Law 105–57; 111 Stat. 1252), Congress demonstrated its clear intent to allow hunting and fishing on the public land within the National Wildlife Refuge System; (2) the intent of Congress has not changed in any way since the date of enactment of that Act, and any assumption to the contrary is misguided and misinterprets the clear intent of Congress; and (3) the general purpose of reserving certain land as public land, including the land within the National Wildlife Refuge System, is to make the land available to the public for reasonable uses, including hunting, fishing, other wildlife-dependent sports, and other outdoor purposes.

AMENDMENTS SUBMITTED AND PROPOSED

SA 2598. Mr. LAUTENBERG submitted an amendment intended to be proposed by him to the bill S. 2020, supra; which was ordered to lie on the table.

SA 2599. Mr. CONRAD (for himself, Mr. DORGAN, and Mr. SMITH) submitted an amendment intended to be proposed by him to the bill S. 2020, supra; which was ordered to lie on the table.

SA 2590. Mr. SHELBY proposed an amendment to the bill S. 467, supra; which was ordered to lie on the table.

SA 2591. Mr. NELSON of Florida (for himself, Mr. DORGAN, Mr. LEARY, Mr. SCHUMER, Mr. DAYTON, Ms. STABENOW, Mr. KOHL, Mrs. MURRAY, Mr. OBAMA, Mrs. CLINTON, Ms. LANDRIEU, Mr. HARKIN, and Mr. DURBIN) submitted an amendment intended to be proposed by him to the bill S. 2020, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006.

SA 2602. Mr. CONRAD proposed an amendment to the bill S. 2020, supra.

SA 2603. Mr. PRYOR submitted an amendment intended to be proposed by him to the bill S. 2020, supra; which was ordered to lie on the table.

SA 2604. Ms. CLINTON (for herself and Mr. OBAMA) submitted an amendment intended to be proposed by her to the bill S. 2020, supra; which was ordered to lie on the table.

SA 2605. Mr. KERRY (for himself and Mr. WYDEN) submitted an amendment intended to be proposed by him to the bill S. 2020, supra; which was ordered to lie on the table.

SA 2606. Mr. KERRY submitted an amendment intended to be proposed by him to the bill S. 2020, supra; which was ordered to lie on the table.

SA 2607. Mr. SUNUNU submitted an amendment intended to be proposed by him to the bill S. 2020, supra; which was ordered to lie on the table.

SA 2608. Ms. MURkowski (for herself, Mr. JOHNSON, and Mr. BINGAMAN) submitted an amendment intended to be proposed by her to the bill S. 2020, supra; which was ordered to lie on the table.

SA 2609. Mrs. FEINSTEIN (for herself, Mr. SUNUNU, Mr. GORE, Mr. WYDEN, Ms. CANTWELL, Mr. FEINGOLD, Mr. BURR, Mr. MCCAIN, Mr. KERRY, Ms. COLLINS, and Mrs. CLINTON) proposed an amendment to the bill S. 2020, supra.

SA 2610. Mrs. FEINSTEIN (for herself and Mr. KERRY) proposed an amendment to the bill S. 2020, supra.

SA 2611. Mr. SCHUMER (for himself, Mr. LAUTENBERG, Ms. FEINSTEIN, Mr. FEINGOLD, Mrs. CLINTON, Mr. KERRY, Mr. LIBERMAN, Mr. SALAZAR, Mrs. BOXER, Ms. STABENOW, Mr. KUCINSKI, Mr. KENNEDY) submitted an amendment intended to be proposed by him to the bill S. 2020, supra; which was ordered to lie on the table.

SA 2612. Ms. CANTWELL (for herself, Mr. BAYH, Mr. LIBERMAN, Mr. SCHUMER, Mrs. BOXER, Mr. CARPER, Mrs. CLINTON, Mr. SALAZAR, Mr. KOHL, Mrs. MURRAY, Mr. SCHUMER, and Mrs. FEINSTEIN) proposed an amendment to the bill S. 2020, supra.

SA 2613. Mr. KENNEDY (for himself, Mr. BINGAMAN, Mr. LEVIN, Mr. DURBIN, and Ms. MURKOWSKI) submitted an amendment intended to be proposed by him to the bill S. 2020, supra; which was ordered to lie on the table.

SA 2614. Mr. PRYOR submitted an amendment intended to be proposed by him to the bill S. 2020, supra; which was ordered to lie on the table.

SA 2615. Ms. COLLINS submitted an amendment intended to be proposed by her to the bill S. 2020, supra; which was ordered to lie on the table.

SA 2616. Mr. KERRY (for himself and Mr. OBAMA) submitted an amendment intended to be proposed by him to the bill S. 2020, supra.

SA 2617. Mr. SANTORUM submitted an amendment intended to be proposed by him
to the bill S. 2020, supra; which was ordered to lie on the table.

SA 2518. Mr. SANTORUM submitted an amendment intended to be proposed by him to the bill S. 2020, supra; which was ordered to lie on the table.

SA 2519. Mrs. HUTCHISON submitted an amendment intended to be proposed by her to the bill S. 2020, supra; which was ordered to lie on the table.

SA 2520. Ms. SNOWE (for herself and Mr. SCHUMER) submitted an amendment intended to be proposed by her to the bill S. 2020, supra; which was ordered to lie on the table.

SA 2521. Ms. SNOWE submitted an amendment intended to be proposed by her to the bill S. 2020, supra; which was ordered to lie on the table.

SA 2522. Ms. MURKOWSKI (for herself and Mr. STEVENS) submitted an amendment intended to be proposed by her to the bill S. 2020, supra; which was ordered to lie on the table.

SA 2523. Mr. DURBIN (for himself and Mr. OBAMA) submitted an amendment intended to be proposed by him to the bill S. 2020, supra.

SA 2524. Mr. LEAHY (for himself, Mr. BENNETT, Mr. DOMENICI, Mr. SCHUMER, Mr. KENNEDY, Mr. BINGAMAN, Mr. LIEBERMAN, Mr. JOHNSON, Mr. WARNER, Mr. SANTORUM, and Mr. COLEMAN) submitted an amendment intended to be proposed by him to the bill S. 2020, supra; which was ordered to lie on the table.

SA 2525. Mr. NELSON of Nebraska (for himself, Mr. DEWINE, and Ms. COLLINS) proposed an amendment to the bill S. 2020, supra.

SA 2526. Mr. REED (for himself, Mr. KENNEDY, Mr. SCHUMER, Mr. KOHL, MR. ROCKEFELLER, Mr. KERRY, Mr. CARPER, Mr. LEAHY, Mr. DAYTON, Mr. LIEBERMAN, and Ms. STABENOW) proposed an amendment to the bill S. 2020, supra.

SA 2527. Mr. GRAHAM submitted an amendment intended to be proposed by him to the bill S. 2020, supra; which was ordered to lie on the table.

SA 2528. Mr. LEVIN (for himself, Mr. COLEMAN, and Mr. OBAMA) submitted an amendment intended to be proposed by him to the bill S. 2020, supra; which was ordered to lie on the table.

SA 2529. Mr. DAYTON (for himself and Mr. SALAZAR) submitted an amendment intended to be proposed by him to the bill S. 2020, supra; which was ordered to lie on the table.

SA 2530. Mr. SCHUMER (for himself and Mr. WYDEN) submitted an amendment intended to be proposed by him to the bill S. 2020, supra; which was ordered to lie on the table.

SA 2531. Ms. LANDRIEU submitted an amendment intended to be proposed by her to the bill S. 2020, supra; which was ordered to lie on the table.

SA 2532. Mr. LOTT (for himself and Mr. BAUCUS) submitted an amendment intended to be proposed by him to the bill S. 2020, supra; which was ordered to lie on the table.

SA 2533. Mr. LOTT submitted an amendment intended to be proposed by him to the bill S. 2020, supra.

SA 2534. Mrs. BOXER (for herself and Mr. SCHUMER) submitted an amendment intended to be proposed by her to the bill S. 2020, supra.

SA 2535. Mr. SCHUMER (for himself and Mrs. FEINSTEIN) proposed an amendment to the bill S. 2020, supra.

SA 2536. Ms. HOWE (for herself and Mr. COLEMAN) submitted an amendment intended to be proposed by him to the bill S. 2020, supra; which was ordered to lie on the table.

SA 2537. Mr. COLEMAN (for himself and Mr. PRYOR) submitted an amendment intended to be proposed by him to the bill S. 2020, supra; which was ordered to lie on the table.

SA 2538. Mr. BUNNING submitted an amendment intended to be proposed by him to the bill S. 2020, supra; which was ordered to lie on the table.

SA 2539. Mr. ROCKEFELLER submitted an amendment intended to be proposed by him to the bill S. 2020, supra; which was ordered to lie on the table.

SA 2540. Mr. ROCKEFELLER submitted an amendment intended to be proposed by him to the bill S. 2020, supra; which was ordered to lie on the table.

SA 2541. Mr. BINGAMAN submitted an amendment intended to be proposed by him to the bill S. 2020, supra; which was ordered to lie on the table.

SA 2542. Mr. BINGAMAN (for himself, Mr. KERRY, and Ms. SNOWE) submitted an amendment intended to be proposed by him to the bill S. 2020, supra.

SA 2543. Ms. LANDRIEU submitted an amendment intended to be proposed by her to the bill S. 2020, supra; which was ordered to lie on the table.

SA 2544. Ms. MURKOWSKI submitted an amendment intended to be proposed by her to the bill S. 2020, supra; which was ordered to lie on the table.

SA 2545. Mr. GRASSLEY (for himself and Mr. BAUCUS) proposed an amendment to the bill S. 2020, supra.

SA 2546. Mr. ROBERTS submitted an amendment intended to be proposed by him to the bill S. 2020, supra; which was ordered to lie on the table.

SA 2547. Mr. MARTINEZ (for himself and Mr. NELSON, of Florida) submitted an amendment intended to be proposed by him to the bill S. 2020, supra; which was ordered to lie on the table.

SA 2548. Mr. LEVIN submitted an amendment proposed to the bill S. 2020, supra.

SA 2549. Mr. DAYTON submitted an amendment proposed to the bill S. 2020, supra.

SA 2550. Mr. CONRAD, Mr. CHAFEE, Mr. ORBA, and Mr. SALAZAR) proposed an amendment to the bill S. 2020, supra.

SA 2551. Mr. DURBIN submitted an amendment proposed to the bill S. 2020, supra; which was ordered to lie on the table.

SA 2552. Ms. LANDRIEU submitted an amendment intended to be proposed by her to the bill S. 2020, supra; which was ordered to lie on the table.

SA 2553. Mr. ROCKEFELLER submitted an amendment intended to be proposed by him to the bill S. 2020, supra; which was ordered to lie on the table.

SA 2554. Mr. MARTINEZ (for himself and Mr. NELSON, of Florida) submitted an amendment intended to be proposed by him to the bill S. 2020, supra; which was ordered to lie on the table.

SA 2555. Mr. BAUCUS (for himself and Mr. LEVIN) submitted an amendment intended to be proposed by him to the bill S. 2020, supra; which was ordered to lie on the table.

SA 2556. Ms. SNOWE (for herself and Mr. CONRAD, Mr. CHAFEE, Mr. ORBA, and Mr. SALAZAR) proposed an amendment to the bill S. 2020, supra.

SA 2557. Ms. COLLINS (for herself and Mr. LANDRIEU) submitted an amendment intended to be proposed by him to the bill S. 2020, supra; which was ordered to lie on the table.

SA 2558. Mr. SCHUMER submitted an amendment intended to be proposed by him to the bill S. 2020, supra; which was ordered to lie on the table.

SA 2559. Mr. LAUTENBERG submitted an amendment intended to be proposed by him to the bill S. 2020, supra; which was ordered to lie on the table.

SA 2560. Mr. COLMAN (for himself and Mr. PRYOR) submitted an amendment intended to be proposed by him to the bill S. 2020, supra; which was ordered to lie on the table.

SA 2561. Ms. LANDRIEU submitted an amendment intended to be proposed by her to the bill S. 2020, supra; which was ordered to lie on the table.

SA 2562. Ms. COLLINS submitted an amendment intended to be proposed by him to the bill S. 2020, supra; which was ordered to lie on the table.

SA 2563. Mr. HATCH submitted an amendment intended to be proposed by him to the bill S. 2020, supra; which was ordered to lie on the table.

SA 2564. Mr. LEVIN submitted an amendment intended to be proposed by him to the bill S. 2020, supra; which was ordered to lie on the table.

SA 2565. Mr. HARKIN (for himself and Mr. OBAMA) submitted an amendment intended to be proposed by him to the bill S. 2020, supra.

SA 2566. Mr. PRYOR (for himself and Mr. COLEMAN) submitted an amendment intended to be proposed by him to the bill S. 2020, supra; which was ordered to lie on the table.

SA 2567. Ms. SNOWE (for herself, Mr. BINGAMAN, Mr. DOMENICI, Mr. SCHUMER, Mr. NELSON, and Mr. LEVIN) submitted an amendment to the bill S. 2020, supra.

SA 2568. Mr. DORGAN submitted an amendment intended to be proposed by him to the bill S. 2020, supra; which was ordered to lie on the table.

SA 2569. Ms. LANDRIEU (for herself and Mr. VITTER) proposed an amendment to the bill S. 2020, supra.

SA 2570. Mr. GRASSLEY (for himself and Mr. BAUCUS) proposed an amendment to the bill S. 2020, supra.

SA 2571. Mr. FRIST (for Mr. ENZI) proposed an amendment to the bill S. 1418, to enhance the adoption of a nationwide interoperable health information technology system and to improve the quality and reduce the costs of health care in the United States.

TEXT OF AMENDMENTS

SA 2598. Mr. LAUTENBERG submitted an amendment intended to be proposed by him to the bill S. 2020, to provide for reconciliation pursuant to section 3(b) of the concurrent resolution on the budget for fiscal year 2006, which was ordered to lie on the table; as follows:

At the end of title IV, insert the following:

SEC. 1. COMPUTATION OF LIMITS ON IRA AND ROTH IRA CONTRIBUTIONS

(a) Certain Wage Replacement Income Treated as Compensation.—

(I) Wage replacement income.—Section 219(a)(2)(B) (relating to other definitions and special rules) is amended by adding at the end the following new paragraph:

"(ii) as unemployment compensation (as defined in section 85(b)),"
SA 2600. Mr. SHELBY proposed an amendment to the bill S. 467, to extend the applicability of the Terrorism Risk Insurance Act of 2002, to modify section 3(c)(2) of the bill to read as follows:

(2) CONFORMING AMENDMENT.—Section 102(2)(A) of the Terrorism Risk Insurance Act of 2002 (15 U.S.C. 6701 note; 116 Stat. 2326) is amended by striking “surety insurance” and inserting “directors and officers liability insurance”.

SA 2601. Mr. NELSON of Florida (for himself, Mr. DORGAN, Mr. LEAHY, Mr. SCHUMER, Mr. DAYTON, Ms. STABENOW, Mr. KOHL, Mrs. MYDRAKE, Mr. OBAMA, Mrs. CLINTON, Ms. LANDREU, Mr. Harkin, and Mr. DURBIN) submitted an amendment intended to be proposed by him to the bill S. 2020, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006; as follows:

At the end of title IV, insert the following:


(a) EXTENDED PERIOD OF OPEN ENROLLMENT DURING 2006.—Section 1851(e)(3)(B) of the Social Security Act (42 U.S.C. 1395w-21(e)(3)(B)) is amended—

(1) in clause (i), by striking “May 15, 2006” and inserting “December 31, 2006”; and

(2) in the heading, by striking “FIRST 6 MONTHS”; and

(3) by inserting, after “FIRST 6 MONTHS”; and

(4) by inserting “other than during 2006” after “paragrap (3)” and “paragraph (2)”.

(b) ONE-TIME CHANGE OF PLAN ENROLLMENT FOR MEDICARE PRESCRIPTION DRUG BENEFIT DURING 2006.

(A) IN GENERAL.—Section 1851(e)(3) of the Social Security Act (42 U.S.C. 1395w-21(e)(3)) is amended—

(1) in subsection (e)(3)(A), by inserting “in a plan the beneficiaries of which have elected to enroll in the prescription drug benefit under this Act” after “section 1851(e)(3)(B); and

(2) in subsection (e)(3)(B), by striking “during 2006” and inserting “the Katherine and Wilma Robertson Medicare Prescription Drug Improvement and Modernization Act of 2003;“.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the enactment of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (Public Law 108-173).

SA 2602. Mr. CONRAD proposed an amendment to the bill S. 8, 2006, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006; as follows:

(2) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2005.

SA 2603. Mr. CONRAD (for himself, Mr. DORGAN, Mr. LEAHY, Mr. SCHUMER, Mr. DAYTON, Ms. STABENOW, Mr. KOHL, Mrs. MYDRAKE, Mr. OBAMA, Mrs. CLINTON, Ms. LANDREU, Mr. Harkin, and Mr. DURBIN) submitted an amendment intended to be proposed by him to the bill S. 2020, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006; as follows:

SEC. 2. REQUIREMENT FOR THE USE OF THE INTERNAL REVENUE CODE IN TAX PROVISIONS OF THIS ACT.

(a) SHORT TITLE.—This Act may be cited as the “Internal Revenue Code of 2006.”

(b) ADMINISTRATION OF THE INTERNAL REVENUE CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be made to be made to a section or other provision of the Internal Revenue Code of 1986.

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


Title II—Extension of Expiring Provisions.

Sec. 201. Extension and decrease in minimum tax relief to individuals.

Sec. 202. Allowance of nonrefundable personal credits against regular and minimum tax liability.

Sec. 203. Election to deduct State and local sales taxes in lieu of State and local income taxes.

Sec. 204. Tuition deduction.

Sec. 205. Extension and modification of research credit.

Sec. 206. Extension and modifications to work opportunity credit and welfare-to-work credit.

Sec. 207. Qualified zone academy bonds.

Sec. 208. Deduction for certain expenses of school teachers.

Sec. 209. Tax incentives for investment in Katrina and Wilma.


Title III—Revenue Provisions.


Sec. 301. Clarification of economic substance doctrine.

Sec. 302. Penalty for understatement attributable to transactions lacking economic substance, etc.
Sec. 303. Denial of deduction for interest on underpayments attributable to noneconomic substance transactions.


Sec. 305. Revaluation of LIPO inventories of large integrated oil companies.

Sec. 306. Modification of effective date of exception from suspension rules for certain listed and reportable transactions.

Sec. 307. Doubling of certain penalties, fines, and interest on underpayments related to certain offshore financial arrangements.

Sec. 308. Penalty for aiding and abetting the understatement of tax liability.

Subtitle B—Provisions to Close Corporate and Individual Loopholes

Sec. 311. Tax treatment of inverted entities.

Sec. 312. Grant of Treasury regulatory authority to address foreign tax credit transactions involving inappropriate separation of foreign taxes from related foreign income.

Sec. 313. Treatment of contingent payment convertible debt instruments.

Sec. 314. Application of earnings stripping rules to partners which are corporations.

Sec. 315. Denial of deduction for certain fines, penalties, and other amounts.

Sec. 316. Disallowance of deduction for punitive damages.

Sec. 317. Limitation of employer deduction for certain entertainment expenses.

Sec. 318. Imposition of mark-to-market tax on individuals who expatriate.

Sec. 319. Modifications of rules applicable to dual capacity holders of convertible debt instruments.

Sec. 320. Limitation on annual amounts which may be deferred under nonqualified deferred compensation arrangements.

Sec. 321. Increase in age of minor children whose unearned income is taxed as if parent’s income.

Subtitle C—Oil and Gas Provisions

Sec. 321. Extension of superfund taxes.

Sec. 322. Modifications of foreign tax credit rules applicable to dual capacity holders of convertible debt instruments.

Sec. 323. Rules relating to foreign oil and gas income.

Sec. 324. Modification of credit for production fuel from a nonconventional source.

Sec. 325. Elimination of amortization of geological and geophysical expenditures for major integrated oil companies.

Subtitle D—Tax Administration Provisions

Sec. 341. Imposition of withholding on certain payments made by government entities.

Sec. 342. Increase in certain criminal penalties.

Sec. 343. Repeal of suspension of interest and certain penalties where Secretary fails to contact taxpayer.

Sec. 344. Increase in penalty for bad checks and money orders.

Sec. 345. Frivolous tax submissions.

Sec. 346. Partial payments required with submission of offers-in-compromise.

Sec. 347. Waiver of user fee for installment agreements using automated clearinghouses.

Sec. 348. Termination of installment agreements.

Subtitle E—Additional Provisions

Sec. 351. Modification of individual estimated tax safe harbor.

Sec. 352. Loan and redemption requirements on pooled financing requirements.

Sec. 353. Reporting of interest on tax-exempt bonds.

TITLE I—TAX BENEFITS FOR AREAS AFFECTED BY HURRICANES KATRINA, RITA, AND WILMA

Subtitle A—Gulf Recovery Zone Benefits

SEC. 101. GULF RECOVERY ZONE BENEFITS.

(i) General.—Chapter 1 is amended by adding at the end the following new subsections:

"(a) In General.—Chapter 1 is amended by adding at the end the following new subsection:

"(b) CGRA Relief Benefits.

"Sec. 1400N. Definitions.

"Sec. 1400O. Tax benefits for Gulf Recovery Zone.

"SEC. 1400O. DEFINITIONS. (a) For purposes of this section—

(i) Gulf Recovery Zone.—The term ‘Gulf Recovery Zone’ means that portion of the Hurricane Katrina disaster area determined by the President to be affected by Hurricane Katrina.

(ii) Gulf Recovery Zone property.—The term ‘Gulf Recovery Zone property’ means an area with respect to which a major disaster has been declared by the President before September 14, 2005, under section 401 of such Act by reason of Hurricane Katrina.

(iii) Rita Zone.—The term ‘Rita Zone’ means that portion of the Hurricane Rita disaster zone determined by the President to be affected by Hurricane Rita.

(iv) Wilma Zone.—The term ‘Wilma Zone’ means that portion of the Hurricane Wilma disaster area determined by the President to be affected by Hurricane Wilma.

(b) Exceptions. (1) IN GENERAL.—(A) The term ‘qualified Gulf Recovery Zone property’ shall include any property described in section 168(k)(2)(D)(i).

(2) TAX-EXEMPT BOND-FINANCED PROPERTY.—Such term shall not include any property any portion of which is financed with the proceeds of any obligation the interest on which is exempt from tax under section 103.

(3) QUALIFIED REVITALIZATION BUILDING.—The term ‘qualified Gulf Recovery Zone property’ shall include facilities of a qualified revitalization building with respect to which the taxpayer has elected the application of section 190(a)(2)(B).

(4) ELECTION OUT.—For purposes of this subsection, rules similar to the rules of section 168(k)(2)(D)(iii) shall apply.

(c) Special Rules. (1) Qualifying Property.—(A) The term ‘qualified Gulf Recovery Zone property’ shall include any property identified by the President before Congress as a property for which special rules similar to the rules of section 168(k)(2)(D)(iii) shall apply.

(2) EXISTING PROPERTY.—(A) The term ‘qualified Gulf Recovery Zone property’ shall include any property that on the date of enactment of this Act described in section 168(k)(2)(D)(ii).

(3) RECAPTURE.—(A) The term ‘qualified Gulf Recovery Zone property’ shall include any property that on the date of enactment of this Act described in section 168(k)(2)(D)(ii) and that is described in section 168(k)(2)(G).

(b) Increase in Expensing Under Section 179.—(1) For purposes of section 179—

(i) the $100,000 amount in section 179(b)(2) shall be increased by the lesser of—

(A) the $400,000 amount in section 179(b)(2) for the taxable year ending before January 1, 2006, or

(ii) amount in section 179(d)(10) shall apply.

(iv) Any qualified Gulf Recovery Zone property placed in service during the tax year in the Gulf Recovery Zone commences with the date the property begins to provide service.

(c) Taxpayer.—For purposes of this subsection, the term ‘taxpayer’ includes a public authority with respect to the property of such public authority which is placed in service during the tax year.

(d) Qualifying Property.—For purposes of this subsection, the term ‘qualifying property’ means—

(i) Any property described in section 168(k)(2)(A)(i), or

(ii) Any property described in section 168(k)(2)(A)(ii).
term ‘qualified Gulf Recovery Zone property’ has the meaning given such term by subsection (a)(2).

(3) COORDINATION WITH EMPowerMENT ZONES AND REnewal COMMUNITIES.—For purposes of sections 1397A and 1400J, qualified Gulf Recovery Zone property shall not be treated as qualified zone property or qualified refundable credit service facility for any taxable year unless the taxpayer elects not to have this subsection apply to all such qualified Gulf Recovery Zone property placed in service by the taxable year.

(4) RECAPTURE.—Rules similar to the rules under section 179(d)(10) shall apply with respect to any qualified Gulf Recovery Zone property which ceases to be Gulf Recovery Zone property.

(c) TAX-EXEMPT BOND FINANCING.—

(1) IN GENERAL.—For purposes of this title, any qualified Gulf Recovery Zone Bond shall be treated as a qualified bond.

(2) QUALIFIED GULF RECOVERY ZONE BOND.—For purposes of this subsection, the term ‘qualified Gulf Recovery Zone Bond’ means a bond issued as part of an issue described in subparagraph (C) below, or—

(A) a qualified community development bond prohibited from having any charitable use consistent with section 149(d) if—

(1) the Governor of such State designates such bond as a qualified Gulf Recovery Zone Bond;

(2) subsection (b)(2)(B) thereof shall be applied with respect to such bond; and

(3) subsection (f)(3) thereof shall be applied separately with respect to such property.

(B) a qualified 501(c)(3) bond (as defined in section 179(d)(10) or (12))—

(1) issued by the State of Alabama, Louisiana, or Mississippi (or any political subdivision thereof);

(2) the amount otherwise determined under subclause (I) of section 179(d)(10)(C)(i) shall be determined without regard to the amount of the increase determined under clause (i).

(C) any bond issued after the enactment of this section and before January 1, 2011, that—

(1) is a private activity bond (determined without regard to the applicable income limits of section 142(d)(7) of the Internal Revenue Code of 1986); or

(2) is issued by the State of Alabama, Louisiana, Mississippi, or any other State described in subclause (I) of section 42(h)(4)(C) for—

(A) a qualified community development project which meets the requirements of section 170(h); or

(B) a qualified low-income housing bond described in section 42(h)(3)(C)(i) (other than bonds issued under section 42(h)(3)(C)(ii)(I))—

(1) issued by the State of Alabama, Louisiana, Mississippi, or any other State described in subsection (b)(2)(B); and

(2) the amount otherwise determined under subparagraph (A) of section 170(h)(4) (other than bonds issued under section 42(h)(3)(C)(i) for a qualified community development project which meets the requirements of section 170(h)).

Determination of such bonds is made under the rules applicable to section 179(d)(10), and

(3) the amount otherwise determined under subparagraph (A) of section 170(h)(4) (other than bonds issued under section 42(h)(3)(C)(i) for a qualified community development project which meets the requirements of section 170(h)).

The amount otherwise determined under paragraph (1) shall be reduced by—

(A) the amount otherwise determined under subparagraph (A) of section 170(h)(4) (other than bonds issued under section 42(h)(3)(C)(i) for a qualified community development project which meets the requirements of section 170(h)).

(B) the amount otherwise determined under paragraph (2).

The amount of the reduction shall be applied to the extent that the amount otherwise determined under paragraph (1) exceeds the aggregate housing credit dollar amount allocated during such calendar year for any State described in subsection (b)(2)(B).

The amount of the reduction shall be treated as an after-tax benefit, and shall not be a taxable income for purposes of applying the limitation under section 42(h)(3)(C)(ii)(I) or (ii)(D).

If paragraph (2) is applied with respect to any qualified low-income housing bond issued under section 42(h)(3)(C)(i) for a qualified community development project which meets the requirements of section 170(h), the amount otherwise determined under subparagraph (A) of section 170(h)(4) (other than bonds issued under section 42(h)(3)(C)(i) for a qualified community development project which meets the requirements of section 170(h)).

The amount otherwise determined under paragraph (2) shall be reduced by—

(A) the amount otherwise determined under subparagraph (A) of section 170(h)(4) (other than bonds issued under section 42(h)(3)(C)(i) for a qualified community development project which meets the requirements of section 170(h)).

(B) the amount otherwise determined under paragraph (3).

The amount of the reduction shall be applied to the extent that the amount otherwise determined under paragraph (2) exceeds the aggregate housing credit dollar amount allocated during such calendar year for any State described in subsection (b)(2)(B).

The amount of the reduction shall be treated as an after-tax benefit, and shall not be a taxable income for purposes of applying the limitation under section 42(h)(3)(C)(ii)(I) or (ii)(D).

If paragraph (3) is applied with respect to any qualified low-income housing bond issued under section 42(h)(3)(C)(i) for a qualified community development project which meets the requirements of section 170(h), the amount otherwise determined under subparagraph (A) of section 170(h)(4) (other than bonds issued under section 42(h)(3)(C)(i) for a qualified community development project which meets the requirements of section 170(h)).

The amount otherwise determined under paragraph (3) shall be reduced by—

(A) the amount otherwise determined under subparagraph (A) of section 170(h)(4) (other than bonds issued under section 42(h)(3)(C)(i) for a qualified community development project which meets the requirements of section 170(h)).

(B) the amount otherwise determined under paragraph (4).

The amount of the reduction shall be applied to the extent that the amount otherwise determined under paragraph (3) exceeds the aggregate housing credit dollar amount allocated during such calendar year for any State described in subsection (b)(2)(B).

The amount of the reduction shall be treated as an after-tax benefit, and shall not be a taxable income for purposes of applying the limitation under section 42(h)(3)(C)(ii)(I) or (ii)(D).
"(2) QUALIFIED GULF RECOVERY ZONE LOSS.—For purposes of paragraph (1), the term ‘qualified Gulf Recovery Zone loss’ means the lesser of—

(A) the amount of the net operating loss for the taxable year, or

(B) the aggregate amount of the following deductions for such taxable year:

(i) such deduction for any qualified Gulf Recovery Zone casualty loss.

(ii) any deduction for moving expenses paid or incurred after August 27, 2005, and before January 1, 2008, and allowable under this chapter to any taxpayer in connection with the employment of any individual—

(I) whose principal place of abode was located in the Gulf Recovery Zone before August 28, 2005,

(II) who was unable to remain in such abode as the result of Hurricane Katrina, and

(III) whose principal place of employment is in the Gulf Recovery Zone.

For purposes of this clause, the term ‘moving expenses’ has the meaning given such term by section 217(b), except that the taxpayer’s former residence and new residence may be the same residence if the initial vacating of the residence was as the result of Hurricane Katrina.

(iii) any deduction for expenses paid or incurred after August 27, 2005, and before January 1, 2008, and allowable under this chapter to any taxpayer whose principal place of employment is in the Gulf Recovery Zone.

(iv) any deduction for depreciation (or amortization in lieu of depreciation) allowable under this chapter with respect to any qualified Gulf Recovery Zone property (as defined in section 217(b)) for the taxable year such property is placed in service.

(v) any deduction for repair expenses (including expenses for removal of debris) allowable under this chapter to any taxpayer whose principal place of employment is in the Gulf Recovery Zone.

(vi) any deduction for depreciation (or amortization in lieu of depreciation) allowable under this chapter with respect to any qualified Gulf Recovery Zone property (as defined in section 217(b)) for the taxable year such property is placed in service.

(vii) any deduction for repair expenses (including expenses for removal of debris) allowable under this chapter to any taxpayer whose principal place of employment is in the Gulf Recovery Zone.

(3) QUALIFIED GULF RECOVERY ZONE CASUALTY LOSS.—

(A) IN GENERAL.—For purposes of paragraphs (2)(B)(i), (3) and (4)(B), the term ‘qualified Gulf Recovery Zone casualty loss’ means any uncompensated section 1221 loss (as defined in section 1221(a)) on any property located in the Gulf Recovery Zone—

(i) such loss is allowed as a deduction under section 165 for the taxable year, and

(ii) such loss is attributable to Hurricane Katrina.

(B) REDUCTION FOR GAINS FROM INVOLUNTARY CONVERSION.—The amount of qualified Gulf Recovery Zone casualty loss which would (but for this subparagraph) be taken into account under subparagraph (A) for any taxable year shall be reduced by the amount of any gain recognized by the taxpayer with respect to any property located in the Gulf Recovery Zone which is not part of the Gulf Recovery Zone which is treated as if it were part of the Gulf Recovery Zone by reason of the occurrence of the Gulf Recovery Zone casualty loss.

(C) COORDINATION WITH GENERAL DISASTER LOSS RULES.—Subsection (b) and section 165(i) shall not apply to any qualified Gulf Recovery Zone casualty loss to the extent such loss is taken into account under paragraph (1).

(D) ELECTION.—Any election under paragraph (2)(C) shall be made in such manner as may be prescribed by the Secretary and shall be made by the due date (including extensions of time) for filing the taxpayer’s return for the taxable year of the loss. Such election, once made for any taxable year, shall be irrevocable for such taxable year.

(4) SPECIAL RULES.—For purposes of paragraphs (2)(B)(i), (3) and (4)(B), the term ‘qualified Gulf Recovery Zone property’ means—

(A) section 165(i) shall be applied by substituting ‘the fifth taxable year immediately preceding’ for ‘the taxable year immediately preceding’, and

(B) an application for a tentative carryback adjustment of the tax for any prior taxable year affected by the application of subparagraph (A) may be made under section 461.1

(C) section 6611 shall not apply to any overpayment attributable to such loss.

(5) WAIVER OF LIMITATIONS.—If refund or credit of any overpayment of tax resulting from the application of paragraph (1) is prevented at any time before the close of the 1-year period beginning on the date of the enactment of this chapter because of any law or rule of law (including res judicata), such refund or credit may nevertheless be made or allowed if claim therefor is filed before the close of such period.

(6) SPECIAL RULE FOR GULF RECOVERY ZONE PUBLIC UTILITY CASUALTY LOSSES.—

(A) IN GENERAL.—The term ‘public utility property’ has the meaning given such term by section 280(f)(10) without regard to the matter following subparagraph (D) thereof.

(B) PUBLIC UTILITY PROPERTY.—The term ‘public utility property’ means any casualty or loss of public utility property (as defined in section 280(f)(1)) which is located in the Gulf Recovery Zone.

(II) who was unable to remain in such abode as the result of Hurricane Katrina of property located in the Gulf Recovery Zone, and

(III) whose principal place of employment is in the Gulf Recovery Zone.

(5) AFP RELATING TO INCOME TAXES.—For purposes of this subsection, the term ‘qualified timber property’ means—

(A) timber property described in subparagraph (A) which is located in the Wilma Zone, that portion of the Gulf Recovery Zone, or in the Wilma Zone which is not part of the Gulf Recovery Zone, or in the Wilma Zone which is not part of the Gulf Recovery Zone, and

(B) such property was held by the taxpayer—

(i) on August 28, 2005, in the case of qualified timber property any portion of which is located in the Gulf Recovery Zone,

(ii) on September 23, 2005, in the case of qualified timber property (other than property described in subclause (I)) any portion of which is located in that portion of the Rita Zone which is not part of the Gulf Recovery Zone, or

(iii) on October 23, 2005, in the case of qualified timber property (other than property described in subclause (I) or (II)) any portion of which is located in the Wilma Zone, and

(B) such taxpayer held not more than 500 acres of qualified timber property on such date.

(7) Definitions.—For purposes of this subsection—

(A) SPECIFIED PORTION.—The term ‘specified portion’ means—

(i) in the case of qualified timber property located in the Gulf Recovery Zone, that portion of the taxable year which is on or after August 28, 2005, and before January 1, 2007,

(ii) in the case of qualified timber property located in the Gulf Recovery Zone, that portion of the taxable year which is on or after September 23, 2005, and before January 1, 2007, and

(iii) in the case of qualified timber property located in the Rita Zone, that portion of the taxable year which is on or after October 23, 2005, and before January 1, 2007.

(B) QUALIFIED TIMBER PROPERTY.—The term ‘qualified timber property’ has the meaning given such term in section 199(b)(1).

(1) EXPENSES FOR CERTAIN DEMOLITION AND CLEAN-UP COSTS.—

(A) IN GENERAL.—A taxpayer may elect to treat as an expense any amount of unforeseen cleanup cost as the result of which the property is not usable for its intended purpose as an expense which is not chargeable to capital account. Any cost so treated shall be allowed as a deduction for the taxable year in which such cost is paid or incurred.

(B) GULF RECOVERY ZONE CLEAN-UP COST.—For purposes of this subsection, the term ‘Gulf Recovery Zone’ means any area in which the amount paid or incurred during the period beginning on August 28, 2005, and ending
on December 31, 2007, for the removal of debris from, or the demolition of structures on, real property which is located in the Gulf Recovery Zone and which is—

(1) held by the taxpayer for use in a trade or business or for the production of income, or

(2) property described in section 1221(a)(1) in the hands of the taxpayer.

For purposes of the preceding sentence, amounts paid or incurred shall be taken into account only to the extent that such amount would (but for paragraph (1)) be chargeable to capital account.

SEC. 102. EXPANSION OF HOPE SCHOLARSHIP AND LIFETIME LEARNING CREDIT FOR STUDENTS IN THE GULF RECOVERY ZONE.

In the case of an individual who attends an educational institution (as defined in section 25A(f)(2) of the Internal Revenue Code) in a Gulf Recovery Zone (as defined in section 1400N(1) of such Code) for any taxable year beginning during 2005 or 2006—

(1) applying section 25A of the Internal Revenue Code of 1986, the term ‘qualified tuition and related expenses’ shall include any costs which are qualified higher education expenses (as defined in section 529(e)(3) of such Code),

(2) each of the dollar amounts in effect under subparagraphs (A) and (B) of section 25A(b)(1) shall be twice the dollar amount otherwise in effect before the application of this subsection, and

(3) section 25A(c)(1) of such Code shall be applied by substituting ‘40 percent’ for ‘20 percent’.

SEC. 103. EXTENSION OF SPECIAL RULES FOR MORTGAGE REVENUE BONDS.

Section 404(d) of the Katrina Emergency Tax Relief Act of 2005 is amended by striking “December 31, 2007” and inserting “December 31, 2010”.

Subtitle B—Tax Benefits Related to Hurricanes Rita and Wilma

SEC. 111. EXPANSION OF CERTAIN EMERGENCY TAX RELIEF FOR HURRICANE KATRINA TO HURRICANES RITA AND WILMA.

(a) In General.—Subchapter Z of chapter 24 of part I of subpart A of chapter 48 of this title, as added by this Act, is amended by adding at the end the following new sections:

SEC. 1100P. SPECIAL RULES FOR MORTGAGE REVENUE BONDS.

(a) In General.—In the case of financing provided with respect to residences in the Gulf Recovery Zone, the Rita Zone, or the Wilma Zone, section 143 shall be applied—

(1) by treating any residence in the Gulf Recovery Zone, the Rita Zone, or the Wilma Zone as a targeted area residence,

(2) by applying subsection (f)(3) without regard to subparagraph (A) thereof, and

(3) by substituting $15,000 for $10,000 in subsection (k)(4) thereof.

(b) APPLICATION.—Subsection (a) shall not apply to financing provided after December 31, 2010.

SEC. 1100Q. SPECIAL RULES FOR USE OF RETIREMENT FUNDS.

(a) TAX-EXEMPT WITHDRAWALS FROM RETIREMENT PLANS.

(1) IN GENERAL.—Section 72(t) shall not apply to any qualified hurricane distribution.

(2) AGGREGATE DOLLAR LIMITATION.—

(A) IN GENERAL.—For purposes of this subsection, the aggregate amount of distributions received by an individual which may be treated as qualified hurricane distributions for any taxable year shall not exceed the excess (if any) of—

(i) $100,000, over

(ii) the aggregate amounts treated as qualified hurricane distributions received by such individual in taxable years before the current taxable year.

(B) TREATMENT OF PLAN DISTRIBUTIONS.

If a distribution to an individual would not (without regard to subparagraph (A)) be a qualified hurricane distribution, a plan shall not be treated as violating any requirement of this title merely because the plan treats such distribution as a qualified hurricane distribution, unless the aggregate amount of such distributions from all plans maintained by the employer (and any member of any controlled group which includes the employer) to such individual exceeds $100,000.

(C) CONTROLLED GROUP.—For purposes of subparagraph (B), the term ‘controlled group’ means any group treated as a single employer under section 414(b), (c), (m), or (o) of section 414.

(3) AMOUNT DISTRIBUTED MAY BE REFRAID.—

(A) IN GENERAL.—Any individual who receives a qualified hurricane distribution may, at any time during the 3-year period beginning on the day after the date on which such distribution was received, make one or more contributions, which contributions shall not exceed the amount of such distribution, to an eligible retirement plan of which such individual is a beneficiary and to which such contributions could be made under section 402(c), 403(a)(4), 403(b)(8), 408(d)(3), or 457(e)(16), as the case may be.

(B) TREATMENT OF REPAYMENTS OF DISTRIBUTIONS FROM ELIGIBLE RETIREMENT PLANS OTHER THAN IRAS.—For purposes of this title, if a contribution is made pursuant to subparagraph (A) to an eligible retirement plan other than an individual retirement plan, then the taxpayer shall, to the extent of the amount of the contribution, be treated as having received the qualified hurricane distribution from an eligible retirement plan other than an individual retirement plan, and such amount shall be included in the gross income of the taxpayer for purposes of this title.

(C) TREATMENT OF REPAYMENTS FOR DISTRIBUTIONS FROM IRAS.—For purposes of this title, if a contribution is made pursuant to subparagraph (A) to an eligible retirement plan, then the taxpayer shall, to the extent of the amount of the contribution, be treated as having received the qualified hurricane distribution from an eligible retirement plan in a direct trustee to trustee transfer within 60 days of the distribution.

(4) DEFINITIONS.—For purposes of this subsection—

(A) QUALIFIED HURRICANE DISTRIBUTION.—

Except as provided in paragraph (2), the term ‘qualified hurricane distribution’ means—

(i) any distribution from an eligible retirement plan made on or after August 25, 2005, and before January 1, 2007, to an individual whose principal place of abode on August 28, 2005, is located in the Hurricane Katrina disaster area and who has incurred an economic loss by reason of Hurricane Katrina,

(ii) any distribution (which is not described in clause (i)) from an eligible retirement plan made on or after September 23, 2005, and before January 1, 2007, to an individual whose principal place of abode on September 23, 2005, is located in the Hurricane Rita disaster area and who has incurred an economic loss by reason of Hurricane Rita,

(iii) any distribution (which is not described in clause (i) or (ii)) from an eligible retirement plan made on or after October 23, 2005, and before January 1, 2007, to an individual whose principal place of abode on October 23, 2005, is located in the Hurricane Wilma disaster area and who has incurred an economic loss by reason of Hurricane Wilma.

(4) ELIGIBLE RETIREMENT PLAN.—The term ‘eligible retirement plan’ shall have the meaning given such term by section 401(k).

(5) INCOME INCLUSION SPREAD OVER 3-YEAR PERIOD.

(A) IN GENERAL.—In the case of any qualified hurricane distribution, unless the taxpayer elects not to have this paragraph apply for any taxable year, any amount required to be included in gross income for such taxable year shall be so included ratably over the 3-year taxable period beginning with such taxable year.

(B) SPECIAL RULE.—For purposes of subparagraph (A), rules similar to the rules of subparagraph (E) of section 408(d)(3) shall apply.

(6) SPECIAL RULES.—

(A) EXEMPTION OF DISTRIBUTIONS FROM TRUSTEE TO TRUSTEE TRANSFER AND WITHHOLDING RULES.—For purposes of sections 401(a)(31), 402, and 3465, qualified hurricane distributions shall not be treated as eligible rollover distributions.

(B) QUALIFIED HURRICANE DISTRIBUTIONS TREATED AS MEETING PLAN DISTRIBUTION REQUIREMENTS.—For purposes this title, a qualified hurricane distribution shall be treated as meeting the requirements of sections 401(k)(2)(B), 403(b)(7)(A)(i)(I), 403(b)(7)(ii), and 457(e)(1)(A).

(b) RECONTRIBUTIONS OF WITHDRAWALS FOR HOME PURCHASES.—

(1) RECONTRIBUTIONS.—

(A) IN GENERAL.—Any individual who receives a qualified distribution may, during the applicable period, make one or more contributions in an aggregate amount not to exceed the amount of such qualified distribution, and such contributions shall be treated as eligible rollover distributions.

(B) TREATMENT OF RECONTRIBUTIONS.—Rules similar to the rules of subparagraphs (B) and (C) of subsection (a)(3) shall apply for purposes of this subsection.
"(2) QUALIFIED DISTRIBUTION.—For purposes of this subsection—

(A) IN GENERAL.—The term ‘qualified distribution’ means any qualified Katrina distribution, any qualified Wilma distribution, and any qualified Rita distribution.

(B) QUALIFIED KATRINA DISTRIBUTION.—The term ‘qualified Katrina distribution’ means—

(i) described in section 401(k)(2)(B)(i)(IV), 403(b)(7)(A)(ii) (but only to the extent such distribution relates to financial hardship), 403(b)(7)(A)(ii) (but only to the extent such distribution relates to financial hardship), (ii) received after February 28, 2005, and before August 29, 2005, and

(iii) which was to be used to purchase or construct a principal residence in the Hurricane Katrina disaster area, but which was not so purchased or constructed on account of Hurricane Katrina.

(C) QUALIFIED RITA DISTRIBUTION.—The term ‘qualified Rita distribution’ means any distribution (other than a qualified Katrina distribution) —

(i) described in section 401(k)(2)(B)(i)(IV), 403(b)(7)(A)(ii) (but only to the extent such distribution relates to financial hardship), 403(b)(7)(A)(ii) (but only to the extent such distribution relates to financial hardship), (ii) received after February 28, 2005, and before September 24, 2005, and

(iii) which was to be used to purchase or construct a principal residence in the Hurricane Rita disaster area, but which was not so purchased or constructed on account of Hurricane Rita.

(D) QUALIFIED WILMA DISTRIBUTION.—The term ‘qualified Wilma distribution’ means any distribution (other than a qualified Katrina distribution or a qualified Rita distribution) —

(i) described in section 401(k)(2)(B)(i)(IV), 403(b)(7)(A)(ii) (but only to the extent such distribution relates to financial hardship), 403(b)(7)(A)(ii) (but only to the extent such distribution relates to financial hardship), (ii) received after February 28, 2005, and before October 24, 2005, and

(iii) which was to be used to purchase or construct a principal residence in the Hurricane Wilma disaster area, but which was not so purchased or constructed on account of Hurricane Wilma.

(3) APPLICABLE PERIOD.—For purposes of this subsection, the term ‘applicable period’ means—

(A) with respect to any qualified Katrina distribution, the period beginning on August 25, 2005, and ending on February 28, 2006;

(B) with respect to any qualified Rita distribution, the period beginning on September 23, 2005, and ending on February 28, 2006, and

(C) with respect to any qualified Wilma distribution, the period beginning on October 25, 2005, and ending on February 28, 2006.

(4) LOANS FROM QUALIFIED PLANS.—

(1) INCREASE IN LIMIT ON LOANS NOT TAKEN INTO ACCOUNT.—In the case of any loan from a qualified employer plan (as defined in section 72(p)(4)) to a qualified individual made during the applicable period—

(A) clause (i) of section 72(p)(2)(A) shall be applied by substituting ‘$100,000’ for ‘$50,000’, and

(B) clause (ii) of such section shall be applied by substituting ‘the present value of the nonforfeitable accrued benefit of the employee under the plan’ for ‘one-half of the present value of the nonforfeitable accrued benefit of the employee under the plan’.

(2) DELAY OF REPAYMENT.—In the case of a qualified individual with an outstanding loan on or after the qualified beginning date from a qualified employer plan (as defined in section 72(p)(4))—

(A) if the due date pursuant to subparagraph (B) or (C) of section 72(p)(2) for such loan falls before the due date pursuant to paragraph (1) and any interest accruing during such delay, and

(B) the applicable period is the period beginning on the qualified beginning date and ending on December 31, 2006, such due date shall be delayed for 1 year.

(3) ALTERTED REPAYMENT REQUIREMENTS.—(A) IN GENERAL.—For purposes of this paragraph—(i) which conducted an active trade or business on August 28, 2005, in the Gulf Recovery Zone, and

(ii) with respect to whom the trade or business described in clause (i) is inoperable on any day after August 28, 2005, and before January 1, 2006, as a result of damage sustained by reason of Hurricane Katrina.

(B) ELIGIBLE EMPLOYEE.—The term ‘eligible employee’ means with respect to an eligible employer an employee whose principal place of employment on August 28, 2005, with such eligible employer was in the Gulf Recovery Zone.

(4) QUALIFIED WAGES.—The term ‘qualified wages’ means—

(A) with respect to any qualified Katrina distribution, any qualified Rupert distribution, or qualified Rita distribution, any qualified Wilma distribution.

(B) the period described in subparagraph (A) and any subsequent repayments with respect to any such loan shall be appropriately adjusted by reason of the due date pursuant to paragraph (1) and any interest accruing during such delay, and

(C) in determining the 5-year period and the taxable year under subparagraph (B) or (C) of section 72(p)(2), the period described in subparagraph (A) shall be disregarded.

(5) QUALIFIED INDIVIDUAL.—For purposes of this subsection—

(A) IN GENERAL.—The term ‘qualified individual’ means any qualified Hurricane Katrina individual, any qualified Hurricane Rita individual, and any qualified Hurricane Wilma individual.

(B) QUALIFIED HURRICANE KATRINA INDIVIDUAL.—The term ‘qualified Hurricane Katrina individual’ means an individual whose principal place of abode on August 28, 2005, is located in the Hurricane Katrina disaster area and who has sustained an economic loss by reason of Hurricane Katrina.

(C) QUALIFIED HURRICANE RITA INDIVIDUAL.—The term ‘qualified Hurricane Rita individual’ means an individual (other than a qualified Hurricane Katrina individual) whose principal place of abode on September 23, 2005, is located in the Hurricane Rita disaster area and who has sustained an economic loss by reason of Hurricane Rita.

(D) QUALIFIED HURRICANE WILMA INDIVIDUAL.—The term ‘qualified Hurricane Wilma individual’ means an individual (other than a qualified Hurricane Katrina individual or a qualified Hurricane Rita individual) whose principal place of abode on October 23, 2005, is located in the Hurricane Wilma disaster area and who has sustained an economic loss by reason of Hurricane Wilma.

(6) APPLICABLE PERIOD; QUALIFIED BEGINNING DATE.—For purposes of this subsection—

(A) HURRICANE KATRINA.—In the case of any qualified Hurricane Katrina individual—

(i) the applicable period is the period beginning on September 24, 2005, and ending on December 31, 2006, and

(ii) the qualified beginning date is August 25, 2005.

(B) HURRICANE RITA.—In the case of any qualified Hurricane Rita individual—

(i) the applicable period is the period beginning on the date of the enactment of this subsection and ending on December 31, 2006, and

(ii) the qualified beginning date is September 23, 2005.

(C) HURRICANE WILMA.—In the case of any qualified Hurricane Wilma individual—

(i) the applicable period is the period beginning on the date of the enactment of this subsection and ending on December 31, 2006, and

(ii) the qualified beginning date is October 23, 2005.

SEC. 1408R. EMPLOYMENT RELIEF.

(1) EMPLOYEE RETENTION CREDIT FOR EMPLOYERS AFFECTED BY HURRICANE KATRINA.—

(A) IN GENERAL.—For purposes of section 38, in the case of an eligible employer, the Hurricane Katrina employee retention credit for any taxable year is an amount equal to 40 percent of the qualified wages with respect to each eligible employee for such taxable year. For purposes of the preceding sentence, the amount of qualified wages which may be taken into account with respect to any individual shall not exceed $6,000.

(B) DEFINITIONS.—For purposes of this subsection—

(A) ELIGIBLE EMPLOYER.—The term ‘eligible employer’ means any employer—

(1) which conducted an active trade or business on September 23, 2005, in the Rita Zone, and

(2) with respect to whom the trade or business described in clause (i) is inoperable on any day after September 23, 2005, and before January 1, 2006, as a result of damage sustained by reason of Hurricane Rita.

(B) ELIGIBLE EMPLOYEE.—The term ‘eligible employee’ means with respect to an eligible employer an employee whose principal place of employment on September 23, 2005, with such eligible employer was in the Rita Zone.

(C) QUALIFIED WAGES.—The term ‘qualified wages’ means—

(A) with respect to any qualified Katrina distribution, any qualified Rupert distribution, or qualified Rita distribution, any qualified Wilma distribution.

(B) the period described in subparagraph (A) and any subsequent repayments with respect to any such loan shall be appropriately adjusted by reason of the due date pursuant to paragraph (1) and any interest accruing during such delay, and

(C) in determining the 5-year period and the taxable year under subparagraph (B) or (C) of section 72(p)(2), the period described in subparagraph (A) shall be disregarded.

(2) QUALIFIED INDIVIDUAL.—For purposes of this subsection—

(A) IN GENERAL.—The term ‘qualified individual’ means any qualified Hurricane Katrina individual, any qualified Hurricane Rita individual, and any qualified Hurricane Wilma individual.

(B) QUALIFIED HURRICANE KATRINA INDIVIDUAL.—The term ‘qualified Hurricane Katrina individual’ means an individual whose principal place of abode on August 28, 2005, is located in the Hurricane Katrina disaster area and who has sustained an economic loss by reason of Hurricane Katrina.

(C) QUALIFIED HURRICANE RITA INDIVIDUAL.—The term ‘qualified Hurricane Rita individual’ means an individual (other than a qualified Hurricane Katrina individual or a qualified Hurricane Rita individual) whose principal place of abode on September 23, 2005, is located in the Hurricane Rita disaster area and who has sustained an economic loss by reason of Hurricane Rita.

(D) QUALIFIED HURRICANE WILMA INDIVIDUAL.—The term ‘qualified Hurricane Wilma individual’ means an individual (other than a qualified Hurricane Katrina individual or a qualified Hurricane Rita individual) whose principal place of abode on October 23, 2005, is located in the Hurricane Wilma disaster area and who has sustained an economic loss by reason of Hurricane Wilma.
“(i) beginning on the date on which the trade or business described in subparagraph (A) first became inoperable at the principal place of employment of the employee immediately before Hurricane Rita, and

(ii) ending on the date on which such trade or business has resumed significant operations at such principal place of employment.

Such term shall include wages paid without regard to whether the employee performs no services, performs services at a different place of employment, or performs services at such principal place of employment before significant operations have resumed.

(2) DEFINITIONS.—For purposes of this subsection—

(A) ELIGIBLE EMPLOYER.—The term ‘eligible employer’ means any employer—

(i) which conducted an active trade or business on October 23, 2005, in the Wilma Zone, and

(ii) with respect to whom the trade or business described in clause (i) is inoperable on any day after October 23, 2005, and before January 1, 2006, as a result of damage sustained from Hurricane Wilma.

(B) ELIGIBLE EMPLOYER.—The term ‘eligible employer’ means with respect to an eligible employee whose principal place of employment on October 23, 2005, with such eligible employer was in the Wilma Zone.

(C) QUALIFIED WAGES.—The term ‘qualified wages’ means wages (as defined in section 51(c)(1), but without regard to section 3306(b)(2)(B) paid or incurred by an eligible employer with respect to an eligible employee on any day after October 23, 2005, and before January 1, 2006, which occurs during the period—

(i) beginning on the date on which the trade or business described in subparagraph (A) first became inoperable at the principal place of employment of the employee immediately before Hurricane Wilma, and

(ii) ending on the date on which such trade or business has resumed significant operations at such principal place of employment.

Such term shall include wages paid without regard to whether the employee performs no services, performs services at a different place of employment, or performs services at such principal place of employment before significant operations have resumed.

(3) CERTAIN RULES TO APPLY.—For purposes of this subsection, rules similar to the rules of sections 51(i)(1), 52, and 280C(a) shall apply.

“(4) EMPLOYEE NOT TAKEN INTO ACCOUNT MORE THAN ONCE.—An eligible employee shall not be treated as an eligible employee for purposes of this subsection for any period with respect to any employer if such employee is allowed a credit under subsection (a) or section 51 with respect to such employee for such period.

“SEC. 1400S. ADDITIONAL TAX RELIEF PROVISIONS.

“(a) TEMPORARY SUSPENSION OF LIMITATIONS ON CHARITABLE CONTRIBUTIONS.—

“(1) IN GENERAL.—Except as otherwise provided in section 170(b) and section 280C(a), the aggregate amount of all charitable contributions made in the taxable year shall not exceed the excess of the taxpayer’s taxable income for such taxable year over the amount of all other charitable contributions allowed under section 170(b)(1).

“(ii) CARRYOVER.—If the aggregate amount of contributions made in the taxable year is less than the amount of all other charitable contributions allowed under section 170(b)(1), the excess shall be allowed in the following taxable year.

“(b) EMPLOYER RETENTION CREDIT FOR EMPLOYERS AFFECTED BY HURRICANE WILMA.—

“(1) IN GENERAL.—For purposes of section 36, in the case of an eligible employer, the Hurricane Wilma employee retention credit for any taxable year is an amount equal to 40 percent of the qualified wages paid or incurred by the employer with respect to an eligible employee in the taxable year.

“(2) DEFINITIONS.—For purposes of this section—

(A) ELIGIBLE EMPLOYER.—The term ‘eligible employer’ means any employer—

(i) which conducted an active trade or business on October 23, 2005, in the Wilma Zone, and

(ii) with respect to whom the trade or business described in subsection (a) is inoperable on any day after October 23, 2005, and before January 1, 2006, as a result of damage sustained from Hurricane Wilma.

(B) ELIGIBLE EMPLOYER.—The term ‘eligible employer’ means with respect to an eligible employee whose principal place of employment on October 23, 2005, with such eligible employer was in the Wilma Zone.

(C) QUALIFIED WAGES.—The term ‘qualified wages’ means wages (as defined in section 51(c)(1), but without regard to section 3306(b)(2)(B) paid or incurred by an eligible employer with respect to an eligible employee on any day after October 23, 2005, and before January 1, 2006, which occurs during the period—

(i) beginning on the date on which the trade or business described in subparagraph (A) first became inoperable at the principal place of employment of the employee immediately before Hurricane Wilma, and

(ii) ending on the date on which such trade or business has resumed significant operations at such principal place of employment.

Such term shall include wages paid without regard to whether the employee performs no services, performs services at a different place of employment, or performs services at such principal place of employment before significant operations have resumed.

(3) CERTAIN RULES TO APPLY.—For purposes of this subsection, rules similar to the rules of sections 51(i)(1), 52, and 280C(a) shall apply.

“(b) EMPLOYER RETENTION CREDIT FOR EMPLOYERS AFFECTED BY HURRICANE WILMA.—

“(1) IN GENERAL.—For purposes of section 36, in the case of an eligible employer, the Hurricane Wilma employee retention credit for any taxable year is an amount equal to 40 percent of the qualified wages paid or incurred by the employer with respect to an eligible employee in the taxable year.

“(2) DEFINITIONS.—For purposes of this section—

(A) ELIGIBLE EMPLOYER.—The term ‘eligible employer’ means any employer—

(i) which conducted an active trade or business on October 23, 2005, in the Wilma Zone, and

(ii) with respect to whom the trade or business described in subparagraph (A) is inoperable on any day after October 23, 2005, and before January 1, 2006, as a result of damage sustained from Hurricane Wilma.

(B) ELIGIBLE EMPLOYER.—The term ‘eligible employer’ means with respect to an eligible employee whose principal place of employment on October 23, 2005, with such eligible employer was in the Wilma Zone.

(C) QUALIFIED WAGES.—The term ‘qualified wages’ means wages (as defined in section 51(c)(1), but without regard to section 3306(b)(2)(B) paid or incurred by an eligible employer with respect to an eligible employee on any day after October 23, 2005, and before January 1, 2006, which occurs during the period—

(i) beginning on the date on which the trade or business described in subparagraph (A) first became inoperable at the principal place of employment of the employee immediately before Hurricane Wilma, and

(ii) ending on the date on which such trade or business has resumed significant operations at such principal place of employment.

Such term shall include wages paid without regard to whether the employee performs no services, performs services at a different place of employment, or performs services at such principal place of employment before significant operations have resumed.

(3) CERTAIN RULES TO APPLY.—For purposes of this subsection, rules similar to the rules of sections 51(i)(1), 52, and 280C(a) shall apply.

“(4) EMPLOYEE NOT TAKEN INTO ACCOUNT MORE THAN ONCE.—An eligible employee shall not be treated as an eligible employee for purposes of this subsection for any period with respect to any employer if such employee is allowed a credit under subsection (a) or section 51 with respect to such employee for such period.

“SEC. 1400S. ADDITIONAL TAX RELIEF PROVISIONS.

“(a) TEMPORARY SUSPENSION OF LIMITATIONS ON CHARITABLE CONTRIBUTIONS.—

“(1) IN GENERAL.—Except as otherwise provided in paragraph (2), section 170(b) shall not apply to qualified contributions and such contributions shall be treated as an itemized deduction for purposes of applying subsections (b) and (d) of section 170 to other contributions.

“(2) TREATMENT OF EXCESS CONTRIBUTIONS.—For purposes of section 170—

“(A) INDIVIDUALS.—In the case of an individual—

(i) LIMITATION.—Any qualified contribution shall be allowed only to the extent that the aggregate of such contributions does not exceed the excess of the taxpayer’s contribution base (as defined in subparagraph (F) of section 170(b)) over the amount of all other charitable contributions allowed under section 170(b).

(ii) CARRYOVER.—If the aggregate amount of qualified contributions made in the contribution year (within the meaning of section 170(b)(2)) exceeds the limitation of clause (i), such excess shall be added to the excess described in the portion of subparagraph (A) of such section which precedes clause (i) thereof for purposes of applying such section.

(B) CORPORATIONS.—In the case of a corporation—

(i) LIMITATION.—Any qualified contribution shall be allowed only to the extent that the aggregate of such contributions does not exceed the excess of the corporation’s limitation base (as defined in section 170(b)(3)) over the amount of all other charitable contributions allowed under section 170(b).

(ii) CARRYOVER.—Rules similar to the rules of subparagraph (A)(ii) shall apply for purposes of this subparagraph.

“(3) EXCEPTIONS TO OVERALL LIMITATION ON ItemIZED DEDUCTIONS.—So much of any deduction allowed under section 170 as does not exceed the qualified contributions paid during the taxable year shall be treated as an itemized deduction for purposes of section 68.

“(4) QUALIFIED CONTRIBUTIONS.—

“(A) IN GENERAL.—For purposes of this subsection, the term ‘qualified contribution’ means any charitable contribution (as defined in section 170(c)) if—

(i) such contribution is paid during the period beginning on August 28, 2005, and ending on December 31, 2005, in cash to an organization described in section 170(b)(1)(A) other than an organization described in section 509(a)(3)),

(ii) in the case of a contribution paid by a corporation, such contribution is for relief efforts related to Hurricane Katrina, Hurricane Rita, or Hurricane Wilma, and

(iii) the taxpayer has elected the application of this subsection with respect to such contribution.

“(B) EXCEPTION.—Such term shall not include a contribution if the contribution is for establishment of a new, or maintenance in an existing, endowment fund or account or with respect to which the donor (or any person appointed or designated by such donor) has, or reasonably expects to have, advisory over the endowment, contributions shall not be treated as an itemized deduction or investment by reason of the donor’s status as a donor.

“(5) SPECIAL RULE FOR 2006.—For purposes of any taxable year beginning during 2006, the dollar amount allowed under section 170(b) (after the application of paragraph (1)) shall not exceed the excess of—
"(A) the sum of the regular tax liability (as defined in section 25(b)) plus the tax imposed by section 55, over

"(B) the sum of the credits allowable under subpart A and this subpart (other than this section and section 30C), over

(2) Section 30C(d) is amended by adding at the end the following new paragraph:

"(A) the sum of the regular tax liability (as defined in section 25(b)) plus the tax imposed by section 55, over

"(B) the sum of the credits allowable under subpart A and this subpart (other than this section), over

((3) Section 30C(h) is amended by striking "or 2005" and inserting "2005, or 2006.

(4) The amendments made by sections 201(b), 202(f), and 618(b) of the Economic Growth and Tax Relief Reconciliation Act of 2001 shall not apply to taxable years beginning during 2006.

SEC. 203. ELECTION TO DEDUCE STATE AND LOCAL TAXES.

Subpart A and this subpart (other than this section and section 30C) shall not apply to taxable years beginning after the date of the enactment of this Act, in taxable years ending after August 5, 1997, and in the case of an election by a member of a family receiving assistance under a IV-A program (as defined in paragraph (2)(B) for at least the 12-month period ending on the hiring date, and

(16) having a hiring date which is not more than 2 years after the end of the earliest such 18-month period, or

(2) as having a hiring date which is not more than 2 years after the date of such cessation.

(3) INCREASED CREDIT FOR EMPLOYMENT OF LONG-TERM FAMILY ASSISTANCE RECIPIENTS.

Subsection (d) of section 51 is amended by inserting after paragraph (9) the following new paragraph:

"(10) LONG-TERM FAMILY ASSISTANCE RECIPIENTS.—The term "long-term family assistance recipient" means any individual who is certified by the designated local agency as being a member of a family which ceased to be eligible for such assistance by reason of any limitation imposed by Federal or State law on the maximum period such assistance is payable to a family, and

"(2) as having a hiring date which is not more than 2 years after the date of such cessation.

(3) INCREASED CREDIT FOR EMPLOYMENT OF LONG-TERM FAMILY ASSISTANCE RECIPIENTS.

Paragraph (1) of section 51(d) is amended by striking "or" at the end of subparagraph (B), and by redesignating paragraphs (10) through (12) as paragraphs (11) through (13), respectively, and by inserting after paragraph (9) the following new paragraph:

"(11) LONG-TERM FAMILY ASSISTANCE RECIPIENTS.—The term "long-term family assistance recipient" means any individual who is certified by the designated local agency as being a member of a family which ceased to be eligible for such assistance by reason of any limitation imposed by Federal or State law on the maximum period such assistance is payable to a family, and

"(2) as having a hiring date which is not more than 2 years after the date of such cessation.

(3) INCREASED CREDIT FOR EMPLOYMENT OF LONG-TERM FAMILY ASSISTANCE RECIPIENTS.

Subsection (d) of section 51 is amended by inserting after paragraph (9) the following new paragraph:

"(10) LONG-TERM FAMILY ASSISTANCE RECIPIENTS.—The term "long-term family assistance recipient" means any individual who is certified by the designated local agency as being a member of a family which ceased to be eligible for such assistance by reason of any limitation imposed by Federal or State law on the maximum period such assistance is payable to a family, and

"(2) as having a hiring date which is not more than 2 years after the date of such cessation.

"(3) INCREASED CREDIT FOR EMPLOYMENT OF LONG-TERM FAMILY ASSISTANCE RECIPIENTS.

Subsection (d) of section 51 is amended by inserting after paragraph (9) the following new paragraph:

"(10) LONG-TERM FAMILY ASSISTANCE RECIPIENTS.—The term "long-term family assistance recipient" means any individual who is certified by the designated local agency as being a member of a family which ceased to be eligible for such assistance by reason of any limitation imposed by Federal or State law on the maximum period such assistance is payable to a family, and

"(2) as having a hiring date which is not more than 2 years after the date of such cessation.

"(3) INCREASED CREDIT FOR EMPLOYMENT OF LONG-TERM FAMILY ASSISTANCE RECIPIENTS.

Subsection (d) of section 51 is amended by inserting after paragraph (9) the following new paragraph:

"(10) LONG-TERM FAMILY ASSISTANCE RECIPIENTS.—The term "long-term family assistance recipient" means any individual who is certified by the designated local agency as being a member of a family which ceased to be eligible for such assistance by reason of any limitation imposed by Federal or State law on the maximum period such assistance is payable to a family, and

"(2) as having a hiring date which is not more than 2 years after the date of such cessation.

"(3) INCREASED CREDIT FOR EMPLOYMENT OF LONG-TERM FAMILY ASSISTANCE RECIPIENTS.

Subsection (d) of section 51 is amended by inserting after paragraph (9) the following new paragraph:

"(10) LONG-TERM FAMILY ASSISTANCE RECIPIENTS.—The term "long-term family assistance recipient" means any individual who is certified by the designated local agency as being a member of a family which ceased to be eligible for such assistance by reason of any limitation imposed by Federal or State law on the maximum period such assistance is payable to a family, and

"(2) as having a hiring date which is not more than 2 years after the date of such cessation.

"(3) INCREASED CREDIT FOR EMPLOYMENT OF LONG-TERM FAMILY ASSISTANCE RECIPIENTS.

Subsection (d) of section 51 is amended by inserting after paragraph (9) the following new paragraph:

"(10) LONG-TERM FAMILY ASSISTANCE RECIPIENTS.—The term "long-term family assistance recipient" means any individual who is certified by the designated local agency as being a member of a family which ceased to be eligible for such assistance by reason of any limitation imposed by Federal or State law on the maximum period such assistance is payable to a family, and

"(2) as having a hiring date which is not more than 2 years after the date of such cessation.

"(3) INCREASED CREDIT FOR EMPLOYMENT OF LONG-TERM FAMILY ASSISTANCE RECIPIENTS.

Subsection (d) of section 51 is amended by inserting after paragraph (9) the following new paragraph:

"(10) LONG-TERM FAMILY ASSISTANCE RECIPIENTS.—The term "long-term family assistance recipient" means any individual who is certified by the designated local agency as being a member of a family which ceased to be eligible for such assistance by reason of any limitation imposed by Federal or State law on the maximum period such assistance is payable to a family, and

"(2) as having a hiring date which is not more than 2 years after the date of such cessation.

"(3) INCREASED CREDIT FOR EMPLOYMENT OF LONG-TERM FAMILY ASSISTANCE RECIPIENTS.

Subsection (d) of section 51 is amended by inserting after paragraph (9) the following new paragraph:

"(10) LONG-TERM FAMILY ASSISTANCE RECIPIENTS.—The term "long-term family assistance recipient" means any individual who is certified by the designated local agency as being a member of a family which ceased to be eligible for such assistance by reason of any limitation imposed by Federal or State law on the maximum period such assistance is payable to a family, and

"(2) as having a hiring date which is not more than 2 years after the date of such cessation.

"(3) INCREASED CREDIT FOR EMPLOYMENT OF LONG-TERM FAMILY ASSISTANCE RECIPIENTS.

Subsection (d) of section 51 is amended by inserting after paragraph (9) the following new paragraph:

"(10) LONG-TERM FAMILY ASSISTANCE RECIPIENTS.—The term "long-term family assistance recipient" means any individual who is certified by the designated local agency as being a member of a family which ceased to be eligible for such assistance by reason of any limitation imposed by Federal or State law on the maximum period such assistance is payable to a family, and

"(2) as having a hiring date which is not more than 2 years after the date of such cessation.

"(3) INCREASED CREDIT FOR EMPLOYMENT OF LONG-TERM FAMILY ASSISTANCE RECIPIENTS.
subsection (h)(1) applies, rules similar to the rules of such subparagraphs shall apply except that—

(A) such subparagraph (A) shall be applied by substituting ‘$1,000’ for ‘$1,000’, and

(B) such subparagraph (B) shall be applied by substituting ‘$333.33’ for ‘$500’. ”

(4) REPEAL OF SEPARATE WELFARE-TO-WORK CREDIT—(A) IN GENERAL.—Section 51A is hereby repealed.

(B) CLERICAL AMENDMENT.—The table of sections for subpart F of part IV of subchapter A of chapter 1 is amended by striking the item relating to section 51A.

(i) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2005.

(b) EXPANSION.—(1) IN GENERAL.—Section 1400B is amended by striking ‘‘2005’’ and inserting ‘‘2005’’.
supplanting any other rule of law, and the requirements of this subsection shall be construed as being in addition to any such other rule of law.

(b) **EFFECTIVE DATE.**—The amendments made by this section shall apply to transactions entered into after the date of the enactment of this Act.

SEC. 302. PENALTY FOR UNDERSTATEMENTS ATTRIBUTABLE TO TRANSACTIONS LACKING ECONOMIC SUBSTANCE, ETC.

(a) **IN GENERAL.**—Subchapter A of chapter 68 is amended by inserting after section 6622A the following new section:

**SEC. 6622B. PENALTY FOR UNDERSTATEMENTS ATTRIBUTABLE TO TRANSACTIONS LACKING ECONOMIC SUBSTANCE, ETC.**

(a) **IMPOSITION OF PENALTY.**—If a taxpayer has a noneconomic substance transaction understatement for any taxable year, there shall be added to the tax an amount equal to 40 percent of the amount of such understatement.

(b) **REDUCTION OF PENALTY FOR DISCLOSED TRANSACTIONS.**—The amount added by paragraph (a) shall be reduced by substituting ‘‘20 percent’’ for ‘‘40 percent’’ with respect to the portion of any noneconomic substance transaction understatement attributable to returns for which the relevant facts affecting the tax treatment of the item are adequately disclosed in the return or a statement attached to the return.

(c) **COORDINATION WITH OTHER PENALTIES.**—Except as otherwise provided in this section, the penalty imposed by this section shall be in addition to any other penalty imposed by this title.

(d) **CLASSICAL AMENDMENT.**—The table of sections for part II of subchapter A of chapter 68 is amended by inserting after the item relating to section 6622A the following new item:

**Sec. 6622B. Penalty for understatements attributable to transactions lacking economic substance, etc.**

(e) **EFFECTIVE DATE.**—The amendments made by this section shall apply to transactions entered into after the date of the enactment of this Act.

SEC. 303. DENIAL OF DEDUCTION FOR INTEREST ON UNDERSUBTRACTED TRANSACTIONS LACKING ECONOMIC SUBSTANCE TRANSACTIONS.

(a) **IN GENERAL.**—Section 162(m) (relating to interest on unpaid taxes attributable to nondisclosed reportable transactions) is amended by—

(1) by striking ‘‘attributable to’’ and all that follows and inserting the following:—

‘‘attributable to—’’

(2) by inserting ‘‘and no other provision of law, if a taxpayer is an applicable integrated oil company for its last taxable year ending in calendar year 2005, the taxpayer shall—’’ after (1);

(3) by inserting another provision of law, if a taxpayer is an applicable integrated oil company for its last taxable year ending in calendar year 2005, the taxpayer shall—’’ after (1); and

(b) **EFFECTIVE DATE.**—The amendments made by this section shall apply to transactions entered into after the date of the enactment of this Act.


(a) **IN GENERAL.**—Section 849(b) of the American Jobs Creation Act of 2004 is amended by—

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

‘‘(1) in the case of—

(a) a tax-exempt entity which is a foreign person or entity, the amendments made by this section shall apply to taxable years beginning after December 31, 2004, with respect to leases entered into on or before March 12, 2004;’’.

(b) **EFFECTIVE DATE.**—The amendments made by this section shall take effect as if included in the enactment of the American Jobs Creation Act of 2004.
For purposes of paragraph (1), all persons treated as a single employer under subsections (a) and (b) of section 52 of the Internal Revenue Code of 1986 shall be treated as 1 person if, during the base case of a short taxable year, the rule under section 484(c)(3)(B) shall apply.

SEC. 306. MODIFICATION OF EFFECTIVE DATE OF EXCISE TAX AMENDMENTS; SUSPENSION RULES FOR CERTAIN LISTED AND REPORTABLE TRANSACTIONS.

(a) In General.—Paragraph (2) of section 903(d) of the American Jobs Creation Act of 2004 is amended to read as follows:—

"(2) ELECTION FOR REPORTABLE OR LISTED TRANSATIONS.—"...

"(A) IN GENERAL.—The amendments made by subsection (c) shall apply with respect to interest accruing after October 3, 2004.

(b) Special Rule for Certain Listed and Reportable Transactions.—

"(1) IN GENERAL.—Except as provided in clause (ii), the amendments made by subsection (c)(2) shall apply with respect to interest accruing on or before October 3, 2004.

"(2) APPLICABLE TAXPAYER.—In General.—Clause (ii) shall not apply to any taxpayer if, as of January 23, 2006—

"(I) the taxpayer is participating in a settlement initiative described in Internal Revenue Service Announcement 2006-80 with respect to such transaction, or

"(II) the taxpayer has entered into a settlement agreement pursuant to such an initiative.

"(3) TERMINATION OF EXCLUSION.—Clause (ii)(I) shall not apply to any taxpayer if, after January 23, 2006, the taxpayer withdraws from any settlement initiative or the Internal Revenue Service of such an arrangement is conducted in the ordinary course of the taxpayer's trade or business.

"(4) EFFECTIVE DATE.—The amendment made by this section shall take effect as if included in the provisions of the American Jobs Creation Act of 2004 which it relates.

SEC. 307. DOUBLING OF CERTAIN PENALTIES, FINES, AND INTEREST ON UNDERPAYMENTS RELATED TO CERTAIN OFFSHORE FINANCIAL ARRANGEMENTS.

(a) Determination of Penalty.—

"(1) IN GENERAL.—Notwithstanding any other provision of law, in the case of an applicable taxpayer—

"(A) the determination as to whether any interest or applicable penalty is to be imposed with respect to any arrangement described in subsection (b), (c), (d), and (e) of section 6666 of the Internal Revenue Code of 1986, and

"(B) if any such interest or applicable penalty is not in excess of 25 percent of all additional interest, penalties, additions to tax, and fines collected under this section to be used for enforcement and collection activities of the Internal Revenue Service and the Secretary shall keep adequate records regarding amounts so retained and used. The amount credited as paid by any taxpayer shall be determined without regard to this paragraph.

(b) Report by Secretary.—The Secretary shall each year conduct a study and report to Congress on the implementation of this section during the preceding year, including statistics on the number of taxpayers affected by such implementation and the amount of interest and applicable penalties imposed, collected, and assessed during such preceding year.

(c) Effective Date.—The provisions of this section shall apply to amounts owed by an employer to an employee, or paid by the employer to the employee, with respect to any taxable year if, as of the date of the enactment of this Act, the assessment of any tax, penalty, or interest with respect to such taxable year is not prevented by the operation of any law or rule of law.

SEC. 308. PENALTY FOR AIDING AND ABETTING THE UNDERSTATEMENT OF TAX LIABILITY.

(a) IN GENERAL.—Section 6701(a) (relating to imposition of penalty) is amended—

"(1) by inserting "aid, assistance, procurement, or advice with respect to such tax return or the payment of any amount to settle or avoid the imposition of such penalty shall not be deductible by the person who is subject to such penalty or who makes such payment;"

"(2) by striking "at least 50 percent", "more than 50 percent", and "more than 50 percent", and inserting "50 percent", "any penalty", and "any penalty", respectively, in clause (ii), and

"(b) Effective Date.—The amendments made by this section shall apply to activities after the date of the enactment of this Act.

Subtitle B—Provisions to Close Corporate and Individual Loopholes

SEC. 311. TAX TREATMENT OF INVERTED ENTITIES.

(a) In General.—Section 7674 is amended—

"(1) by striking "March 4, 2003" in subsection (a)(2)(B)(i) and in the matter following subsection (a)(2)(B)(ii) and inserting "March 1, 2002,"

"(2) by striking "at least 60 percent", "60 percent", and "60 percent", and inserting "50 percent", "any penalty", and "any penalty", respectively, in clause (ii), and

"(3) by striking "more than 50 percent", "more than 50 percent", and "more than 50 percent", and inserting "50 percent", "any penalty", and "any penalty", respectively, in clause (ii).

(b) Effective Date.—The amendments made by this section shall apply to entities founded or reincorporated on or after the date of the enactment of this Act.

Subtitle C—Special Rules Applicable to Expatriated Entities

"(1) INCREASES IN ACCURACY-RELATED PENALTIES.—In the case of any underpayment of tax on an expatriated entity, the provisions of subsection (a) shall be applied as if the corporation were a nonresident alien corporation and of paragraph (2) if none of the corporation's stock was readily tradeable on an established securities market at any time during the 4-year period ending on the date of the enactment of this Act.

"(b) Effective Date.—The amendments made by this section shall apply to taxable years ending after December 31, 2004.
of interest paid or accrued by such partner-
ship shall be treated as interest paid or ac-
crued by such corporation, and
“(C) such corporation’s share of the liabili-
ities of such partnership shall be treated as liabili-
ities of section 162(f) apply.

(b) ADDITIONAL REGULATORY AUTHORITY.—
Section 162(f)(9) (relating to regulations), as
redesignated by subsection (a), is amended by
striking paragraph (B) and inserting—
“(B) by striking the period at the end of sub-
paragraph (C) and inserting ,, and”, and by
adding at the end the following new subpara-
graph:
“(D) regulations providing for the realloca-
tion of shares of partnership indebtedness, or
variable shares of the partnership’s inter-
est income or interest expense as appropriate to
the purposes of this subsection.”.

(c) EFFECTIVE DATE.—The amendments
made by this section shall apply to taxable
years beginning on or after the date of the
enactment of this Act.

SEC. 115. DENIAL OF DEDUCTION FOR CERTAIN
FINES, PENALTIES, AND OTHER AMOUNTS.

(a) IN GENERAL.—Subsection (f) of section
162 (relating to trade or business expenses) is
amended to read as follows:
“(1) FINES, PENALTIES, AND OTHER
AMOUNTS.—
“(i) in general.—Except as provided in
paragraph (2), no deduction otherwise allow-
able shall be allowed under this chapter for
any amount paid or incurred (whether by
suit, agreement, or otherwise) to, or at the
direction of, a government or entity de-
scribed in paragraph (4) if it is

(i) constitutes restitution (including re-
sbursement to the government or entity
described in paragraph (4) which was viol-
ated or involved in the investigation, or

(ii) the aggregate amount involved in all
suits, agreements, or other transactions
under this subsection shall be filed not later
than—
“(A) 30 days after the date on which a
suit or agreement described in this para-
graph is entered into, as the case may be,

(b) STATEMENTS TO BE FURNISHED TO
INDIVIDUALS INVOLVED IN THE SETTLEMENT.—
Every person required to make a return
under subsection (a)(4) shall furnish to each
person who is a party to the suit or agree-
ment a written statement showing—

(i) the name of the government or entity, and

(ii) the information supplied to the Sec-

(c) EFFECTIVE DATE.—The enactments
made by this section shall apply to debt instru-
ments issued on or after the date of the
enactment of this Act.

SEC. 114. TREATMENT OF CONTINGENT PAYMENT
CONVERTIBLE DEBT INSTRUMENTS.

(a) IN GENERAL.—Section 1275(d) (relating
to regulations) is amended by inserting
inserting after paragraph (7) the following
ew paragraph:
“(m) REGULATIONS.—The Secretary may
prescribe regulations disallowing a credit under
section (a) for all or a portion of any foreign
tax, or allocating a foreign tax among 2 or more
persons, in cases where the foreign tax is imposed on
any person in respect of income of another person or in
other cases involving the inappropriate separation of
the foreign tax from the related foreign income.

(b) EFFECTIVE DATE.—The amendments
made by this section shall apply to taxable
years beginning on or after the date of the
enactment of this Act.

SEC. 113. TREATMENT OF CONTINGENT PAYMENT
CONVERTIBLE DEBT INSTRUMENTS.

(a) IN GENERAL.—Section 1275(d) (relating
to regulations) is amended by inserting
inserting after paragraph (7) the following
new paragraph:
“(l) IN GENERAL.—In the case of a debt in-
strument which—
“(i) is convertible into stock of the issuing
company, into stock or debt of a related party
which is convertible into stock of the issuing
company, or into cash or other property in
an amount equal to the approximate value of
such stock or debt, and

(ii) provides contingent payments,
any regulations which require original issue
discount to be determined by reference to
the comparable yield of a noncontingent
fixed-rate debt instrument shall be applied as
if the regulations require that such com-
parable yield be determined by reference to a
noncontingent fixed-rate debt instrument
which is convertible into stock.

(b) CROSS REFERENCE.—Section 1275(e)(6)
(relating to cross references) is amended by
inserting at the end the following:
“(h) For purposes of subparagraph (A), the comparable yield shall
be determined without taking into account the yield resulting from the conversion of a debt instrument
the date the agreement is entered into, as

(c) EFFECTIVE DATE.—The amendments
made by this section shall apply to debt instru-
ments issued on or after the date of the
enactment of this Act.

SEC. 112. APPLICATION OF EARNINGS STRIPPING
RULES TO PARTNERS WHICH ARE CORPORATIONS.

(a) IN GENERAL.—Section 162(b) (relating to
deductions for interest) is amended by inserting
inserting after paragraph (7) the following
new paragraph:
“(7) IN GENERAL.—In computing the
amount deductible for interest paid or in-
curred, an entity which exercises self-regu-
atory powers (including imposing san-
ctions) in connection with a qual-
ified board or exchange (as defined in section
1256(g)(7)), or

(b) REPORTING OF DEDUCIBLE AMOUNTS.—
(1) IN GENERAL.—Subpart B of part III of
subchapter A of chapter 61 is amended by in-
serting after section 6050T the following new
section:

SEC. 4050T. INFORMATION WITH RESPECT TO
CERTAIN FINES, PENALTIES, AND OTHER AMOUNTS.

(a) REQUIREMENT OF REPORTING.—
“(1) IN GENERAL.—The appropriate official of
any government or entity which is
described in section 162(f)(4) which is involved
in a suit or agreement described in paragraph
(1) of this section shall make a return as
determined by the Secretary setting forth—

(i) the amount required to be paid as a
result of the suit or agreement which

(ii) any amount required to be paid as a
result of the suit or agreement which

(C) any amount required to be paid as a
result of the suit or agreement for the pur-
pose of coming into compliance with any law
which was violated or involved in the inves-
tigation or inquiry.

(2) SUIT OR AGREEMENT DESCRIBED.—
“(A) IN GENERAL.—A suit or agreement is
described in this paragraph if—

(1) in general.—Except as provided in
paragraph (2), no deduction otherwise allow-
able shall be allowed under this chapter for
any amount paid or incurred (whether by
suit, agreement, or otherwise) to, or at the
direction of, a government or entity de-
scribed in paragraph (4) if it is

(ii) it is

(iii) it is

(iv) it is

(b) ADJUSTMENT OF REPORTING THRESH-
OLD.—The Secretary may adjust the $600
amount in subparagraph (A)(i) as necessary in
order to ensure the efficient administra-
tion of the internal revenue laws.

(c) TIME OF FILING.—The return required
under this subsection shall be filed not later
than—
“(A) 30 days after the date on which a
suit or agreement described in this para-
graph is entered into, as the case may be,

(b) the date specified by the Secretary.

(2) CONFORMING AMENDMENT.—The table
of sections for subpart B of part III of
subchapter A of chapter 61 is amended by insert-
ing after the item relating to section 6050T the
following new item:
“Sec. 6050U. Information with respect to certain fines, penalties, and other amounts.”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts paid or incurred on or after the date of enactment of this Act, except that such amendments shall not apply to amounts paid or incurred under any binding order or judgment in, or settlement of, any action, this paragraph shall not apply to punitive damages described in section 106(c)."

(2) PUNITIVE DAMAGES.—No deduction shall be allowed under this chapter for any amount paid or incurred for punitive damages in any action in which judgment is, or settlement of, any action, this paragraph shall not apply to punitive damages described section 106(c).

(3) CONFORMING AMENDMENT.—The heading for section 162(g) is amended by inserting “or PUNITIVE DAMAGES” after “LAW".

(4) INCLUSION IN INCOME OF PUNITIVE DAMAGES PAID BY INSURER OR OTHERWISE.—

(b) IN GENERAL.—Part II of subsection B of chapter 1 (relating to items specifically included in gross income) is amended by adding at the end the following new section:

**SEC. 91. PUNITIVE DAMAGES COMPENSATED BY INSURANCE OR OTHERWISE.”

"Gross income shall include any amount paid or accrued by a taxpayer as insurance or otherwise by reason of the taxpayer’s liability (or agreement) to pay punitive damages.”

(2) REPORTING REQUIREMENTS.—Section 6011 (relating to information at source) is amended by adding at the end the following new subsection:

“(f) SECTION TO APPLY TO PUNITIVE DAMAGES COMPENSATION.—This section shall apply to payments by a person to or on behalf of a taxpayer as insurance or otherwise by reason of the taxpayer’s liability (or agreement) to pay punitive damages.”

(3) CONFORMING AMENDMENT.—The table of sections for part II of subsection B of chapter 1 is amended by adding at the end the following new item:

"Sec. 91. Punitive damages compensated by insurance or otherwise."
(1) In General.—Except as provided in paragraph (2), the term ‘covered expatriate’ means an expatriate.

(2) Exceptions.—An individual shall not be treated as a covered expatriate if—

(A) the individual—

(i) became at birth a citizen of the United States and a citizen of another country and, as of the expatriation date, continues to be a citizen of, and is taxed as a resident of, such other country, and

(ii) has not been a resident of the United States or any political subdivision thereof, defined in section 7701(b)(10)(A)(ii) during the 5 taxable years ending with the taxable year during which the expatriation date occurs, or

(B) the individual’s relinquishment of United States citizenship occurs before such individual attains age 18 1/2, and

(ii) the individual has been a resident of the United States (as so defined) for not more than 5 taxable years before the date of relinquishment.

(d) Exempt Property; Special Rules for Pension Plans.—

(1) Exempt Property.—This section shall not apply to the following:

(A) United States real property interests.

(B) Any interest in a retirement plan to which section 897(c)(2) applies.

(C) Any interest in a qualified trust, or a covered expatriate holding an interest in a qualified trust, or a covered expatriate holding an interest in a trust if such gain had been included in gross income.

(e) Definitions.—For purposes of this section—

(1) Expatriate.—The term ‘expatriate’ means—

(A) any United States citizen who relinquishes citizenship, and

(B) any long-term resident of the United States who—

(i) ceases to be a lawful permanent resident of the United States (within the meaning of section 7111(b)(6)), or

(ii) commences to be treated as a resident of a foreign country, if such individual makes a change in the provisions of a tax treaty between the United States and the foreign country and who does not waive the benefits of such treaty applicable to residents of the foreign country.

(2) Expatriation Date.—The term ‘expatriation date’ means—

(A) the date the individual relinquishes United States citizenship, or

(B) in the case of a long-term resident of the United States, the date of the event described in clause (i) or (ii) of paragraph (1)(B).

(3) Relinquishment of Citizenship.—A citizen shall be treated as relinquishing United States citizenship if—

(A) the date the individual renounces such individual’s United States nationality before a diplomatic or consular officer of the United States Department of State, or

(B) the United States Department of State, or

(C) the date the United States Department of State cancels a naturalized citizen’s certificate of naturalization.

(f) Long-Term Resident.—The term ‘long-term resident’ has the meaning given to such term by section 877(a)(1)(B).

(g) Special Rules Applicable to Beneficiaries’ Interests in Trusts.—

(1) In General.—If an individual is a covered expatriate in a qualified trust described in paragraph (6) of section 349(a) of the Immigration and Nationality Act (8 U.S.C. 1481(a)(5)), if the individual is treated as a covered expatriate as of the expatriation date, then—

(A) the interest in the qualified trust described in paragraph (6) of section 349(a) of the Immigration and Nationality Act (8 U.S.C. 1481(a)(5)), is treated as a covered expatriate for tax purposes, and

(B) any interest or benefit in the qualified trust described in paragraph (6) of section 349(a) of the Immigration and Nationality Act (8 U.S.C. 1481(a)(5)) shall be treated as a covered expatriate for tax purposes.

(2) Special Rules for Interests in Qualified Trusts.—

(A) In General.—If the trust interest described in clause (i) of paragraph (1)(B) is treated as a covered expatriate for tax purposes, then—

(i) the tax imposed by paragraph (1)(B)(i) shall be deducted and withheld from any amount otherwise includible in gross income under subsection (a), and

(ii) the balance in the deferred tax account shall be included in gross income under subsection (a).

(iii) The tax imposed by subparagraph (A)(i) shall be deducted and withheld from any amount otherwise includible in gross income under subsection (a).

(3) Deferred Tax Account.—The tax imposed by subsection (a) shall be included in gross income under subsection (a) and shall be treated as a separate item of income.
“(i) the tax determined under paragraph (1) as if the day before the expatriation date were the date of such cessation, disposition, or death, whichever is applicable, or
“(ii) the tax determined under paragraph (1) if the covered expatriate were a citizen or long-term resident of the United States.”.

(c) DEFINITION OF TERMINATION OF UNITED STATES CITIZENSHIP—Section 214 of title 22, United States Code (as amended by section 168(d) of the Immigration and Nationality Act), is amended by adding at the end the following new paragraph:

“(4) TERMINATION OF UNITED STATES CITIZENSHIP.—

“(A) IN GENERAL.—An individual shall not cease to be treated as a United States citizen before the date on which the individual’s citizenship is treated as relinquished under section 877A(e)(3).

“(B) DUAL CITIZENS.—Under regulations prescribed by the Secretary, subparagraph (A) shall not apply to an individual who became at birth a citizen of the United States and a citizen of another country.”.

(d) INELIGIBILITY FOR VISA OR ADMISSION TO UNITED STATES.—

“(1) IN GENERAL.—Section 212(a)(10)(E) of the Immigration and Nationality Act (8 U.S.C. 1182(a)(10)(E)) is amended to read as follows:—

“(A) the gift, bequest, devise, or inheritance from a covered expatriate after the expatriation date. For purposes of this section, the term ‘covered expatriate’ means any covered expatriate who is treated as a United States citizen under section 877A(e)(3) of the Immigration and Nationality Act solely for the purpose of, and to the extent necessary in, administering such section 877A(e)(3).”.

(2) EFFECTIVE DATES.—The amendments made by this subsection shall apply to individuals who relinquish United States citizenship on or after the date the enactment of this Act.

(e) CONFORMING AMENDMENTS.—

“(1) Section 877 is amended by adding at the end the following new subsection:—

“(2) The amendments made by this subsection shall apply to individuals who relinquish United States citizenship on or after the date the enactment of this Act.

(f) APPLICATION.—This section shall not apply to any expatriate subject to section 877A.

(3) Section 2501(a)(3) is amended by adding at the end the following new subparagraph:

“(j) CONFORMING AMENDMENTS.—This section shall not apply to an expatriate (as defined in section 877A(e)) whose expatriation date (as so defined) occurs on or after the date of the enactment of this subsection.”.
United States citizenship (within the meaning of section 977A(a)(3)) after "section 977(a)".

(g) CLERICAL AMENDMENT.—The table of sections for part A of part II of subchapter N of chapter 1 is amended by inserting after the item relating to section 977 the following new item:

"Sec. 977A. Tax responsibilities of expatriates.

(h) DETERMINATION OF TAX LIABILITY ON NONEXCLUDED AMOUNTS.—If any amount is excluded from the gross income of a taxpayer under subsection (a) for any taxable year, then, notwithstanding section 1 or section 911(c)(1)(B), (i) the tax imposed by section 1 on the taxpayer for such taxable year shall be equal to the excess (if any) of—

(A) the tax which would be imposed by section 1 for the taxable year if the taxpayer's taxable income was equal to the sum of—

(i) the taxpayer's alternative minimum taxable income for the taxable year determined without regard to this subsection, plus

(ii) the amount excluded under subsection (a) for the taxable year, over

(B) the tax which would be imposed by section 1 for the taxable year if the taxpayer's taxable income were equal to the amount excluded under subsection (a) for the taxable year, and

(2) the tax imposed by section 55 for such taxable year shall be equal to the excess (if any) of—

(A) the amount which would be the tentative minimum tax under section 55 for the taxable year if the taxpayer's alternative minimum taxable income were equal to the sum of—

(i) the taxpayer's alternative minimum taxable income for the taxable year determined without regard to this subsection, plus

(ii) the amount excluded under subsection (a) for the taxable year, over

(B) the sum of—

(i) the amount which would be the tentative minimum tax under section 55 for the taxable year if the taxpayer's alternative minimum taxable income were equal to the amount excluded under subsection (a) for the taxable year, plus

(ii) the amount which would be the regular tax for the taxable year if the tax imposed by section 1 were the tax computed under paragraph (1).

For purposes of this subsection, the amount excluded under subsection (a) shall be reduced by the aggregate amount of any deductions or exclusions disallowed under subsection (d)(6) with respect to such excluded amount.

(i) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2005.

SEC. 320. LIMITATION ON ANNUAL AMOUNTS WHICH MAY BE EXCLUDED UNDER NONQUALIFIED DEFERRED COMPENSATION ARRANGEMENTS.

(a) IN GENERAL.—Section 409A (relating to inclusion of gross income under nonqualified deferred compensation plans) is amended by redesignating subsections (c), (d), and (f) as subsections (d), (e), and (f), respectively, and by inserting after subsection (d) the following new subsection:

"(g) DETERMINATION OF EARNINGS.—If—

(A) an amount is includible under paragraph (1) in the gross income of a participant for any taxable year, then—

(B) any portion of any assets set aside in a trust or other arrangement under a nonqualified deferred compensation plan are properly allocable to such amount, then any increase in value in, or earnings with respect to, such portion for the taxable year or any succeeding taxable year shall be includible in gross income of the participant for such taxable year or succeeding taxable year.

(b) APPLICABLE DOLLAR AMOUNT.—For purposes of this subsection—

"(A) IN GENERAL.—The term 'applicable dollar amount,' means, with respect to any participant, the lesser of—

(i) the average annual compensation which—

(I) was payable during the base period to the participant by the employer described in paragraph (1)(A), and

(ii) was includible in the participant's gross income for taxable years in the base period, or

(ii) $1,000,000.

(B) BASE PERIOD.—The term 'base period,' means, with respect to any computation year, the 5-taxable year period ending with the taxable year preceding the taxable year in which the election described in subsection (a)(4)(B) is made by the participant to have compensation for services performed in the computation year determined under section 409A(b)(2) of the Internal Revenue Code of 1986 (as added by such amendments).

SEC. 321. INCREASE IN AGE OF MINOR CHILDREN WHOSE UNEARNED INCOME IS TAXED AS IF PARENT'S INCOME.

(a) IN GENERAL.—Section 1(g)(4)(A) (relating to net unearned income) is amended by striking "age 14" and inserting "age 18.

(b) TREATMENT OF DISTRIBUTIONS FROM QUALIFIED DISABILITY TRUSTS.—Section 1(g)(4) (relating to net unearned income) is amended by adding at the end the following new subparagraph:

"(C) TREATMENT OF DISTRIBUTIONS FROM QUALIFIED DISABILITY TRUSTS.—For purposes of this subsection, any child who is a beneficiary of a qualified disability trust (as defined in section 642(g)(2)(C)(i)), any amount included in the income of such child under sections 652 and 662 during any taxable year shall be considered earned income of such child for such taxable year.

"(d) EFFECTIVE DATE.—The amendments made by this section shall be effective after December 31, 2005.
SEC. 332. RULES RELATING TO FOREIGN OIL AND GAS INCOME.

(a) SEPARATE BASKET FOR FOREIGN TAX CREDIT.—

(1) SEPARATE BASKET.—

(A) YEARS BEFORE 2007.—Paragraph (1) of section 904(d) (relating to separate application of sections 904(e) to 912 with respect to certain categories of income), as in effect for years beginning before 2007, is amended by striking “and” at the end of subparagraph (H), by redesignating subparagraph (I) as subparagraph (J), and by inserting after subparagraph (H) the following new subparagraph:

(‘‘i) foreign oil and gas income, and

(B) 2007 AND AFTER.—Subparagraph (1) of section 904(d), as in effect for years beginning after 2006, is amended by striking “and” at the end of subparagraph (A), by striking the period at the end of subparagraph (B) and inserting “; and”, and by adding at the end the following:

“(ii) foreign oil and gas income.”

(2) DEFINITION.—

(A) YEARS BEFORE 2007.—Paragraph (2) of section 904(d), as in effect for years beginning before 2007, is amended by redesignating subparagraphs (H) and (I) as subparagraphs (I) and (J), respectively, and by inserting after subparagraph (G) the following new subparagraph:

“(H) FOREIGN OIL AND GAS INCOME.—The term ‘foreign oil and gas income’ has the meaning given such term by section 954(g).

(B) 2007 AND AFTER.—Subparagraph (1) of section 904(d), as in effect for years after 2006, is amended by redesignating subparagraphs (J) and (K) as subparagraphs (K) and (L) and by inserting after subparagraph (J) the following new subparagraph:

“(J) FOREIGN OIL AND GAS INCOME.—For purposes of this section—

(1) In general.—The term ‘foreign oil and gas income’ has the meaning given such term by section 954(g).

(2) Coordination.—Passive category income and general category income shall not include foreign oil and gas income (as so defined).”

(3) CONFORMING AMENDMENTS.—

(A) Section 904(d)(3)(F)(i) is amended by striking “or ‘(E)’” and inserting “‘(E), or (I)’.”

(B) Section 907(a) is hereby repealed.

(C) Section 907(c)(4) is hereby repealed.

(D) Section 907(d) is hereby repealed.

(4) EFFECTIVE DATES.—

(A) In general.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

(B) Years after 2006.—The amendments made by paragraphs (1)(B) and (2)(B) shall apply to taxable years beginning after December 31, 2006.

(C) TRANSITIONAL RULES.—

(1) SEPARATE BASKET TREATMENT.—Any tax paid or accrued in any taxable year beginning on or before the date of the enactment of this Act, with respect to income which was described in subparagraph (I) of section 904(d)(3)(F) for the last taxable year ending before the date of the enactment of this Act, shall be treated as paid or accrued with respect to foreign oil and gas income.

(2) CARRYOVERS.—Any unused oil and gas extraction taxes which under section 907(f) of such Code (as so in effect) would have been included in the taxpayer’s taxable first year beginning after the date of the enactment of this Act (without regard to the limitation of paragraph (2) of such section for such taxable year) shall be allowed as carryovers under section 904(c) of such Code in the same manner as if such extraction taxes were unused taxes under such section 904(c) with respect to foreign oil and gas extraction income.

(3) LOST. —The amendment made by paragraph (2)(C) shall apply to foreign oil and gas extraction losses arising in taxable years beginning on or before the date of the enactment of this Act.

(4) ELIMINATION OF DUAL CAPACITY TAXPAYERS.—

(a) TAXABLE YEARS ENDING BEFORE 2006.—

(1) MODIFICATION OF PHASEOUT.—

(A) In general.—Section 29(b)(1)(A) is amended by inserting “for the calendar year preceding” before “the calendar year”.

(B) CONFORMING AMENDMENTS.—Section 29(b)(2) is amended by striking “The” and inserting “With respect to any calendar year, the”, and by striking “for the calendar year in which the sale occurs” and inserting “for such calendar year”.

(2) NO INFLATION ADJUSTMENT FOR THE CREDIT AMOUNT IN 2005.—Section 29(b)(2), as amended by paragraph (1), is amended by striking “the following new sentence: “This paragraph shall not apply with respect to the $3 amount in subsection (a) for calendar year 2005 and the amount in effect under subsection (a) for sales in such calendar year shall be the amount which was in effect for sales in calendar year 2004.”” and inserting “The tax imposed by section 904(c) with respect to foreign oil and gas extraction income which under section 907(f) of such Code (as so in effect) would have been included in the taxpayer’s taxable first year beginning after the date of the enactment of this Act (without regard to the limitation of paragraph (2) of such section for such taxable year) shall be allowed as carryovers under section 904(c) of such Code in the same manner as if such extraction taxes were unused taxes under such section 904(c) with respect to foreign oil and gas extraction income.

(3) LOST.—The amendment made by paragraph (2)(C) shall apply to foreign oil and gas extraction losses arising in taxable years beginning on or before the date of the enactment of this Act.

(b) TAXABLE YEARS ENDING AFTER 2005.—

(1) MODIFICATION OF PHASEOUT.—

(A) In general.—Section 45K(b)(1)(A) is amended by inserting “the calendar year preceding” before “the calendar year”.

(B) CONFORMING AMENDMENTS.—Section 45K(b)(2) is amended by striking “The” and inserting “With respect to any calendar year, the”, and by striking “for the calendar year in which the sale occurs” and inserting “for such calendar year”.

(c) APPLICATION OF DUAL CAPACITY TAXPAYERS.
(2) No inflation adjustment for the credit amount in 2005, 2006, and 2007.—Section 45K(b)(2), as amended by paragraph (1), is amended by adding at the end the following new subparagraph:—

(b) NONAPPLICATION OF PHASEOUT.—Section 45K(g)(2) is amended by adding at the end the following new subparagraph:—

(c) Clarification of qualifying facilities.—Section 45K(g)(1) is amended by inserting "(other than from petroleum based products)" after "coke or coke gas".

(d) Effective Date.—The amendments made by this section shall apply to fuel sold after December 31, 2004.

SEC. 335. ELIMINATION OF AMORTIZATION OF GEOLOGICAL AND GEOPHYSICAL EXPLORATION EXPENSES FOR INTEGRATED OIL COMPANIES.

(a) In general.—Section 356(b) is amended—

(1) by striking "$500,000" and inserting "$25,000".

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

(b) Effective Date.—The amendment made by this section shall apply to any payment made after December 31, 2005.

SEC. 342. INCREASE IN CERTAIN CRIMINAL PENALTIES.

(a) In general.—Section 7206 (relating to fraud and false statements) is amended—

(1) by striking "Any person who—" and inserting "(a) In general.—Any person who—".

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

(b) Increase in monetary limitation for underpayment or overpayment of tax due to fraud.—If any portion of any underpayment (as defined in section 6662) or overpayment (as defined in section 6601(a)) of tax required to be shown on a return is attributable to fraudulent action described in subsection (a), the applicable dollar amount under subsection (a) shall be no less than an amount equal to such portion. A rule similar to the rule under section 6662(b) shall apply for purposes of determining the portion so attributable.

(c) Effective Date.—The amendments made by this section shall apply to returns of tax. The amendments made by this section apply to checks or other payments received after the date of the enactment of this Act.

SEC. 343. INCREASE IN PENALTY FOR BAD CHECKS AND MONEY ORDERS.

(a) In general.—Section 6657 (relating to bad checks and money orders) is amended—

(1) by striking "$750" and inserting "$1,250", and

(2) by striking "$15" and inserting "$25".

(b) Effective Date.—The amendments made by this section shall apply to returns of tax, the penalty made by this section to apply to checks or other money orders received after the date of the enactment of this Act.

SEC. 344. FAVORABLE TAX SUBMISSIONS.

(a) Civil penalties.—Section 6702 is amended to read as follows:—

(b) Civil penalty for frivolous tax returns.—A person shall pay a penalty of $5,000 if—

(1) such person files what purports to be a return of a tax imposed by this title but which—

(A) does not contain information on which the substantial correctness of the self-assessment may be judged, or

(B) contains information that on its face indicates that the self-assessment is substantially incorrect; and

(2) the conduct referred to in paragraph (1)—

(A) is based on a position which the Secretary has identified as frivolous under subsection (c), or

(B) reflects a desire to delay or impede the administration of Federal tax laws.

(c) Civil penalty for specified frivolous submissions.—The term 'specified frivolous submission' means a specified submission if any portion of such submission—

(1) is based on a position which the Secretary has identified as frivolous under subsection (c), or

(2) reflects a desire to delay or impede the administration of Federal tax laws.

(d) Effective Date.—The amendments made by this section apply to returns of tax.

SEC. 345. FAVORABLE PENALTY IDENTIFICATION AND PENALTY INFORMATION, OR PAY TAX.

(a) In general.—Section 6694 (relating to failure to contact tax payer) is amended—

(1) by striking subsection (e) and inserting the following in lieu thereof:

(2) by striking subsection (f) and inserting the following in lieu thereof:

(b) Effective Date.—The amendments made by this section shall apply to returns of tax.
(d) **Reduction of Penalty.**—The Secretary may reduce the amount of any penalty imposed under this section if the Secretary determines that such reduction would promote compliance with and administration of the Federal tax laws.

(e) **Penalties in Addition to Other Penalties.**—The penalties imposed by this section shall all be in addition to any other penalty provided for by law.

(b) **Treatment of Frivolous Requests for Hearings Before Levy.**—

(i) **Requests Disregarded.—** Section 6330 (relating to notice and opportunity for hearing before levy) is amended by striking clause (i) or (ii) of section 6702(b)(2)(A), then the Secretary may treat such portion as if it were never submitted and such portion shall not be subject to any further administrative or judicial review.

(ii) **Frivolous Requests for Hearing, etc.—**Notwithstanding any other provision of this section, if the Secretary determines that any portion of a request for a hearing under this section or section 6320 meets the requirement of clause (i) or (ii) of section 6702(b)(2)(A), then the Secretary may treat such portion as if it were never submitted and such portion shall not be subject to any further administrative or judicial review.

(2) **Preclusion from Filing Frivolous Issues in Request for Hearing.**—Section 6302(c)(4) is amended—

(A) by striking “(A)” and inserting “(A)”; (B) by striking “(B)” and inserting “(ii)”; (C) by striking the period at the end of the first sentence and inserting “; or”; and (D) by inserting after subparagraph (A)(ii) (as redesignated the following:

“(B) the issue meets the requirement of clause (i) or (ii) of section 6702(b)(2)(A);”.

(3) **Statement of Grounds.**—Section 6302(b)(1) is amended by striking “under subsection (a)(3)(B)” and inserting “in writing under subsection (a)(3)(B) and states the grounds for the requested hearing”;

(4) **Treatment of Frivolous Requests for Hearings Upon Filing of Notice of Lien.**—Section 6320 is amended—

(i) in subsection (b)(i), by striking “under subsection (a)(3)(B)” and inserting “in writing under subsection (a)(3)(B) and states the grounds for the requested hearing”;

(ii) in subsection (b)(4), by striking “and” and inserting “(e) and”;

(iii) in subsection (e)(4), by striking “and” and inserting “(e) and”;

(iv) **Treatment of Frivolous Applications for Offers-in-Compromise and Installment Agreements.**—Section 7122 is amended by adding at the end the following new subsection:

(e) **Frivolous Submissions, etc.—**Notwithstanding any provision of this section, if the Secretary determines that any portion of an application for an offer-in-compromise or installment agreement submitted under this section or section 6159 meets the requirement of clause (i) or (ii) of section 6702(b)(2)(A), then the Secretary may treat such portion as if it were never submitted and such portion shall not be subject to any further administrative or judicial review.

(e) **Clerical Amendment.**—The table of sections for part I of subchapter B of chapter 68 is amended by adding the item relating to section 6702 and inserting the following new item:

“Sec. 6702. Frivolous tax submissions.”

(f) **Effective Date.**—The amendments made by this section shall apply to compromises, as amended by this Act, and is amended by redesignating subsections (c), (d), (e) and (f) as subsections (d), (e), and (f), respectively, and by inserting after subsection (b) the following new subsection:

(c) **Rules for Submission of Offers-in-Compromise.**—

(1) **Partial Payment Required with Submission.**—

(A) **Lump-Sum Offers.**—In a submission of any lump-sum offer-in-compromise shall be accompanied by the payment of 20 percent of amount of such offer.

(B) **Periodic Payment Offer-in-Compromise.**—For purposes of this section, the term ‘lump-sum offer-in-compromise’ means any offer of payments made in 5 or fewer installments.

(2) **Penalties.**—The submission of any periodic payment offer-in-compromise shall be accompanied by the payment of the amount of the first proposed installment and each proposed installment due during the period such offer is being evaluated for acceptance and has not been rejected by the Secretary. Any failure to make a payment required under the preceding sentence shall be deemed a withdrawal of the offer-in-compromise.

(2) **Rules of Application.**—

(A) **Use of Amounts Available for Payment.**—The application of any payment made under this subsection to the assessed tax or other amounts imposed under this title with respect to such tax may be specified by the taxpayer.

(B) **No User Fee Imposed.**—Any user fee which would otherwise be imposed under this section shall not be imposed on any offer-in-compromise accompanied by a payment required under this subsection.

(3) **Waiver Authority.**—The Secretary may, when it is in the Secretary’s judgment consistent with the practices established in accordance with the requirements under subsection (d)(3),

(b) **Additional Rules Relating to Treatment of Offers.**—

(1) **Unprocessable Offer if Payment Requirements Are Not Met.**—Paragraph (c) of section 7122(d) (relating to standards for evaluation of offers), as redesignated by subsection (a), is amended by striking “as of the close of the 3-year period beginning on such date of issuance, at least 95 percent of any payments made under agreements for payment of tax liability in installments) is amended by redesignating subsection (e) as subsection (f) and by inserting after subsection (d) the following new subsection:

(2) **Deemed Acceptance of Offer Not Rejected Within Certain Period.**—Section 7122, as amended by subsection (a), is amended by adding at the end the following new subsection:

(3) **Deemed Acceptance of Offer Not Rejected Within Certain Period.**—Any offer-in-compromise submitted under this section shall be deemed accepted by the Secretary if such offer is not rejected by the Secretary before the date which is 24 months after the date of submission of such offer (12 months for offers-in-compromise submitted after the date which is 5 years after the date of the enactment of this section).

For purposes of the preceding sentence, any period during which any tax liability which is the subject of such offer-in-compromise is in dispute in any judicial proceeding shall not be taken in to account in determining the expiration of the 24-month period (or 12-month period, if applicable).

(c) **Effective Date.**—The amendments made by this section shall apply to offers-in-compromise submitted on and after the date which is 60 days after the date of the enactment of this Act.

SEC. 347. Waiver of User Fee for Installment Agreements Using Automated Withdrawals. 

(a) **In General.**—Section 6159(b)(4) (relating to agreements for payment of tax liability in installments) is amended by redesignating subsection (a) as subsection (a) and redesignating section 6159(b)(4) as section 6159(b)(3).

(b) **Effective Date.**—The amendments made by this section shall apply to agreements entered into on or after the date which is 180 days after the date of the enactment of this Act.

SEC. 348. Termination of Installment Agreements. 

(a) **In General.**—Section 6159(b)(4) (relating to agreements for payment of tax liability in installments) is amended by redesignating subsection (a) as subsection (a) and redesignating section 6159(b)(4) as section 6159(b)(3).

(b) **Conforming Amendment.**—The heading of section 6301 (relating to failure to pay an installment of tax) is amended by striking “or” and inserting “and” in place thereof.

(c) **Effective Date.**—The amendments made by this section shall apply to agreements entered into on or after the date which is 180 days after the date of the enactment of this Act.

Subtitle E—Additional Provisions


(a) **In General.**—The table contained in section 6159(d)(1)(B)(i) of the Internal Revenue Code of 1986 is amended by striking “2002 or thereafter” and inserting “2002, 2003, 2004, or 2005” and by adding at the end the following new items:


(b) **Effective Date.**—The amendments made by this section shall apply with respect to any installment payment for taxable years beginning after December 31, 2005.

SEC. 352. Loan and Redemption Requirements on Pooled Financing Requirements.

(a) **Strengthened Reasonable Expectation Requirement.**—Section 149 of the Internal Revenue Code of 1986 (relating to noncredit pawnbroker loans) is amended by striking “as of the close of such period” and inserting “as of the close of such period”.

(b) **Effective Date.**—The amendments made by this section shall apply with respect to any installment payment for taxable years beginning after December 31, 2005.
SEC. 352. REPORTING OF INTEREST ON TAX-EXEMPT BONDS.

(a) In General.—Section 6049(b)(2) (relating to exceptions) is amended by striking paragraphs (B) and (C) respectively.

(b) Conforming Amendment.—Section 6049(b)(2)(C), as redesignated by subsection (a), is further amended by inserting "paragraph (B)."

SEC. 353. REPORTING OF INTEREST ON TAX-EXEMPT BONDS.

(a) In General.—Section 6049(b)(2) (relating to exceptions) is amended by striking subparagraph (B) and by redesignating subparagraphs (C) and (D) as subparagraphs (B) and (C) respectively.

(b) Conforming Amendment.—Section 6049(b)(2)(C), as redesignated by subsection (a), is further amended by inserting "paragraph (C)."

(c) Effective Date.—The amendments made by this section shall apply to obligations issued after the date of enactment of this Act.
SEC. 1. MODIFICATION OF EXCLUSION FOR CITIZENS LIVING ABROAD.

(a) Inflation Adjustment of Foreign Earned Income Exclusion—Clause (ii) of section 911(b)(2)(D) (relating to inflation adjustment) is amended—

(1) by striking “2007” and inserting “2005”, and

(2) by striking “2006” in subsection (I) and inserting “2005”.

(b) Modification of Housing Cost Amount—

(1) Minimum Amount.—Clause (i) of section 911(b)(1)(B) is amended to read as follows:

“(i) the documentation described in subparagraph (A), and

(2) Maximum Amount.—(A) In General.—Subparagraph (A) of section 911(c)(1) is amended by inserting “to the extent such expenses do not exceed the amount determined under paragraph (2)” after “the taxable year”. (B) Limitation.—Subsection (c) of section 911 is amended by redesignating paragraphs (1) through (7) as paragraphs (2) through (8), respectively, and by inserting after paragraph (1) the following new paragraph:

“(2) Limitation.—The amount determined under this paragraph is an amount equal to the product of—

(A) 30 percent of the amount (computed on a daily basis) in effect under subsection (b)(2)(D) for the calendar year in which the taxable year of the individual begins, multiplied by

(B) the number of days of such taxable year within the applicable period described in subparagraph (A) or (B) of subsection (d)(1).”

(c) Conforming Amendments.—

(1) Section 911(d)(5) is amended by striking “(i)” and inserting “(c)(1)(B)(i)”, and

(2) Section 911(d)(7) is amended by striking “(c)(3)(B)” and inserting “(c)(3)(C)”.

(d) Rates of Tax Applicable to Non-Excluded Income.—Section 911 (relating to exclusion of certain income of citizens and residents of the United States living abroad) is amended—

(1) by striking subclause (I) of section 911(c)(1)(B), and

(2) by striking “0.65” in subsection (a) and inserting “0.80”.

(e) Carryforward Allowed.—

“(3) in the midst of concerns about abusive and irresponsible spending of taxpayer funds, the Federal Emergency Management Agency is pledged to re-bid these noncompetitive contracts, and contracts are not be reopened for bidding until February 2006; and

(4) by February 2006, the majority of the jobs and funds have been obligated, the majority of taxpayer funds will have been spent; and

(5) large and politically-connected firms continue to benefit from no-bid and limited-competition contracts, and contracts are not being awarded to capable, local companies; and

(6) by February 2006, the majority of the contracts will have been completed and the majority of taxpayer funds will have been spent; and

(7) according to an analysis in the Washington Post, companies outside the States most affected by Hurricane Katrina have received more than 90 percent of the Federal contracts for recovery and reconstruction; and

Conforming amendments necessary to carry forward any expenses incurred after December 31, 2005, in taxable years ending after that date.

SEC. 2. SENSE OF THE SENATE ON USE OF NO-BID CONTRACTING BY FEDERAL EMERGENCY MANAGEMENT AGENCY.

(a) Findings.—The Senate finds that—

(1) on September 8, 2005, the Federal Emergency Management Agency announced that it had awarded 4 contracts for emergency housing relief following Hurricane Katrina to the Shaw Group of Baton Rouge, Louisiana, Fluor Corporation of Aliso Viejo, California, Bechtel National of San Francisco, California, and CH2M Hill of Denver, Colorado; and

(2) these contracts were awarded with no competition from other capable firms, and up to $100,000,000 in taxpayer funds were authorized for each of these contracts; and

(3) in the midst of concerns about abusive and irresponsible spending of taxpayer funds, the Federal Emergency Management Agency is pledged to re-bid these noncompetitive contracts, and contracts are not be reopened for bidding until February 2006; and

(4) the Federal Emergency Management Agency has yet to reopen these 4 contracts to competitive bidding, and declared on November 2, 2005, that these contracts would not be re-opened for bidding until February 2006; and

(5) by February 2006, the majority of the contracts will have been completed and the majority of taxpayer funds will have been spent; and

(6) large and politically-connected firms continue to benefit from no-bid and limited-competition contracts, and contracts are not being awarded to capable, local companies; and

(7) according to an analysis in the Washington Post, companies outside the States most affected by Hurricane Katrina have received more than 90 percent of the Federal contracts for recovery and reconstruction; and

(b) Effective Date.—The amendments made by this section shall apply to lead hazard reduction activity costs incurred after December 31, 2005, in taxable years ending after that date.
database of contracts is incomplete. Information released by Federal agencies is spotty and sporadic. And disclosure of many nonbid contracts isn’t required by law; and

(b) The task of financial management is spread across many Federal departments and agencies with inadequate oversight of taxpayer funds.

(b) Size of the Senate.—It is the sense of the Senate that the Federal Emergency Management Agency should—

(1) immediately rebid noncompetitive contracts;

(2) insert the following new paragraph:

"(2) and (3) as paragraphs (3) and (4), respectively; and"

(3) immediately after the awarding of a contract, publicly disclose the amount and competitive or noncompetitive nature of the contract.

SA 2606. Mr. KERRY (for himself and Mr. Wyden) submitted an amendment intended to be proposed by him to the bill S. 2020, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006; which was ordered to lie on the table; as follows:

On page 235, between lines 13 and 14, insert the following:

SEC. 2. MODIFICATION OF EXCLUSION FOR CITIZENS LIVING ABROAD.

(a) IN GENERAL.—Section 56(d)(1) is amended—

(1) by striking "$58,000" and all that follows through "2005" in subparagraph (A) and inserting "$62,550 in the case of taxable years beginning in 2006", and

(2) by striking "$40,250" and all that follows through "2005" in subparagraph (B) and inserting "$41,200 in the case of taxable years beginning in 2006".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2005.

SA 2607. Mr. SUNUNU submitted an amendment intended to be proposed by him to the bill S. 2020, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. 3. REPEAL OF STATE AND LOCAL TAX EXEMPTION FOR FANNIE MAE AND FREDDIE MAC.

(a) FANNIE MAE.—Section 309(c) of the Federal National Mortgage Association Charter Act (12 U.S.C. 1723(a)(c)) is amended to read as follows:

"(c) [Repealed]."

(b) FREDDIE MAC.—Section 309(e) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1453(e)) is amended to read as follows:

"(e) [Repealed]."

SA 2608. Ms. MURKOWSKI (for herself, Mr. JOHNSON, and Mr. BINGAMAN) submitted an amendment intended to be proposed by her to the bill S. 2020, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006; which was ordered to lie on the table; as follows:

On page 235, between lines 13 and 14, insert the following:

SEC. 4. CHARITABLE CONTRIBUTIONS OF FOOD INVENTORY TO INDIAN TRIBES.

(a) IN GENERAL.—Section 170(c)(3) of the Internal Revenue Code of 1986 (relating to special rule for contributions of inventory and other property) is amended by redesignating subparagraph (D) as subparagraph (E) and by inserting after subparagraph (C) the following new subparagraph:

"(D) SPECIAL RULE FOR FOOD CONTRIBUTIONS TO INDIAN TRIBES.—

"(i) in general.—For purposes of this paragraph, in the case of a charitable contribution of food which is apparently wholesome food (as defined in subparagraph (C)(iii)), an Indian tribe (as defined in section 7871(c)(3)(E)(ii)) shall be treated as an organization eligible to be a donee under subparagraph (A).

"(ii) use of property.—For purposes of subparagraph (A)(i), if the use of the property donated is related to the exercise of an essential governmental function of the Indian tribal government (within the meaning of section 7871), such use shall be treated as related to the purpose or function constituting the basis for the organization’s exemption.

"(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2005.

SA 2609. Mrs. FEINSTEIN (for herself, Mr. SUNUNU, Mr. GREGG, Mr. WOODY, Ms. CANTWELL, Mr. FEINGOLD, Mr. BURTON, Mr. MCCAIN, Mr. KERRY, Ms. COLLINS, and Mrs. CLINTON) proposed an amendment to the bill S. 2020, to provide for reconciliation pursuant to
section 202(b) of the concurrent resolution on the budget for fiscal year 2006;

As follows:

At the end of title IV, add the following:

SEC. ____. REPEAL OF CERTAIN TAX BENEFITS RELATED TO OIL AND GAS WELLS INTANGIBLE DRILLING AND DEVELOPMENT COSTS.

(a) In General.—Section 263(c) (relating to intangible drilling and development costs) is amended by adding at the end the following new sentence: “This subsection shall not apply with respect to wells (other than wells drilled (any good faith or proposal (as so defined) of any integrated oil company (as defined in section 291(b)(4)) which has an average daily worldwide production of crude oil of at least 500,000 barrels for the taxable year in any taxable year beginning after December 31, 2005.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2005.

SA 2610. Mrs. FEINSTEIN (for herself and Mr. KERRY) proposed an amendment to the bill S. 20, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006; as follows:

At the end of the bill, insert the following:

SEC. ____. REINSTATEMENT OF MILLIONAIRES’ 39.6 PERCENT INCOME TAX RATE, PRIVILEGED DIVIDEND RATES, AND DEDUCTION LIMITATIONS UNTIL BUDGET DEFICIT ELIMINATED.

(a) REPEAL OF TOP INCOME TAX RATES.—

(1) IN GENERAL.—Section 1(i)(12)(B) of the Internal Revenue Code of 1986 (as added by paragraph (1)) shall apply to taxable years beginning after December 31, 2005.

(2) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2005.

(3) APPLICATION OF EGTRRA SUNSET.—The amendments made by this subsection shall be subject to section 203 of the Jobs and Growth Tax Relief Reconciliation Act of 2003 to the same extent and in the same manner as the provision of such Act to which such amendment relates.

(b) RESTORATION OF PRE-MAY 2003 CAPITAL GAINS, DIVIDEND RATES, AND DEDUCTION LIMITATIONS AFTER TILA.—

(1) IN GENERAL.—Section 1(i)(12)(B) of the Internal Revenue Code of 1986 (as added by paragraph (1)) shall apply to taxable years beginning after December 31, 2005.

(2) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2005.

(3) APPLICATION OF EJTRA SUNSET.—The amendment made by this subsection shall be subject to title IX of the Economic Growth and Tax Relief Reconciliation Act of 2003 to the same extent and in the same manner as the provision of such Act to which such amendment relates.

(c) REDUCTION OF PHASE OUT AND TERMINATION OF THE LIMITATIONS ON PERSONAL EXEMPTIONS AND ITEMIZED DEDUCTIONS.—

(1) REPEAL.—

(A) PERSONAL EXEMPTIONS.—Section 1(b)(3) is amended by adding at the end the following:

“(B) REPEAL OF PHASE OUT AND TERMINATION NOT TO APPLY.—Subparagraphs (E) and (F) shall not apply to a taxpayer whose adjusted gross income for the taxable year exceeds $1,000,000 ($500,000 in the case of a married individual filing a separate return).”

(B) ITEMIZED DEDUCTIONS.—Section 68 is amended by adding at the end the following:

“(B) REDUCTION OF PHASE OUT AND TERMINATION NOT TO APPLY.—Subsections (f) and (g) shall not apply to a taxpayer whose adjusted gross income for the taxable year exceeds $1,000,000 ($500,000 in the case of a married individual filing a separate return).”

(2) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2005.

(3) APPLICABILITY.—The amendment made by this subsection shall be subject to title IX of the Economic Growth and Tax Relief Reconciliation Act of 2003 to the same extent and in the same manner as the provision of such Act to which such amendment relates.

(d) DEDUCTION LIMITATIONS IF BUDGET DEFICIT ELIMINATED.—

(1) IN GENERAL.—The amendments made by section 202 shall not apply to taxable years beginning after the first calendar year for which the certification described in paragraph (2) is in effect.

(2) ESTIMATES AND CERTIFICATION.—

(A) IN GENERAL.—Not later than October 15 of each calendar year beginning after 2005, the Director of the Office of Management and Budget, in consultation with the Secretary of the Treasury, shall estimate—

(i) the Federal budget deficit for the fiscal year ending in the calendar year, and

(ii) the Federal budget deficit for the fiscal year beginning in the calendar year (determined as if the amendments made by this section were in effect for taxable years beginning in the following calendar year).

(B) CERTIFICATION.—The Director of the Office of Management and Budget shall certify in writing to the President, to the Congress, and to the Director of the Office of Management and Budget, in accordance with the budget for fiscal year 2006; which was ordered to lie on the table; as follows:

At the end of title IV, insert the following:

SEC. ____. SENSE OF THE SENATE REGARDING THE FEDERAL TAX DEDUCTION FOR STATE AND LOCAL TAXES.

(a) FINDINGS.—The Senate finds the following:

(A) No American should be unnecessarily or excessively burdened with additional taxes.

(B) The Federal income tax has grown more complicated and unmanageable over time, imposing burdensome administrative and compliance costs on American taxpayers.

(C) On January 7, 2005, President George W. Bush created the President’s Panel on Federal Tax Reform (the “Panel”) via Executive Order 13369.

(D) The Panel was tasked with providing comprehensive options for Federal tax reform that would simplify Federal tax laws, retain pro-gressivity, and promote long-run economic growth and job creation.

(E) In its final report, released publicly on November 1, 2005, the Panel recommended the complete repeal of the Federal deduction for State and local taxes, as a central compo-nent of both the “Tax Reform Plan” and the “Growth and Investment Tax Plan.”

(F) State and local taxes have been deductible from the Federal income tax since the inception of the Federal income tax in 1913.

(G) Eliminating the deduction for State and local taxes would create a new form of double taxation at a time when efforts are being made to reduce other forms of double taxation, since repeal would require millions of Americans to pay Federal income tax that is also taxed at the State or local level.

(H) Congress has recently taken steps to expand, rather than cut back, the State and local tax deduction, by reinstating a deduction for State sales taxes for some taxpayers (previously repealed as part of the Tax Reform Act of 1996), as part of the American Jobs Creation Act of 2004.

(I) There is some concern, as noted by the nonpartisan Urban-Brookings Tax Policy Center, that eliminating the deduction could “signal a lack of support for public services, New York, New York, Washington, Arizona, Rhode Island, Michigan, Delaware, North Carolina, Wisconsin, Pennsylvania, and Idaho (ranked in order of the percentage of taxpayers affected).

(J) In tax year 2003, $3,538,000 taxpayers in the largest States, as 22 States saw more than 1⁄3 of their taxpayers take the State and local tax deduction in 2003, the latest year for which data is available (Maryland, New Jersey, Connecticut, Colorado, Oregon, Minnesota, Massachusetts, Virginia, Utah, California, Georgia, New York, Wisconsin, Arizona, Rhode Island, Michigan, Delaware, North Carolina, Wisconsin, Pennsylvania, and Idaho (ranked in order of the percentage of taxpayers affected).

(K) In tax year 2003, $3,538,000 taxpayers in the largest States took the Federal deduction for State and local taxes, deducting a total of $315,690,000,000, thereby
saving taxpayers in the United States approximately $88,390,000,000 in Federal income taxes, assuming an average marginal rate of 28 percent for taxpayers who itemize. In tax year 2003, the top 25 States ranked by the number of taxpayers affected represented 77 percent of the taxpayers affected nationally, and took 65 percent of the total deductions for State and local taxes, as described in the following subparagraphs:

(A) In California, 5,807,000 taxpayers deducted a total of $54,920,000,000, saving California taxpayers approximately $15,380,000,000 in Federal income taxes.

(B) In New York, 3,226,000 taxpayers deducted a total of $18,750,000,000, saving New York taxpayers approximately $5,250,000,000 in Federal income taxes.

(C) In Illinois, 1,984,000 taxpayers deducted a total of $15,190,000,000, saving Illinois taxpayers approximately $4,340,000,000 in Federal income taxes.

(D) In Ohio, 1,809,000 taxpayers deducted a total of $12,720,000,000, saving Ohio taxpayers approximately $3,560,000,000 in Federal income taxes.

(E) In New Jersey, 1,791,000 taxpayers deducted a total of $14,350,000,000, saving New Jersey taxpayers approximately $6,250,000,000 in Federal income taxes.

(F) In Pennsylvania, 1,765,000 taxpayers deducted a total of $13,960,000,000, saving Pennsylvania taxpayers approximately $6,470,000,000 in Federal income taxes.

(G) In Michigan, 927,000 taxpayers deducted a total of $10,350,000,000, saving Michigan taxpayers approximately $2,900,000,000 in Federal income taxes.

(H) In Georgia, 1,416,000 taxpayers deducted a total of $8,720,000,000, saving Georgia taxpayers approximately $2,440,000,000 in Federal income taxes.

(I) In North Carolina, 1,304,000 taxpayers deducted a total of $8,720,000,000, saving North Carolina taxpayers approximately $2,440,000,000 in Federal income taxes.

(J) In Maryland, 1,260,000 taxpayers deducted a total of $10,410,000,000, saving Maryland taxpayers approximately $2,920,000,000 in Federal income taxes.

(K) In Massachusetts, 1,216,000 taxpayers deducted a total of $10,840,000,000, saving Massachusetts taxpayers approximately $3,040,000,000 in Federal income taxes.

(L) In Minnesota, 969,000 taxpayers deducted a total of $7,060,000,000, saving Minnesota taxpayers approximately $2,900,000,000 in Federal income taxes.

(M) In Wisconsin, 961,000 taxpayers deducted a total of $8,600,000,000, saving Wisconsin taxpayers approximately $2,260,000,000 in Federal income taxes.

(N) In Colorado, 956,000 taxpayers deducted a total of $4,570,000,000, saving Colorado taxpayers approximately $1,280,000,000 in Federal income taxes.

(P) In Arizona, 841,000 taxpayers deducted a total of $4,110,000,000, saving Arizona taxpayers approximately $1,270,000,000 in Federal income taxes.

(Q) In Indiana, 832,000 taxpayers deducted a total of $4,530,000,000, saving Indiana taxpayers approximately $1,270,000,000 in Federal income taxes.

(R) In Missouri, 772,000 taxpayers deducted a total of $4,890,000,000, saving Missouri taxpayers approximately $1,570,000,000 in Federal income taxes.

(S) In Connecticut, 713,000 taxpayers deducted a total of $7,970,000,000, saving Connecticut taxpayers approximately $2,290,000,000 in Federal income taxes.

(T) In Oregon, 641,000 taxpayers deducted a total of $5,100,000,000, saving Oregon taxpayers approximately $1,430,000,000 in Federal income taxes.

(U) In South Carolina, 574,000 taxpayers deducted a total of $3,950,000,000, saving South Carolina taxpayers approximately $949,000,000 in Federal income taxes.

(V) In Alabama, 538,000 taxpayers deducted a total of $2,090,000,000, saving Alabama taxpayers approximately $586,000,000 in Federal income taxes.

(W) In Kentucky, 515,000 taxpayers deducted a total of $3,300,000,000, saving Kentucky taxpayers approximately $825,000,000 in Federal income taxes.

(X) In Oklahoma, 434,000 taxpayers deducted a total of $2,320,000,000, saving Oklahoma taxpayers approximately $650,000,000 in Federal income taxes.

(Y) In Iowa, 397,000 taxpayers deducted a total of $2,510,000,000, saving Iowa taxpayers approximately $702,000,000 in Federal income taxes.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that Congress should not repeal or substantially alter the longstanding Federal tax deduction for State and local taxes.

SA 2612. Ms. CANTWELL (form herself, Mr. BAYH, Mr. LIEBERMAN, Mr. SCHUMER, Mrs. BOXER, Mr. CARPER, Mrs. CLINTON, Mr. SALAZAR, Mr. KOHL, Mrs. MURRAY, Ms. STABENOW, and Mrs. MURRAY). A declaratory statement to the bill S. 202, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006; as follows:

At the end of the bill, insert the following:

TITLE I—ENERGY EMERGENCY RELIEF AND EMERGENCY ASSISTANCE

SEC. 1. UNFAIR OR DECEPTIVE ACTS OR PRACTICES IN COMMERCE RELATED TO GASOLINE AND PETROLEUM DISTILLATES.

(a) SALES TO CONSUMERS AT UNCONSCIONABLE PRICE.—

(1) IN GENERAL.—During any emergency declared by the President under section 3, it is unlawful for any person to sell crude oil, gasoline, or petroleum distillates in or for use in commerce, or for any person, directly or indirectly, to use or cause to be used or sold gasoline or petroleum distillates at wholesale, any manipulative or deceptive device or contrivance, in connection with the sale of such substances as defined in the President’s declaration, for the purpose of manipulating or preventing competition in the national distribution system for crude oil, gasoline, or petroleum distillates (including such a shortage related to a major disaster as defined in section 102(b)(2) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5122)), or significant pricing anomalies in national energy markets for crude oil, gasoline, or petroleum distillates, in order to obtain a price or price differential for such gasoline or petroleum distillates in excess of $500,000,000 per year shall not exclude enforcement actions against companies with total United States wholesale sales of $500,000,000 or less per year.

(b) VIOLATION IS UNFAIR OR DECEPTIVE ACT OR PRACTICE.—The violation of any provision of this Act shall be treated as an unfair or deceptive act or practice described in section 57a(a)(1)(B) of the Federal Trade Commission Act (15 U.S.C. 45a(a)(1)(B)).

SEC. 2. ENFORCEMENT AT RETAIL LEVEL BY STATE ATTORNEYS GENERAL.

(a) IN GENERAL.—A State, as parens patriae, may bring a civil action on behalf of its residents in an appropriate district court of the United States to enforce the provisions of section 2(a) of this Act, or to impose the civil penalties authorized by section 6 for violations of section 2(a), whenever the attorney general of the State has reason to believe that the interests of the residents of the State have been or are being threatened by any unauthorized act described in section 2(b) of the Act, performed in or affecting commerce in any State or States.
resale that violates this Act or a regulation under this Act.

(b) Notice.—The State shall serve written notice to the Commission of any civil action under subsection (a) prior to instituting such civil action. The notice shall include a copy of the complaint to be filed to initiate such civil action, except that if it is not feasible for the State, at such prior notice the State shall provide such notice immediately upon instituting such civil action.

(c) Authority To Intervene.—Upon receiving notice required by subsection (b), the Commission may intervene in such civil action and upon intervening—

(1) be heard on all matters arising in such civil action; and

(2) file petitions for appeal of a decision in such civil action.

(d) Construction.—For purposes of bringing any civil action under subsection (a), nothing in this section shall prevent the attorney general of a State from exercising the powers conferred on the attorney general under the laws of such State to conduct investigations or to administer oaths or affirmations or to compel the attendance of witnesses or the production of documentary and other evidence.

(e) Venue; Service of Process.—In a civil action brought under subsection (a)—

(1) the venue shall be a judicial district in which—

(A) the defendant operates; or

(B) the defendant was authorized to do business; or

(C) where the defendant in the civil action is found;

(2) process may be served without regard to the territorial limits of the district or of the State in which the civil action is instituted; and

(3) a person who participated with the defendant in an alleged violation that is being litigated in the civil action shall be considered a party to the civil action.

(f) Limitation on State Action While Federal Action Is Pending.—If the Commission has instituted a civil action or an administrative action for violation of this Act, no State attorney general, or official or agency of a State, may bring an action under this subsection during the pendency of that action against any defendant named in the complaint of the Commission or the other agency for any violation of this Act alleged in the complaint.

(g) Enforcement of State Law.—Nothing contained in any provision of this Act shall be construed to limit or affect in any way the Commission's authority to enforce its regulations or to take any other measure under the Federal Trade Commission Act (15 U.S.C. 41 et seq.) or any other provision of law.

(b) State Law.—Nothing in this Act preempts any State law.

SA 2613. Mr. KENNEDY (for himself, Mr. BINGAMAN, Mr. LEVIN, Mr. DURBIN, and Ms. MIKULSKI) submitted an amendment intended to be proposed by him to the bill S. 2020, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006, which was ordered to lie on the table; as follows:

At the end of title V, add the following:

SEC. . EXPANSION OF HOPE SCHOLARSHIP CREDIT.

(a) Credit Allowed for Books and Room and Board.—

(1) In General.—

(A) Subsection (b) of section 25A is amended by striking ‘‘qualified tuition and related expenses’’ each place it occurs and inserting ‘‘qualified higher education expenses’’

(B) Subsection (c) of section 25A is amended by adding at the end the following new paragraph:

‘‘(3) QUALIFIED HIGHER EDUCATION EXPENSES.—The term ‘qualified higher education expenses’ has the meaning given such term under section 529(e)(3).’’

(2) Conforming Amendments.—Subsections (e) and (g) of section 25A are each amended by inserting ‘‘qualified higher education expenses’’ or, before ‘‘qualified’’ each place it appears.

(b) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 2004.


(a) In General.—Section 84(b) of the American Jobs Creation Act of 2004 is amended by striking paragraphs (1) and (2), by redesignating paragraphs (3) and (4) as paragraphs (1) and (2), respectively, and by adding at the end the following new paragraph:

‘‘(3) LEASES TO FOREIGN ENTITIES.—In the case of tax-exempt use property leased to a tax-exempt entity which is a foreign person or entity, the amendments made by this part shall apply to taxable years beginning after December 31, 2004, with respect to leases entered into on or before March 12, 2004.

(b) Effective Date.—The amendments made by this section shall take effect as if included in the enactment of the American Jobs Creation Act of 2004.

SA 2614. Mr. PRYOR submitted an amendment intended to be proposed by him to the bill S. 2020, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006, which was ordered to lie on the table; as follows:

At the end of title IV, add the following:

SEC. . DEFINITION OF CONVENTION OR ASSOCIATION OF CHURCHES.

Section 7701 (relating to definitions) is amended by redesignating subsection (a) as subsection (a)(1), and by inserting after subsection (a) the following new subsection:

‘‘(c) CONVENTION OR ASSOCIATION OF CHURCHES.—For purposes of this title, any organization which is otherwise a convention or association of churches shall not fail to so qualifies merely because the membership of such organization includes individuals as well as churches or because individuals have voting rights in such organization.’’

SA 2615. Ms. COLLINS submitted an amendment intended to be proposed by her to the bill S. 2020, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006, which was ordered to lie on the table; as follows:

At the end of subtitle F of title V, add the following:

SEC. . REPEAL OF EXPENSING OF INTANGIBLE DRILLING AND DEVELOPMENT COSTS FOR OIL AND GAS WELLS.

(a) In General.—Section 263(c) (relating to intangible drilling and development costs) is amended by adding at the end the following new sentence: ‘‘This section shall not apply with respect to wells (other than wells drilled for any geothermal deposit (as so defined)) of any integrated oil company (as defined in section 291(b)(4)) which has an average daily worldwide production of crude oil of at least 500,000 barrels for the taxable year in any taxable year beginning after December 31, 2005.’’

(b) Conforming Amendments.—Paragraphs (2) and (3) of section 291(b) are each amended by striking ‘‘section 263(c), 616(a),’’ and inserting ‘‘section 616(a).’’

(c) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 2005.

SA 2616. Mr. KERRY (for himself and Mr. OBAMA) submitted an amendment intended to be proposed by him to the bill S. 2020, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006; as follows:

On page 235, between lines 13 and 14, insert the following:

SEC. . ACCELERATION OF MARRIAGE PENALTY RELIEF WITH RESPECT TO THE EARNED INCOME TAX CREDIT.

(a) In General.—Subparagraph (B) of section 32(b)(2) (relating to joint returns) is amended—

(1) in clause (i) by striking ‘‘, 2006, and 2007’’, and

(2) in clause (ii) by striking ‘‘2007’’ and inserting ‘‘2005’’

(b) Inflation Amount.—Section 32(j)(1)(B)(ii) is amended by striking ‘‘calendar year 2007’’ and inserting ‘‘calendar year 2006’’.

(c) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 2005.

SEC. . EXTENSION OF ELECTION TO INCLUDE COMBAT PAY CONVERSION IN CALCULATION OF GROSS INCOME.

(a) In General.—Subclause (I) of section 32(c)(2)(B)(vi) (relating to earned income) is amended by striking ‘‘January 1, 2006’’ and inserting ‘‘January 1, 2008’’.

(b) Effective Date.—The amendment made by this section shall apply to taxable years beginning after December 31, 2005.

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(a) IN GENERAL.—Section 849(b) of the American Jobs Creation Act of 2004 is amended by adding at the end the following new paragraph: "(5) LEASES TO FOREIGN ENTITIES.—In the case of tax-exempt use property leased to a tax-exempt entity which is a foreign person or entity, the amendments made by this part shall apply to taxable years beginning after December 31, 2004, with respect to leases entered into on or before March 12, 2005.

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the enactment of the American Jobs Creation Act of 2004.

SA 2617. Mr. SANTORUM submitted an amendment intended to be proposed by him to the bill S. 2010, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006 which was ordered to lie on the table; as follows:

At the end of title IV, insert the following:

SEC. 2. MODIFICATIONS OF AUTOMATIC FIRE SPRINKLER SYSTEMS.

(a) IN GENERAL.—Subparagraph (B) of section 168(e)(3) (relating to 5-year property) is amended to insert after "(c)" at the end of clause (v), by striking the period at the end of clause (vi) and inserting "and", and by adding at the end the following:

"(vii) such dollar amount, multiplied by

(ii) the cost-of-living adjustment determined under section 1(c) of the Internal Revenue Code of 1986 for the calendar year in which the taxable year begins, by substituting "2004" for "1992".

(b) INFLATION ADJUSTMENT.—In general:

(1) IN GENERAL.—In the case of any taxable year beginning after 2005, each dollar amount referred to in subparagraph (A)(vii) shall be increased by an amount equal to—

(I) such dollar amount, multiplied by

(ii) the cost-of-living adjustment determined under section 1(c) of the Internal Revenue Code of 1986 for the calendar year in which the taxable year begins, by substituting "2004" for "1992".

(ii) Rounding.—If any amount as adjusted under clause (i) is not a multiple of $50, such amount shall be rounded to the nearest multiple of $50.

(c) MODIFIED ADJUSTED GROSS INCOME.—For purposes of subparagraph (A)(v), the term "modified adjusted gross income" means adjusted gross income:

(i) determined without regard to sections 86, 893, 911, 931, and 933 of the Internal Revenue Code of 1986, and

(ii) increased by the amount of interest received or accrued by the taxpayer during the taxable year which is exempt from tax.

2. INDIVIDUAL DEVELOPMENT ACCOUNT.

(a) IN GENERAL.—The term "qualified individual development account program" means a program established upon approval of the Secretary under section 412 after December 31, 2006, under which individual Development Accounts and parallel accounts are held in trust by a qualified financial institution, and

(b) additional activities determined by the Secretary in consultation with the Secretary of Health and Human Services, as necessary to responsibly develop and administer accounts, including recruiting, providing financial education, training to account owners, and regular program monitoring, are carried out by the qualified financial institution.

2. QUALIFIED EXPENSE DISTRIBUTION.—

(a) IN GENERAL.—The term "qualified expense distribution" means any amount paid (including through electronic payments) or distributed out of an Individual Development Account or a parallel account established for an eligible individual for such amount:

(i) is used exclusively to pay the qualified expenses of the Individual Development Account owner or such owner’s spouse or dependents,

(ii) is paid by the qualified financial institution.

(b) exception.—Except as otherwise provided in this subsection, directly to the unrelated third party to whom the amount is due, and in the case of an Individual Development Account or a parallel account established for an eligible individual for such amount:

(i) is used exclusively to pay the qualified expenses of the Individual Development Account owner or such owner’s spouse or dependents,

(ii) is paid by the qualified financial institution.

3. PARALLEL ACCOUNT.—The term "parallel account" means a separate, parallel individual or pooled account for all matching funds and earnings dedicated to an individual development account program as part of a qualified individual development account program, the trustee of which is a qualified financial institution.

4. QUALIFIED FINANCIAL INSTITUTION.—

(a) IN GENERAL.—The term "qualified financial institution" means any person authorized to be a trustee of any individual development account program established under section 412.

(b) RULE OF CONSTRUCTION.—Nothing in this section shall be construed as preventing a person described in subparagraph (A) from collaborating with 1 or more qualified nonprofit organizations or Indian tribes to carry out an individual development account program established under section 412.

(ii) QUALIFIED NONPROFIT ORGANIZATION.—The term "qualified nonprofit organization" means—

(i) any organization described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from taxation under section 501(a) of such Code, and

(ii) any community development financial institution certified by the Community Development Financial Institution Fund, the Credit Union chartered under Federal or State law, or

(iv) any public housing agency as defined in section 3(b)(6) of the United States Housing Act of 1937 (42 U.S.C. 1437f(b)(6)), or

(iii) Indian tribe.—The term "Indian tribe" means any Indian tribe as defined in section 410 of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4103), and includes any tribally designated housing entity (as defined in section 412 of such Act (25 U.S.C. 4103(f))), tribal housing authority, subordination, or other wholly owned tribal entity.

5. QUALIFIED INDIVIDUAL DEVELOPMENT ACCOUNT PROGRAM.—The term "qualified individual development account program" means a program established upon approval of the Secretary under section 412 after December 31, 2006, under which individual Development Accounts and parallel accounts are held in trust by a qualified financial institution, and

(b) additional activities determined by the Secretary in consultation with the Secretary of Health and Human Services, as necessary to responsibly develop and administer accounts, including recruiting, providing financial education, training to account owners, and regular program monitoring, are carried out by the qualified financial institution.

6. QUALIFIED EXPENSE DISTRIBUTION.—

(a) IN GENERAL.—The term "qualified expense distribution" means any amount paid (including through electronic payments) or distributed out of an Individual Development Account or a parallel account established for an eligible individual for such amount:

(i) is used exclusively to pay the qualified expenses of the Individual Development Account owner or such owner’s spouse or dependents,

(ii) is paid by the qualified financial institution.

(b) exception.—Except as otherwise provided in this subsection, directly to the unrelated third party to whom the amount is due, and in the case of an Individual Development Account or a parallel account established for an eligible individual for such amount:

(i) is used exclusively to pay the qualified expenses of the Individual Development Account owner or such owner’s spouse or dependents,

(ii) is paid by the qualified financial institution.
apply to the Secretary for approval to establish 1 or more qualified individual development account programs which meet the requirements of this subtitle.

(2) Provisions of this paragraph do not apply to a principal residence (within the meaning of section 72(t)(8) of the Internal Revenue Code of 1986).

(3) Any amount withdrawn from such an account shall be exempt from taxation, and 412(b)(1)(B) of the Tax Relief Act of 2005 shall be amended by inserting ‘‘or in any Individual Development Account established under subtitle B of title IV of the Tax Relief Act of 2005’’ after ‘‘section 7529’’.

(d) TAX TREATMENT OF PARALLEL ACCOUNTS.—

(1) In General.—Chapter 77 relating to the qualified individual development account program which meets the requirements of this subtitle.

(2) Qualified rollovers.—Any qualified financial institution may transfer the account owner, the owner’s spouse, or any business and included in a qualified first-time homebuyer (as defined in section 72(t)(8)(C) of the Internal Revenue Code of 1986) with respect to the principal residence (within the meaning of section 121 of such Code) for a qualified first-time homebuyer account (as defined in section 72(t)(8)(D)(i)(II) of such Code).

(IV) Qualified business capitalization or expansion costs.—

(I) In General.—The term ‘‘qualified business capitalization or expansion costs’’ means qualified expenditures for the capitalization or expansion of a qualified business pursuant to a qualified business plan.

II. QUALIFIED INDIVIDUAL DEVELOPMENT ACCOUNT PROGRAMS.—

(a) ESTABLISHMENT OF QUALIFIED INDIVIDUAL DEVELOPMENT ACCOUNT PROGRAMS.—

Any qualified financial institution may establish an Individual Development Account with a qualified financial institution upon certification that such individual has never maintained any other Individual Development Account (other than an Individual Development Account to be terminated by a qualified rollover).

(b) REQUIRED COMPLETION OF FINANCIAL EDUCATION COURSES.—

(1) In General.—Before becoming eligible to withdraw funds to pay for qualified education courses, owners of Individual Development Accounts must complete 1 or more financial education courses specified in the qualified individual development account program.

(II) TAX INCENTIVES FOR INDIVIDUAL DEVELOPMENT PARALLEL ACCOUNTS.—

For purposes of this section—

(1) any amount described in section 412(a)(1)(B) of the Tax Relief Act of 2005 shall be exempt from taxation, and

(2) except as provided in section 45G, no item of gain, loss, or expense with respect to such an account may be taken into account, and

(3) any amount withdrawn from such an account shall not be includible in gross income.

(IV) SPECIAL RULE IN THE CASE OF MARRIED INDIVIDUALS.—For purposes of this subtitle, if, with respect to any taxable year, 2 married individuals file a Federal joint income tax return, then not more than 1 of such individuals may be treated as an eligible individual with respect to the succeeding taxable year.

SEC. 414. DEPOSITS BY QUALIFIED INDIVIDUAL DEVELOPMENT ACCOUNT PROGRAMS.

(a) PARALLEL ACCOUNTS.—The qualified financial institution shall deposit the funds in the parallel account with the qualified financial institution.

(b) REGULAR DEPOSITS OF MATCHING FUNDS.—

(1) In General.—Subject to paragraph (2), if, with respect to any taxable year, 2 married individuals file a Federal joint income tax return, then not more than 1 of such individuals may be treated as an eligible individual with respect to the succeeding taxable year.

(II) Qualified business capitalization or expansion costs.—

(I) In General.—The term ‘‘qualified business capitalization or expansion costs’’ means expenditures for the capitalization or expansion of a qualified business pursuant to a qualified business plan.

II. QUALIFIED INDIVIDUAL DEVELOPMENT ACCOUNT PROGRAMS.—

(a) ESTABLISHMENT OF QUALIFIED INDIVIDUAL DEVELOPMENT ACCOUNT PROGRAMS.—

Any qualified financial institution may establish an Individual Development Account with a qualified financial institution upon certification that such individual has never maintained any other Individual Development Account (other than an Individual Development Account to be terminated by a qualified rollover).

(b) REQUIRED COMPLETION OF FINANCIAL EDUCATION COURSES.—

(1) In General.—Before becoming eligible to withdraw funds to pay for qualified education courses, owners of Individual Development Accounts must complete 1 or more financial education courses specified in the qualified individual development account program.
by section 418(a), the Secretary shall prescribe regulations with respect to accounting for matching funds in the parallel accounts.

(e) **Regular Reporting of Accounts.**—Any qualified financial institution shall report the balances in any Individual Development Account and parallel account of an individual on not less than an annual basis to such Secretary and accompany such reports by any documentation required by the Secretary, that—

(1) the accounts described in subparagraphs (A) and (B) of section 412(b)(1) are operating pursuant to all the provisions of this Act, and

(2) the qualified financial institution agrees to implement an information system necessary to monitor the cost and outcomes of the qualified individual development account programs.

SEC. 415. **Withdrawal Procedures.**

(a) **Withdrawals for Qualified Expenses.**—

(1) **In General.**—An Individual Development Account owner may withdraw funds in order to pay qualified expense distributions from such individual’s—

(A) Individual Development Account, but only for funds which have been on deposit in such Account for at least 1 year, and

(B) parallel account, but only—

(i) from matching funds which have been on deposit in such parallel account for at least 1 year,

(ii) from earnings in such parallel account, after all matching funds described in clause (i) have been withdrawn, and

(iii) to the extent such withdrawal does not result in a remaining balance in such parallel account which is less than the remaining balance in the Individual Development Account which is to be paid to the distributee.

(2) **Procedure.**—Upon receipt of a withdrawal request, a qualified financial institution may issue such funds by paper check or funds electronically to the distributee described in section 412(b)(1)(A). In no event shall a distributee be entitled to access funds electronically unless such distributee has received such funds by paper check.

(b) **Withdrawals for Nonqualified Expenses.**—An Individual Development Account owner may withdraw any amount of funds from such Account for purposes other than to pay qualified expense distributions, but if, after such withdrawal, the amount in the parallel account of such owner (excluding earnings on matching funds) exceeds the amount remaining in such Individual Development Account, then such owner shall forfeit from the parallel account the lesser of such excess or the amount withdrawn.

(c) **Withdrawals From Accounts of Noneligible Individuals.**—If the individual for whose account a withdrawal is requested has not met the requirements of paragraph (1), the qualified financial institution shall directly transfer the funds electronically to the distributees described in section 412(b)(1)(A) or, if a distributee is not equipped to receive funds electronically, the qualified financial institution may issue such funds by paper check to the distributee.

SEC. 416. **Certification and Termination of Qualified Individual Development Account Programs.**

(a) **Certification Procedures.**—Upon establishment of a qualified individual development account program under section 412, a qualified financial institution shall certify to the Secretary at such time and in such manner as prescribed by the Secretary and accompanied by any documentation required by the Secretary, that—

(1) the accounts described in subparagraphs (A) and (B) of section 412(b)(1) are operating pursuant to all the provisions of this Act, and

(2) the qualified financial institution agrees to implement an information system necessary to monitor the cost and outcomes of the qualified individual development account programs.

(b) **Authority to Terminate Qualified Individual Development Account Programs.**—If the Secretary determines that a qualified financial institution under this Act is not operating a qualified individual development account program in accordance with the requirements of this Act (and has not implemented any corrective recommendations of the Secretary), the Secretary shall terminate such institution’s authority to conduct the program. If the Secretary is unable to identify a qualified financial institution to assume the authority to conduct such program, then any funds in a parallel account established for the benefit of any individual under such program shall be deposited into the Individual Development Account of such individual as of the first day of such termination.

SEC. 417. **Reporting, Monitoring, and Evaluation.**

(a) **Responsibilities of Qualified Financial Institutions.**—Each qualified financial institution that operates a qualified individual development account program under section 412 shall report annually to the Secretary within 90 days after the end of each calendar year on—

(1) the number of individuals making contributions into Individual Development Accounts and the amounts contributed,

(2) the amounts contributed into Individual Development Accounts by eligible individuals and the amounts deposited into parallel accounts for matching funds,

(3) the amounts withdrawn from Individual Development Accounts and parallel accounts, and the purposes for which such amounts were withdrawn,

(4) the balances remaining in Individual Development Accounts and parallel accounts, and

(5) such other information needed to help the Secretary monitor the effectiveness of the qualified individual development account program (provided in a non-individually-identifiable manner).

(b) **Responsibilities of the Secretary.**—

(1) **Monitoring.**—Not later than 12 months after the date of the enactment of this Act, the Secretary, in consultation with the Secretary of Health and Human Services, shall develop and implement a protocol and process to monitor the cost and outcomes of the qualified individual development account programs established under section 412.

(2) **Annual Reports.**—For each year after 2007, the Secretary shall submit a progress report to Congress on the status of such qualified individual development account programs and the results to which the data available, include from a representative sample of qualified individual development account programs information on—

(A) the characteristics of participants, including age, gender, race or ethnicity, marital status, number of children, employment status, and monthly income,

(B) deposits, withdrawals, balances, uses of Individual Development Accounts, and participant characteristics,

(C) the characteristics of qualified individual development account programs, including match rate, economic education requirements, permissible uses of accounts, staffing of programs in full-time equivalent employees, and the total amount of funds provided.

(d) **Process Information on Program Implementation and Administration.**—For purposes of this section, any term used in this section, unless the context otherwise requires, means—

(1) the accounts described in subparagraphs (A) and (B) of section 412(b)(1) are operating pursuant to all the provisions of this Act, and

(2) the qualified financial institution agrees to implement an information system necessary to monitor the cost and outcomes of the qualified individual development account programs.

(b) **Authority to Terminate Qualified Individual Development Account Programs.**—If the Secretary determines that a qualified financial institution under this Act is not operating a qualified individual development account program in accordance with the requirements of this Act (and has not implemented any corrective recommendations of the Secretary), the Secretary shall terminate such institution’s authority to conduct the program. If the Secretary is unable to identify a qualified financial institution to assume the authority to conduct such program, then any funds in a parallel account established for the benefit of any individual under such program shall be deposited into the Individual Development Account of such individual as of the first day of such termination.

SEC. 418. **Authorization of Appropriations.**

(a) **In General.**—There is authorized to be appropriated to the Secretary—

(1) to make grants to qualified nonprofit organizations and Indian tribes to help defray the administrative costs associated with the program, including the required financial education courses, and

(2) to provide technical assistance to qualifying organizations and Indian tribes in meeting such program requirements.

SEC. 419. **Matching Funds for Individual Development Account Programs Provided Through a Tax Credit for Qualified Financial Institutions.**

(a) **Determination of Amount.**—For purposes of section 38, the individual development account investment credit determined under this section with respect to any eligible entity for any taxable year is an amount equal to the individual development account investment provided by such eligible entity during the taxable year under an individual development account program established under section 412 of the Tax Relief Act of 2005.

(b) **Applicable Tax.**—For purposes of the first sentence, the term ‘‘applicable tax’’ means the excess (if any) of—

(1) the tax imposed under this chapter (other than the taxes imposed under the provisions described in paragraph (C) through (D) of section 26(b)(2), over

(2) the credits allowable under subpart B (other than this section) and subpart D of this part.

(c) **Individual Development Account Investment.**—For purposes of this section, the term ‘‘individual development account investment’’ means, with respect to an individual development account program in any taxable year, an amount equal to the sum of—

(1) the aggregate amount of dollar-for-dollar matches under such program under section 414(b)(1)(A) of the Tax Relief Act of 2005 plus

(2) $50 with respect to each Individual Development Account maintained—

(A) as of the end of such taxable year, but only if such taxable year is within the 5-taxable-year period beginning with the taxable year in which such Account is opened, and

(B) with a balance of not less than $100 (other than the taxable year in which such Account is opened).

(d) **Eligible Entity.**—For purposes of this section, except as provided in regulations, the term ‘‘eligible entity’’ means a qualified financial institution.

(e) **Other Definitions.**—For purposes of this section, any term used in this section and not defined in this section shall have the meaning given in such term in such subtitle.
"(f) Denial of Double Benefit.—

"(1) In General.—No deduction or credit (other than under this section) shall be allowed under this chapter with respect to any expense which—

(A) is taken into account under subsection (c)(1)(A) in determining the credit under this section, or

(B) is attributable to the maintenance of an Individual Development Account.

"(2) Determination of Amount.— Solely for purposes of paragraphs (1)(B), the amount attributable to the maintenance of an Individual Development Account shall be deemed to be the dollar amount of the credit allowed under subsection (c)(1)(B) for each taxable year with Individual Development Account is maintained.

"(g) Credit May Be Transferred.—

"(1) In General.—An eligible entity may transfer any credit allowable to the eligible entity under subsection (a) to any person other than to another eligible entity which is exempt from tax under this title. The determination as to whether a credit is allowable shall be made without regard to the tax-exempt status of the eligible entity.

"(2) Consent Required for Revocation.— Any paragraph (1) may be revoked only with the consent of the Secretary.

"(h) Regulations.—The Secretary may prescribe such regulations as may be necessary or appropriate to carry out this section, including—

"(1) such regulations as necessary to insure that any credit described in subsection (g)(1) is claimed once and not retransferred by a transferee, and

"(2) regulations providing for a recapture of the credit described under this section (notwithstanding any termination date described in subsection (i) in cases where there is a forfeiture under section 45(b) of the Tax Relief and Health Care Act of 2000 in a subsequent taxable year of any amount which was taken into account in determining the amount of such credit.

"(i) Application of Section.—

"(1) In General.—This section shall apply to any expenditure made in any taxable year ending after December 31, 2006, and beginning on or before January 1, 2014, with respect to any Individual Development Account which—

(A) is opened before January 1, 2012, and

(B) is established by the Secretary, when added to all of the previously opened Individual Development Accounts, does not cause the total number of such Accounts to exceed 900,000.

Notwithstanding the preceding sentence, this section shall apply to amounts which are described in subsection (c)(1)(A) and which are timely deposited into a parallel account during the 30-day period following the end of the last taxable year beginning on or before January 1, 2014.

"(2) Determination of Limitation.— The limitation on the number of Individual Development Accounts under paragraph (1)(B) shall be allocated by the Secretary among eligible individuals as such individuals open such Accounts under qualified Individual development account programs, except that, in the case of 300,000 Accounts, such limitation shall be equally allocated among the States.

(b) Credit Treated as Business Credit.—

Section 38(b) (relating to current year business credit) is amended by striking “and” at the end of subsection (b), by striking the period at the end of paragraph (26) and inserting “, and”, and by adding at the end the following new paragraph:

"(27) September 1, 2006. Development account investment credit determined under section 45A(a)."

(c) Conforming Amendment.— The table of sections for subpart C of part IV of subchapter A of chapter 1 is amended by adding at the end the following new item:

"Sec. 45N. Individual development account investment credit.

"(d) Report Regarding Account Maintenance Fees.— The Secretary of the Treasury shall study the adequacy of the amount specified in section 6050S of the Internal Revenue Code of 1986 (as added by this section).

"Not later than December 31, 2010, the Secretary of the Treasury shall report the findings of the study described in the preceding sentence to Congress.

"(e) Effective Date.— The amendments made by this section shall apply to taxable years ending after December 31, 2006, and notwithstanding any other provision of this title—

"(1) In General.—

"(A) Treatment as interest.— Any payment on such loan shall be treated as a payment of interest to the extent of the balance, immediately before such payment, in the accumulated interest account with respect to such loan.

"(B) Exception.— Subparagraph (A) shall not apply to any payment of collection costs, late fees, and penalties.

"(2) Accumulated Interest Account.—

"(A) In General.—The term ‘accumulated interest account’ means an account which is adjusted in accordance with this paragraph.

"(B) Increase.— The balance in the accumulated interest account shall be increased for any period by the sum of—

"(i) the loan origination fees incurred by the borrower in such period,

"(ii) the amount of stated interest on the loan for such period, and

"(iii) the amount of any fee imposed under section 428(b)(1)(H) of the Higher Education Act of 1965 (20 U.S.C. 1078(b)(1)(H)).

"(C) Decreases.— The balance in the accumulated interest account shall be decreased (but not below zero) by payments made on the loan to the extent treated as interest under this section.

"(2) Loan Origination Fees.—

"(A) Federal Programs.— The term ‘loan origination fee’ includes any fee imposed under any of the following provisions of the Higher Education Act of 1965 (20 U.S.C. 1078):—

"(i) Section 428(b) (20 U.S.C. 1087(b)).

"(ii) Section 455(c) (20 U.S.C. 1087(c)).

"(B) Fees for Services or Property Exchanged.— In the case of any fee imposed under subparagraph (A), the term ‘loan origination fee’ does not include any fee which is a fee for services or property.

"(3) Stated Interest.— The term ‘stated interest’ means, with respect to any period, the amount of interest determined for the period based on the stated rate of interest applicable to the period (whether or not the interest is required to be paid in such period).

"(4) Anti-Abuse Rule.— The Secretary may prescribe rules to prevent or decelerate of additions to the accumulated interest account where the loan origination fees or stated interest do not properly reflect the substance of the loan.

"(b) Information Returns.—

"(1) Interest and Loan Origination Fee Defined.—

"(A) Subsection (e) of section 6050S (relating to the general rule for form and manner of returns) is amended by inserting before the period at the end the following: ‘’, and the term ‘interest’ has the same meaning as with respect to the tax—'

"(B) Pre-2005 Loans.— The regulations under section 6050S of the Internal Revenue Code of 1986 which are applicable to loans made before September 1, 2004, shall also apply to loans made on or after such date which are made before January 1, 2005.
(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2004.

SA 2621. Ms. SOWNE submitted an amendment intended to be proposed by her to the bill S. 20, 2004, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006, which was ordered to lie on the table; as follows:

At the end of title IV, add the following:

SEC. 13216. CLARIFICATION OF CASH ACCOUNTING RULES FOR SMALL BUSINESS.-(a) CASH ACCOUNTING PERMITTED.—(1) IN GENERAL.—Section 446 (relating to general rule for methods of accounting) is amended by adding at the end the following new subsection:—

"(g) CERTAIN SMALL BUSINESS TAXPAYERS PERMITTED TO USE CASH ACCOUNTING METHOD WITHOUT LIMITATION.—

"(1) In general.—An eligible taxpayer shall not be required to use an accrual method of accounting for any taxable year.

"(2) Eligible taxpayer.—For purposes of this subsection, a taxpayer is an eligible taxpayer for any taxable year if—

"(A) for all prior taxable years beginning after December 31, 2004, the taxpayer (or any predecessor) met the gross receipts test of section 448(c); and

"(B) the taxpayer is not subject to section 447 or 448."

(2) EXPANSION OF GROSS RECEIPTS TEST.—(A) Paragraph (4) of section 448(b) (relating to entities with gross receipts of not more than $5,000,000) is amended by striking "$5,000,000" and inserting "$10,000,000". 

(B) CONFORMING AMENDMENTS.—Section 448(c) is amended—

(1) by striking "$5,000,000" each place it appears in the text and in the heading of paragraph (1) and inserting "$10,000,000"; and

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

"(6) INFLATION ADJUSTMENT.—In the case of any taxable year beginning in a calendar year after 2005, the dollar amount contained in subparagraph (b)(3) and paragraph (1) of this subsection shall be increased by an amount equal to—

"(A) such dollar amount, multiplied by the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, by substituting ‘calendar year 2004’ for ‘calendar year 1992’ in subparagraph (b) thereof."

If any amount as adjusted under this subparagraph is not a multiple of $100,000, such amount shall be rounded to the nearest multiple of $100,000.

(b) CLARIFICATION OF INVENTORY RULES FOR SMALL BUSINESS.—(1) IN GENERAL.—Section 471 (relating to general inventory rules) is amended by redesignating subsection (c) as subsection (d) and by inserting after subsection (b) the following new subsection:

"(c) SMALL BUSINESS TAXPAYERS NOT REQUIRED TO USE INVENTORIES.—

"(1) In general.—A qualified taxpayer shall not be required to use inventories under this subsection for any taxable year.

"(2) Treatment of taxpayers not using inventories.—If a qualified taxpayer does not use inventories with respect to any property for a taxable year beginning after December 31, 2004, such property shall be treated as a material or supply which is not incidental.

"(3) Qualified taxpayer.—For purposes of this subsection, the term ‘qualified taxpayer’ means—

"(A) any eligible taxpayer (as defined in section 446(g)(2)), and

"(B) any taxpayer described in section 446(g)(3)."

(2) CONFORMING AMENDMENTS.—

(A) Subpart D of part II of subchapter E of chapter 1 is amended by striking section 474.

(B) The table of sections for subpart D of part II of subchapter E is amended by striking the item relating to section 474.

(c) EFFECTIVE DATE AND SPECIAL RULES.—

(1) IN GENERAL.—The amendments made by this section shall apply to taxable years beginning after December 31, 2004.

(2) CHANGE IN METHOD OF ACCOUNTING.—In the case of any change in the taxpayer’s method of accounting for any taxable year under the amendments made by this section—

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

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

"(C) the net amount of the adjustments required to be taken into account by the taxpayer under section 481 of the Internal Revenue Code of 1986 in legislation over a period (not greater than 4 taxable years) beginning with such taxable year.

SEC. 13217. INCLUSION OF VEHICLES IN LIMITATION ON DEPRECIATION OF CERTAIN LUXURY AUTOMOBILES.-(a) IN GENERAL.—Section 260F(d)(5)(A) (defining passenger automobiles) is amended—

"(1) by striking clause (ii) and inserting the following new clause:

"(ii)(I) which is rated at 6,000 pounds unloaded gross vehicle weight or less, or

"(II) which is rated at more than 6,000 pounds but not more than 14,000 pounds gross vehicle weight; and

"(2) by striking clause (ii)(1) in the section heading and inserting ‘clause (ii)(1)’.

(b) CONFORMING AMENDMENT.—Section 179(d) (relating to limitations) is amended by striking paragraph (6).

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after the date of the enactment of this Act.

SA 2622. Ms. MURKOWSKI (for herself and Mr. STEVENS) submitted an amendment intended to be proposed by her to the bill S. 8, 2005, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006, which was ordered to lie on the table; as follows:

At the end of title IV, add the following:

SEC. 13218. HYDROELECTRIC DEVELOPMENT IN CEN VIBLES.—(a) IN GENERAL.—Project numbers 1051, 1040, 11393, 11077, 11588, and 12379 of the Federal Energy Regulatory Commission shall be eligible for the maximum favorable treatment afforded under Federal law to Federal facilities for calendar years in which the maximum Federal energy production pursuant to any amendments made by such legislation which promotes hydroelectric development that is enacted during the 10-year period that begins on the date that is 5 years prior to the date of enactment of this Act.

(b) DEFINED QUALIFIED ENERGY RESOURCES.—All power produced by the project numbers specified in subsection (a) shall be deemed to be qualified energy resources for purposes of qualifying for any energy production credit or similar benefit enacted for hydroelectric development within the 10-year period described in subsection (a).

(c) TRIPLE INTEREST AND PENALTIES FOR UNDERPAYMENTS RELATED TO CERTAIN OFF-SHORE FINANCIAL ARRANGEMENTS.—Section 532 of this Act is amended (1) in the section heading, by striking “DOUBLING” and inserting “TRIPLING”; and

(2) in subsection (a)(1)(B), by striking “twice” and inserting “three times.”

SA 2623. Mr. DURBIN (for himself and Mr. OBAMA) submitted an amendment intended to be proposed by him to the bill S. 20, 2004, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006; as follows:

At the end of title IV, insert the following:

SEC. 13219. REDUCED TAXES FOR PATRIOT EMPLOYERS.—(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 is amended by adding at the end the following new section:

"(45N. REDUCTION IN TAX OF PATRIOT EMPLOYERS.—(a) IN GENERAL.—In the case of any taxable year beginning after December 31, 2005, and before January 1, 2011, with respect to which a taxpayer is certified by the Secretary as a Patriot employer, the Patriot employer credit determined under this section for purposes of section 38 shall be equal to 1 percent of the taxable income of the taxpayer which is properly allocable to all trades or businesses with respect to which the taxpayer is certified as a Patriot employer for the taxable year.

(b) PATRIOT EMPLOYERS.—For purposes of subsection (a), the term ‘Patriot employer’ means, with respect to any taxable year, any taxpayer which—

"(1) maintains its headquarters in the United States if the taxpayer has ever been headquartered in the United States,

"(2) pays at least 60 percent of each employee’s health care payments;

"(3) if such employer employs at least 50 employees on average during the taxable year,

"(A) maintains or increases the number of full-time workers in the United States relative to the number of full-time workers outside of United States,

"(B) compensates each employee of the taxpayer at an hourly rate (or equivalent thereof) not less than an amount equal to the Federal poverty level for a family of three for the calendar year in which the taxable year begins divided by 2.080,

"(C) provides either a defined benefit plan or a defined contribution plan which fully matches at least 5 percent of each employee’s contributions to the plan, and

"(D) provides full differential salary and insurance benefits for all National Guard and Reserve employees who are called for active duty,

"(4) if such taxpayer employs less than 50 employees on average during the taxable year, either—

"(A) compensates each employee of the taxpayer at an hourly rate (or equivalent thereof) not less than an amount equal to the Federal poverty level for a family of three for the calendar year in which the taxable year begins divided by 2.080, or

"(B) provides either a defined benefit plan or a defined contribution plan which fully matches at least 5 percent of each employee’s contributions to the plan.

(c) ALLOWANCE AS GENERAL BUSINESS CRED-IT.—Section 38(b) is amended by striking "and" at the end of paragraph (25), by striking the period at the end of paragraph (25) and inserting "and"; and by adding at the end the following:

"(27) the Patriot employer credit determined under section 45N.

SEC. 13220. EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2005.
SEC. 5. MODIFICATIONS OF FOREIGN TAX CREDIT RULES APPLICABLE TO DUAL CAPACITY TAXPAYERS.

(a) In General—Section 901 (relating to credit for taxes of foreign countries and of possessions of the United States) is amended by redesignating subsection (m) as subsection (n) and inserting after subsection (l) the following new subsection:

‘‘(m) SPECIAL RULES RELATING TO DUAL CAPACITY TAXPAYERS—

‘‘(1) GENERAL RULE.—Notwithstanding any other provision of this chapter, any amount paid or accrued by a dual capacity taxpayer to a foreign country or possession is applicable to such dual capacity taxpayer only if—

(A) if, for such period, the foreign country or possession does not impose a generally applicable income tax, or

(B) to the extent such amount exceeds the amount (determined in accordance with regulations) which—

(i) is paid by such dual capacity taxpayer pursuant to the generally applicable income tax imposed by the country or possession, and

(ii) would be paid if the generally applicable income tax imposed by the country or possession were applicable to such dual capacity taxpayer.

Nothing in this paragraph shall be construed to imply the proper treatment of any such amount not in excess of the amount determined under subparagraph (B).

(b) TAxABLE YEARS—For purposes of this subsection, the term ‘dual capacity taxpayer’ means, with respect to any foreign country or possession of the United States, a person who—

(A) is subject to a levy of such country or possession, and

(B) receives (or will receive) directly or indirectly a specific economic benefit (as determined in accordance with regulations) from such country or possession.

(c) GENERALLY APPLICABLE INCOME TAX.—For purposes of this subsection—

‘‘(A) IN GENERAL.—The term ‘generally applicable income tax’ means an income tax (or a series of income taxes) which is generally imposed by the country or possession of such foreign country or possession on income derived from the conduct of a trade or business within such country or possession.

(B) EXCEPTION.—A foreign oil and gas income-producing year shall not include a tax unless it has substantial application, by its terms and in practice, to—

(i) persons who are not dual capacity taxpayers,

(ii) persons who are citizens or residents of such foreign country or possession.

(d) SEPARATE BASKET FOR FOREIGN OIL AND GAS INCOME.

(1) GENERAL.—The amendments made by this section shall apply to taxes paid or accrued in taxable years beginning after the date of the enactment of this Act.

(2) CONTRARY TREATY OBLIGATIONS UPHeld.—The amendments made by this section shall not apply to the extent contrary to any treaty obligation of the United States.

SEC. 6. RULES RELATING TO FOREIGN OIL AND GAS INCOME.

(a) SEPARATE BASKET FOR FOREIGN TAX CREDIT.—

(1) SEPARATE BASKET.

(A) YEARS BEFORE 2007.—Paragraph (1) of section 904(d) (relating to separate application of section with respect to certain categories of income), as in effect for years beginning before 2007, is amended by striking ‘‘and’’ and inserting ‘‘and,’’ and by striking at the end the following subparagraph:

‘‘(c) foreign oil and gas income.’’

(2) Bf) 2007 AND AFTER.—Paragraph (1) of section 904(d), as in effect for years beginning after 2006, is amended by striking ‘‘and’’ at the end of subparagraph (A), by striking the period at the end of subparagraph (B) and inserting ‘‘; and’’, and by adding at the end the following new subparagraph:

‘‘(c) foreign oil and gas income.’’

(3) MODIFICATION OF CREDIT FOR PRODUCING FUEL FROM A NONCONVENTIONAL SOURCE.

(A) TAXABLE YEARS BEFORE 2006.—

(i) MODIFICATION OF PHASEOUT.—

(A) IN GENERAL.—Section 29(b)(1)(A) is amended by inserting ‘‘the calendar year preceding’’ before ‘‘the calendar year’’.

(B) CONFORMING AMENDMENTS.—Section 29(b)(5) is amended—

(i) by striking ‘‘(ii)’’ and inserting ‘‘or (ii)’’;

(ii) by striking ‘‘and (iii)’’ and inserting ‘‘or (iii)’’;

(iii) by striking ‘‘(iv)’’;

(iv) by striking ‘‘the amount in effect’’ and inserting ‘‘the amount which was in effect’’;

(v) by striking ‘‘the product’’ and inserting ‘‘the sale proceeds’’;

(vi) by striking ‘‘the amount in effect’’ and inserting ‘‘the amount which was in effect’’;

(vii) by striking ‘‘to the extent’’ and inserting ‘‘for the extent’’;

(B) TAXABLE YEARS ENDING AFTER 2005.—

(i) MODIFICATION OF PHASEOUT.—

(A) IN GENERAL.—Section 45K(b)(2), as amended by paragraph (1), is amended by inserting ‘‘the calendar year preceding’’ before ‘‘the calendar year’’.

(B) CONFORMING AMENDMENTS.—Section 45K(b)(3), as amended by paragraph (1), is amended—

(i) by striking ‘‘(ii)’’ and inserting ‘‘or (ii)’’;

(ii) by striking ‘‘the amount in effect’’ and inserting ‘‘the amount which was in effect’’;

(B) NO INFLATION ADJUSTMENT FOR THE CREDIT AMOUNT IN 2005, 2006, AND 2007.—Section 29(b)(5) is amended by adding at the end the following new sentence:

‘‘This paragraph shall not apply with respect to the $3 amount in subsection (a) for calendar year 2005 and the amount in effect under subsection (a) for sales in such calendar year shall be the amount which was in effect for sales in calendar year 2004.’’

(C) TAXABLE YEARS ENDING AFTER 2005.—

(i) MODIFICATION OF PHASEOUT.—

(A) IN GENERAL.—Section 45K(b)(1), as amended by inserting ‘‘the calendar year preceding’’ before ‘‘the calendar year’’.

(B) CONFORMING AMENDMENTS.—Section 45K(b)(2), as amended by paragraph (1), is amended—

(i) by striking ‘‘(ii)’’ and inserting ‘‘or (ii)’’;

(ii) by striking ‘‘the amount in effect’’ and inserting ‘‘the amount which was in effect’’;

(ii) by striking ‘‘the calendar year’’ and inserting ‘‘for such calendar year’’;

(ii) by adding at the end the following new sentence: ‘‘This paragraph shall not apply with respect to the $3 amount in subsection (a) for calendar years 2005, 2006, and 2007 and the amount in effect under subsection (a) for sales in each such calendar year shall be the amount which was in effect for sales in calendar year 2004.’’

(D) TREATMENT OF COKE AND COKE GAS.—

(A) NONAPPLICATION OF PHASEOUT.—Section 45K(g)(2) is amended by adding at the end the following new subparagraph:

‘‘(D) NONAPPLICATION OF PHASEOUT.—Subsection (b)(1) shall not apply.’’
(B) APPLICATION OF INFLATION ADJUSTMENT.—Section 465(k)(2)(B) is amended by inserting ‘‘and the last sentence of subsection (b)(2) shall not apply.’’

(C) QUALIFICATION OF CHARITABLE ORGANIZATION.—Section 465(g)(1) is amended by inserting ‘‘(other than from petroleum based products) after ‘‘coke or coke gas’’. The amendment made by this section shall apply to fuel sold after December 31, 2004.

SA 2624. Mr. LEAHY (for himself, Mr. BENNETT, Mr. DOMENICI, Mr. SCHUMER, Mr. KENNEDY, Mr. BINGAMAN, Mr. LIEBERMAN, Mr. JOHNSON, Mr. WARNER, Mr. BUNNING, Mr. LIEBERMAN, Mr. COLEMAN) submitted an amendment intended to be proposed by him to the bill S. 2020, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006; which was ordered to lie on the table, as follows:

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

SEC. 50—CHARITABLE CONTRIBUTIONS OF CERTAIN ITEMS CREATED BY THE TAXPAYER.

(a) IN GENERAL.—Subsection (e) of section 170 (relating to certain contributions of ordinary income and capital gain property), as amended by section 316(a), is amended by adding at the end the following new paragraph:

‘‘(8) SPECIAL RULE FOR CERTAIN CONTRIBUTIONS OF LITERARY, MUSICAL, OR ARTISTIC COMPOSITIONS.—(A) IN GENERAL.—In the case of a qualified artistic charitable contribution—

(i) the amount of such contribution shall be the fair market value of such property

(ii) no reduction in the amount of such contribution shall be made under paragraph (1).

(B) QUALIFIED ARTISTIC CHARITABLE CONTRIBUTION.—For purposes of this paragraph, the term ‘‘qualified artistic charitable contribution’’ means a charitable contribution of any literary, musical, artistic, or scholarly composition, or similar property, the copyright on such work shall be treated as separate properties for purposes of this paragraph and subsection (c).

(i) the amount of such contribution shall be the fair market value of such property

(ii) no reduction in the amount of such contribution shall be made under paragraph (1).

(C) A PPLICABLE PERCENTAGE.—For purposes of this section—

(i) in the case of a contribution made in 2006 and before December 1, 2006, the applicable percentage is 6 percent; and

(ii) the applicable percentage for any calendar year after 2006 shall be the percentage determined by subtracting the dollar amount made available under subsection (d) for such calendar year from the percentage determined by the Secretary of the Treasury for the previous calendar year.

(D) A DJUSTMENT OF CONTRIBUTIONS.—In the case of a contribution made in 2006 and before December 1, 2006, described in subsection (c), the amount determined under paragraph (b) shall be reduced by the aggregate amount of contributions made in 2006 and before December 1, 2006, described in subsection (c), which are made by a donor who is a member of families with a disability of 50 percent or greater, as defined by the Secretary of Veterans Affairs, that are not otherwise eligible to be made by charitable organizations.

(E) EFFECTIVE DATE.—The amendment made by this section shall apply to contributions made after the date of the enactment of this Act in taxable years ending after such date.

SA 2625. Mr. NELSON of Nebraska (for himself, Mr. RUIZ, and Ms. COLINS) proposed an amendment to the bill S. 2020, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006; as follows:

At the end of title IV, insert the following:

SEC. 50—DEFINITIONS FOR TAX COLLECTION CONTRACTS.

(a) IN GENERAL.—The Secretary of the Treasury shall not enter into any qualified tax collection contract after April 1, 2006, until the Secretary implements a disability preference program that meets the requirements of section 316(a) and subsections (b) and (c) of section 316(b) of the Internal Revenue Code of 1986.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to contracts awarded after the date of the enactment of this Act in taxable years ending after such date.

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(b) EFFECTIVE DATE.—The amendment made by this section shall apply to contracts awarded after the date of the enactment of this Act in taxable years ending after such date.

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(b) EFFECTIVE DATE.—The amendment made by this section shall apply to contracts awarded after the date of the enactment of this Act in taxable years ending after such date.

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(b) EFFECTIVE DATE.—The amendment made by this section shall apply to contracts awarded after the date of the enactment of this Act in taxable years ending after such date.

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(b) EFFECTIVE DATE.—The amendment made by this section shall apply to contracts awarded after the date of the enactment of this Act in taxable years ending after such date.

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(b) EFFECTIVE DATE.—The amendment made by this section shall apply to contracts awarded after the date of the enactment of this Act in taxable years ending after such date.
revenues in the Treasury equals $2,920,000,000.

SEC. 5897. WINDFALL PROFIT; ETC.

(a) GENERAL RULE.—For purposes of this chapter, ‘windfall profit’ shall mean the excess of the adjusted taxable income of the applicable taxpayer for the taxable year over the reasonably inflated average profit for such taxable year.

(b) ADJUSTED TAXABLE INCOME.—For purposes of this chapter, the adjusted taxable income of the applicable taxpayer for any taxable year is equal to the taxable income for such taxable year (within the meaning of section 63) determined without regard to any section of this subchapter.

(c) REASONABLY INFLATED AVERAGE PROFIT.—For purposes of this chapter, the reasonably inflated average profit for any taxable year is an amount equal to the average of the adjusted taxable income of such taxpayer for taxable years beginning during the 2000-2004 taxable year period (determined without regard to the taxable year with the highest adjusted taxable income in such period) plus 10 percent of such average.

SEC. 5898. SPECIAL RULES AND DEFINITIONS.

(a) WITHholding and Deposit of Tax.—The Secretary shall provide such rules as are necessary for the withholding and deposit of the tax imposed under section 5896.

(b) Records and Information.—Each taxpayer liable for tax under section 5896 shall keep such records, make such returns, and furnish such information as the Secretary may by regulations prescribe.

(c) RETURN of Windfall Profit Tax.—The Secretary shall provide for the filing and the time of such filing of the return of the tax imposed under section 5896.

(d) CRUDE OIL.—The term ‘crude oil’ includes crude oil condensates and natural gasoline.

(e) BUSINESSES UNDER COMMON CONTROL.—For purposes of this chapter, all members of the same controlled group of corporations (within the meaning of section 267(f)) and all persons under common control (within the meaning of section 262(b)) but determined by treating an interest of more than 50 percent as a controlling interest) shall be treated as 1 person.

(f) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this chapter.

(g) TERMINAL AMOUNT.—The table of chapters for subtitle E of the Internal Revenue Code of 1986 is amended by adding at the end the following new item:

CHAPTER 56. Temporary Windfall Profits on Crude Oil.

(c) DEDUCTIBILITY of Windfall Profit Tax.—The first sentence of section 164(a) of the Internal Revenue Code of 1986 (relating to deduction for taxes) is amended by inserting after paragraph (5) the following new paragraph:

(6) The windfall profit tax imposed by section 5897.

SEC. 5899. LOW INCOME HOME ENERGY ASSISTANCE TRUST FUND.

(1) IN GENERAL.—Subchapter A of chapter 96 of the Internal Revenue Code of 1986 (relating to trust fund code) is amended by adding at the end the following new section:

SEC. 9511. Low-Income Home Energy Assistance Trust Fund.

(2) CREATION of Trust Fund.—There is established in the Treasury of the United States a trust fund to be known as the ‘Low-Income Home Energy Assistance Trust Fund’, consisting of any amount appropriated or credited to the Trust Fund as provided in this section or section 5895(b).

(3) TRANSFERS to Trust Fund.—There are hereby appropriated to the Low-Income Home Energy Assistance Trust Fund amounts equal to the increased revenues received in the Treasury as the result of the amendment made by section 410(a) of the Tax Relief Act of 2004.

(4) EXPENDITURES FROM Trust Fund.—Amounts in the Low Income Home Energy Assistance Trust Fund not to exceed $2,920,000,000, as provided by appropriation Acts, to carry out the program under the Low-Income Home Energy Assistance Act of 1991 (42 U.S.C. 8621 et seq.) throughout the States in accordance with section 2604 of that Act (42 U.S.C. 8623) (other than subsection (c) of such section), but only if not less than $1,880,000,000 has been appropriated for such program for such fiscal year.

(5) CEREMONIAL.—The Secretary shall provide for the filing and the time of such filing of the return of the tax imposed under section 5896.

(6) CRUDE OIL.—The term ‘crude oil’ includes crude oil condensates and natural gasoline.

(7) BUSINESSES UNDER COMMON CONTROL.—For purposes of this chapter, all members of the same controlled group of corporations (within the meaning of section 267(f)) and all persons under common control (within the meaning of section 262(b)) but determined by treating an interest of more than 50 percent as a controlling interest) shall be treated as 1 person.

(8) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this chapter.

(9) TERMINAL AMOUNT.—The table of chapters for subtitle E of the Internal Revenue Code of 1986 is amended by adding at the end the following new item:

CHAPTER 56. Temporary Windfall Profits on Crude Oil.

(c) DEDUCTIBILITY of Windfall Profit Tax.—The first sentence of section 164(a) of the Internal Revenue Code of 1986 (relating to deduction for taxes) is amended by inserting after paragraph (5) the following new paragraph:

(6) The windfall profit tax imposed by section 5897.

SEC. 9511. Low-Income Home Energy Assistance Trust Fund.

(1) IN GENERAL.—Subchapter A of chapter 96 of the Internal Revenue Code of 1986 (relating to trust fund code) is amended by adding at the end the following new section:

SEC. 9511. Low-Income Home Energy Assistance Trust Fund.

(2) CREATION of Trust Fund.—There is established in the Treasury of the United States a trust fund to be known as the ‘Low-Income Home Energy Assistance Trust Fund’, consisting of any amount appropriated or credited to the Trust Fund as provided in this section or section 5895(b).

(3) TRANSFERS to Trust Fund.—There are hereby appropriated to the Low-Income Home Energy Assistance Trust Fund amounts equal to the increased revenues received in the Treasury as the result of the amendment made by section 410(a) of the Tax Relief Act of 2004.

(4) EXPENDITURES FROM Trust Fund.—Amounts in the Low Income Home Energy Assistance Trust Fund not to exceed $2,920,000,000, as provided by appropriation Acts, to carry out the program under the Low-Income Home Energy Assistance Act of 1991 (42 U.S.C. 8621 et seq.) throughout the States in accordance with section 2604 of that Act (42 U.S.C. 8623) (other than subsection (c) of such section), but only if not less than $1,880,000,000 has been appropriated for such program for such fiscal year.

(5) CEREMONIAL.—The Secretary shall provide for the filing and the time of such filing of the return of the tax imposed under section 5896.

(6) CRUDE OIL.—The term ‘crude oil’ includes crude oil condensates and natural gasoline.

(7) BUSINESSES UNDER COMMON CONTROL.—For purposes of this chapter, all members of the same controlled group of corporations (within the meaning of section 267(f)) and all persons under common control (within the meaning of section 262(b)) but determined by treating an interest of more than 50 percent as a controlling interest) shall be treated as 1 person.

(8) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this chapter.

(9) TERMINAL AMOUNT.—The table of chapters for subtitle E of the Internal Revenue Code of 1986 is amended by adding at the end the following new item:

CHAPTER 56. Temporary Windfall Profits on Crude Oil.

(c) DEDUCTIBILITY of Windfall Profit Tax.—The first sentence of section 164(a) of the Internal Revenue Code of 1986 (relating to deduction for taxes) is amended by inserting after paragraph (5) the following new paragraph:

(6) The windfall profit tax imposed by section 5897.
SEC. 506. PREVENTING TAX SHELTER ACTIVITIES BY FINANCIAL INSTITUTIONS.

(a) Examinations.—

(1) Development of examination techniques.—Each of the Federal banking agencies and the Commission shall, in consultation with the Internal Revenue Service, develop examination techniques for detection of tax shelters under this section and section 6700 of the Internal Revenue Code of 1986, by depository institutions, brokers, dealers, and investment advisers, as appropriate.

(2) Frequency.—Not less frequently than once in each 2-year period, each of the Federal banking agencies and the Commission shall implement the examination techniques developed under paragraph (1) with respect to each of the depository institutions, brokers, dealers, or investment advisers subject to their jurisdiction. Such examination shall, to the extent possible, be combined with any examination by such agency otherwise required or authorized by Federal law.

(b) Report to internal revenue Service.—In any case in which an examination conducted under this section with respect to a financial institution or other entity reveals a potential violation, such agency shall promptly notify the Internal Revenue Service of the potential violation for investigation and enforcement by the Internal Revenue Service in accordance with applicable provisions of law.

(c) Pursue Congress.—The Federal banking agencies and the Commission shall submit a joint written report to Congress in 2007 and 2010 on their progress in preventing violations of section 6700 of the Internal Revenue Code of 1986, by depository institutions, brokers, dealers, and investment advisers.

(d) Definitions.—For purposes of this section—

(1) the terms ‘broker’, ‘dealer’, and ‘investment adviser’ have the same meanings as in section 3(c) of the Federal Deposit Insurance Act (12 U.S.C. 1813(c));

(2) the term ‘Commission’ means the Securities and Exchange Commission or the Public Company Accounting Oversight Board, as appropriate.

(3) the term ‘depository institution’ has the same meaning as in section 3(c) of the

turn or return information shall be disclosed to such requestor’s officers and employees who are personally and directly engaged in an investigation, examination, or proceeding brought by such requestor to evaluate, determine, penalize, or deter conduct of a financial institution, issuer, or public accounting firm, or associated person, in connection with a potential or actual violation of section 6700 (promotion of abusive tax shelters), 6701 (aiding and abetting understatement of tax liability), or activities related to promoting or facilitating inappropriate tax avoidance or tax evasion. Such disclosure shall be solely for use by such officers and employees in such investigation, examination, or proceeding. Such disclosure shall be solely for use by such officers and employees in such investigation, examination, or proceeding.

(b) Requirements.—A request meets the requirements of this subparagraph if it sets forth—

(i) the nature of the investigation, examination, or proceeding;

(ii) the statutory authority under which such investigation, examination, or proceeding is being conducted;

(iii) the name or names of the issuer, investment company, or public accounting firm to which such return information relates;

(iv) the specific reason or reasons why such return information relates;

(v) the specific reason or reasons why such disclosure is, or may be, relevant to such investigation, examination, or proceeding;

(vi) the name and address of the entity or individual to which the information is to be disclosed;

(vii) the specific reasons why such disclosure is, or may be, relevant to such investigation, examination, or proceeding;

(viii) the specific reason or reasons why such disclosure is, or may be, relevant to such investigation, examination, or proceeding;

(ix) a written request.—Upon receipt by the Secretary of a written request which meets the requirements of subparagraph (B) of the head of the United States Securities and Exchange Commission, an appropriate Federal banking agency as defined under section 1813(q) of title 12, United States Code, or the Public Company Accounting Oversight Board, a request or request to disclose such return information shall be deemed to have been made by such requestor to evaluate, determine, penalize, or deter conduct of a financial institution, issuer, or public accounting firm, or associated person, in connection with a potential or actual violation of section 6700 (promotion of abusive tax shelters), 6701 (aiding and abetting understatement of tax liability), or activities related to promoting or facilitating inappropriate tax avoidance or tax evasion. Such disclosure shall be solely for use by such officers and employees in such investigation, examination, or proceeding. Such disclosure shall be solely for use by such officers and employees in such investigation, examination, or proceeding.

SEC. 507. INVESTIGATION AND ENFORCEMENT OF ENFORCEMENT GOALS.

(a) Promotion of Prohibited Tax Shelters or Tax Avoidance Schemes.—Section 6103(b) (relating to disclosure to certain Federal officers and employees for purposes of tax administration, etc.) is amended by adding at the end the following new paragraph:

(7) Disclosure of Returns and Return Information Related to Promotion of Prohibited Tax Shelters or Tax Avoidance Schemes.—(A) Written Request.—Upon receipt by the Secretary of a written request which meets the requirements of subparagraph (B) of this section and the following new paragraph:

(1) the nature of the investigation, examination, or proceeding;

(2) the statutory authority under which such investigation, examination, or proceeding is being conducted;

(3) the name or names of the issuer, investment company, or public accounting firm to which such return information relates;

(4) the specific reason or reasons why such return information relates;

(5) the specific reason or reasons why such disclosure is, or may be, relevant to such investigation, examination, or proceeding;

(6) the name and address of the entity or individual to which the information is to be disclosed;

(b) Requirements.—A request meets the requirements of this subparagraph if it sets forth—

(i) the nature of the investigation, examination, or proceeding;

(ii) the statutory authority under which such investigation, examination, or proceeding is being conducted;

(iii) the name or names of the issuer, investment company, or public accounting firm to which such return information relates;

(iv) the specific reason or reasons why such return information relates;

(v) the specific reason or reasons why such disclosure is, or may be, relevant to such investigation, examination, or proceeding;

(vi) the specific reason or reasons why such disclosure is, or may be, relevant to such investigation, examination, or proceeding;

(vii) the name and address of the entity or individual to which the information is to be disclosed;

SEC. 508. DISCLOSING PAYMENTS TO PERSONS IN UNCOOPERATIVE TAX HAVENS.

(a) In General.—Subpart A of part III of subchapter A of chapter 61 is amended by inserting after section 6038C the following new section:

SEC. 6038D. DISCLOSING UNCOOPERATIVE TAX HAVENS THROUGH LISTING AND REPORTING REQUIREMENTS.

(a) In General.—Each United States person that transfers money or other property directly or indirectly to any uncooperative tax haven, to any financial institution licensed by or operating in any uncooperative tax haven to which the person has transferred money or other property of any uncooperative tax haven shall furnish to the Secretary, at such time and in such manner as the Secretary shall by regulation prescribe, such information as the Secretary shall require to enable the Secretary to determine whether such person is a United States person whose transfer is the subject of a request for disclosure under section 6038C.

(b) Exceptions.—Subsection (a) shall not apply to a transfer by a United States person if the amount of money (and the fair market value of property) transferred is less than $10,000. Related transfers shall be treated as 1 transaction for purposes of this subsection.

(c) Uncooperative Tax Haven.—For purposes of this section—

(1) in general.—The term ‘uncooperative tax haven’ means any jurisdiction which is identified on a list maintained by the Secretary under paragraph (2) as being a jurisdiction—

(a) which imposes no or nominal taxation either generally or on specified classes of income, and

(b) which has corporate, business, bank, or tax secrecy or confidentiality laws, practices, or policies which effectively or directly (or in combination with other laws, practices, or policies) limit or restrict the ability of the United States to obtain information relevant to the enforcement of this title;

(2) maintenance of list.—Not later than November 1 of each calendar year, the Secretary shall issue a list of foreign jurisdictions which the Secretary determines qualify

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as uncooperative tax havens under paragraph (1).

“(3) INEFFECTIVE INFORMATION EXCHANGE PRACTICES.—For purposes of paragraph (1), a jurisdiction is considered to have provided an ineffective information exchange practices if the Secretary determines that during any taxable year ending in the 12-month period preceding the issuance of the list under paragraph (2)—

“(A) the exchange of information between the United States and such jurisdiction was inadequate or precluded by the demand for information by a United States person or to enable the United States effectively to enforce this title, or

“(B) such jurisdiction was identified by an intergovernmental group or organization of which the United States is a member as uncooperative with international tax enforcement or information exchange and the United States concurs in the determination.

“(d) PENALTY FOR FAILURE TO FILE INFORMATION.—If a United States person fails to furnish the information required by subsection (a) with respect to any transfer within the time prescribed therefor (including extensions), such United States person shall pay (upon demand by the Secretary and in the same manner as tax) an amount equal to 20 percent of the amount of such transfer.

“(e) SIMPLIFIED REPORTING.—The Secretary may by regulations provide for simplified reporting under this section for United States persons making large volumes of similar payments.

“(f) REGULATIONS.—The Secretary shall prescribe regulations as may be necessary or appropriate to carry out the purposes of this section.

“(g) Table of Contents.—The table of contents for this part is hereby modified to add the following new paragraph:

‘‘(2) IDENTIFIED TAX HAVEN INCOME.—For purposes of paragraph (1), the term ‘identified tax haven income’ means income for the taxable year which is attributable to a foreign jurisdiction if such jurisdiction has been identified as an uncooperative tax haven section 6038D(c).

“(3) REGULATIONS.—The Secretary shall prescribe regulations similar to the regulations issued under section 996(c) to carry out the purposes of this subsection.

“(b) DENIAL OF FOREIGN Tax CREDIT.—Section 901 (relating to taxes of foreign countries and of possessions of United States) is amended by redesignating subsection (m) as subsection (n) and by inserting after subsection (l) the following new subsection:

‘‘(m) REDUCTION OF FOREIGN Tax CREDIT, ETC., FOR IDENTIFIED TAX HAVEN INCOME.—(1) In General.—Notwithstanding any other provision of this part—

“(A) no credit shall be allowed under subsection (a) for any income, war profits, or excess profits taxes paid or accrued (or deemed paid under section 902 or 960) to any foreign jurisdiction if such taxes are with respect to income attributable to periods described in subparagraph (A) with respect to all such jurisdictions.

“(2) TAXES ALLOWED AS A DEDUCTION, ETC.—Sections 275 and 78 shall not apply to any tax which is not a credit allowed under subsection (a) by reason of this subsection.

“(3) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this subsection, including regulations which treat income paid through or by one or more entities as derived from a foreign jurisdiction to which this subsection applies if such income was, without regard to such entities, derived from such jurisdiction.

“(c) EFFECTIVE DATE.—The amendments made by this section shall apply to transfers within the date which is 180 days after the date of the enactment of this Act.

SEC. 509. DEFERRAL OF DUPLICATE RECOGNITION OF UNCOOPERATIVE TAX HAVENS THROUGH LISTING AND REPORTING REQUIREMENTS.

(a) LIMITATION ON DEFERRAL.—(1) Section 6038(c) is amended by striking "and" at the end of paragraph (4), by striking the period at the end of paragraph (4) and inserting "and" and by inserting after paragraph (4) the following new paragraph:

"(5) an amount equal to 20 percent of the amount of such transfer.

(b) CLERICAL AMENDMENT.—Section 6038(c) is amended by striking the period at the end of paragraph (4) and inserting "and"

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to transfers within the date which is 180 days after the date of the enactment of this Act.

SA 2629. Mr. DAYTON (for himself and Mr. SALAZAR) submitted an amendment by striking "and" at the end of paragraph (4), by striking the period at the end of paragraph (4) and inserting "and" and by inserting after paragraph (4) the following new paragraph:

"(6) an amount equal to the applicable fraction (as defined in section 6038(d)(2)(C)) of the income of such corporation other than income which—

"(A) is attributable to earnings and profits of the foreign corporation included in the gross income of a United States person under section 961 (other than by reason of paragraph (3)(A)(1)), or

"(B) is described in subsection (b).

(2) APPLICABLE FRACTION.—Section 961 is amended by adding at the end the following new subsection:

"(1) In General.—For purposes of sections 961, the term ‘applicable fraction’ means—

"(a) the numerator of which is the aggregate identified tax haven income for the taxable year, and

"(b) the denominator of which is the aggregate income for the taxable year which is from sources outside the United States.

"(2) IDENTIFIED TAX HAVEN INCOME.—For purposes of section (1), the term ‘identified tax haven income’ means income for the taxable year which is attributable to a foreign jurisdiction if such jurisdiction has been identified as an uncooperative tax haven under section 6038D(c).

"(3) REGULATIONS.—The Secretary shall prescribe regulations similar to the regulations issued under section 996(c) to carry out the purposes of this subsection.

(b) DENIAL OF FOREIGN TAX CREDIT.—Section 901 (relating to taxes of foreign countries and of possessions of United States) is amended by redesignating subsection (m) as subsection (n) and by inserting after subsection (l) the following new subsection:

‘‘(m) REDUCTION OF FOREIGN Tax CREDIT, ETC., FOR IDENTIFIED TAX HAVEN INCOME.—(1) In General.—Notwithstanding any other provision of this part—

“(A) no credit shall be allowed under subsection (a) for any income, war profits, or excess profits taxes paid or accrued (or deemed paid under section 902 or 960) to any foreign jurisdiction if such taxes are with respect to income attributable to periods described in subparagraph (A) with respect to all such jurisdictions.

“(2) TAXES ALLOWED AS A DEDUCTION, ETC.—Sections 275 and 78 shall not apply to any tax which is not a credit allowed under subsection (a) by reason of this subsection.

“(3) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this subsection, including regulations which treat income paid through or by one or more entities as derived from a foreign jurisdiction to which this subsection applies if such income was, without regard to such entities, derived from such jurisdiction.

“(c) EFFECTIVE DATE.—The amendments made by this section shall apply to transfers within the date which is 180 days after the date of the enactment of this Act.

SEC. 36. CREDIT FOR ENERGY COST ASSISTANCE FOR FARMERS AND RANCHERS.

(a) In General.—Section 901 (relating to the credit for taxes of foreign countries and of possessions of the United States) is amended by redesignating subsection (m) as subsection (n) and by inserting after subsection (l) the following new subsection:

‘‘(m) SPECIAL RULES RELATING TO DUAL CAPACITY TAXPAYERS.—(1) GENERAL RULE.—Notwithstanding any other provision of this chapter, any amount paid or accrued by a dual capacity taxpayer to a foreign country or possession of the United States for any period shall not be considered a tax—

“(A) if, for such period, the foreign country or possession does not impose a generally applicable income tax, or

“(B) to the extent such amount exceeds the amount (determined in accordance with regulations) which—

"(i) is paid by such dual capacity taxpayer pursuant to the generally applicable income tax imposed by the country or possession, or

"(ii) would be paid if the generally applicable income tax imposed by the country or possession were applicable to such dual capacity taxpayer.

"Nothing in this paragraph shall be construed to imply the proper treatment of any such amount not in excess of the amount determined under subparagraph (B).

“(2) DUAL CAPACITY TAXPAYER.—For purposes of this subsection, a taxpayer is a ‘dual capacity taxpayer’ means, with respect to any foreign country or possession of the United States, a person who—

"(A) is subject to a levy of such country or possession, and

"(B) receives (or will receive) directly or indirectly a specific economic benefit (as determined in accordance with regulations) from such country or possession.

“(3) GENERALLY APPLICABLE INCOME TAX.—For purposes of this subsection—

"(A) the term ‘generally applicable income tax’ means an income tax (or a series of income taxes) which is generally imposed under the laws of a foreign country or possession derived from the conduct of a trade or business within such country or possession.
“(B) EXCEPTIONS.—Such term shall not include a tax unless it has substantial application, by its terms and in practice, to—

(i) persons who are not dual capacity taxpayers,

(ii) persons who are citizens or residents of the foreign country or possession

“(B) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall not apply to taxes paid or accrued in taxable years beginning after the date of enactment of this Act.

(2) CONTRARY TREATY OBLIGATIONS UPHeld.—The amendments made by this section shall not apply to the extent contrary to any treaty obligation of the United States.

SEC. 6. ROLES RELATING TO FOREIGN OIL AND GAS INCOME.

(a) SEPARATE BASKET FOR FOREIGN TAX CREDIT.—

(1) YEARS BEFORE 2007.—Paragraph (1) of section 904(d) (relating to separate application of section with respect to certain categories of income), as in effect for years beginning before 2007, is amended by striking “and” at the end of subparagraph (H), by redesignating subparagraph (1) as subparagraph (J), and by inserting after subparagraph (H) the following new subparagraph:

“(I) foreign oil and gas income, and”

(2) 2007 AND AFTER.—Paragraph (1) of section 904(d), as in effect for years beginning after 2006, is amended by redesignating subparagraphs (H) and (I) as subparagraphs (J) and (K), respectively, and by inserting after subparagraph (H) the following new subparagraph:

“(J) foreign oil and gas income.”

(b) DEFINITION.—

(1) YEARS BEFORE 2007.—Paragraph (2) of section 904(d), as in effect for years beginning before 2007, is amended by redesigning subparagraphs (H) and (I) as subparagraphs (J) and (K), respectively, and by inserting after subparagraph (H) the following new subparagraph:

“(K) foreign oil and gas income.—The term ‘foreign oil and gas income’ has the meaning given such term by section 954(e).”

(2) 2007 AND AFTER.—Section 904(d)(2), as in effect for years after 2006, is amended by redesignating subparagraphs (J) and (K) as subparagraphs (L) and (M), respectively, and by inserting after subparagraph (L) the following new subparagraph:

“(M) foreign oil and gas income.—For purposes of this section—

(i) In general.—The term ‘foreign oil and gas income’ has the meaning given such term by section 954(e).

(ii) COORDINATION.—Passive category income and general category income shall not include foreign oil and gas income (as so defined).

(c) CONFORMING AMENDMENTS.—

(1) Section 906(a), as amended by striking “or (E)” and inserting “(E) or (I),”

(2) Section 907(a)(1) is hereby repealed.

(3) Section 907(c)(4) is hereby repealed.

(4) Section 907(h) is hereby repealed.

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by this section shall apply to taxable years beginning after the date of enactment of this Act.

(2) YEARS AFTER 2006.—The amendments made by paragraphs (1)(B) and (2)(B) shall apply to taxable years beginning after December 31, 2006.

(3) TRANSITIONAL RULES.—

(A) SEPARATE BASKET TREATMENT.—Any taxes paid or accrued in taxable years beginning on or before the date of the enactment of this Act, with respect to income which was described in subparagraph (I) of section 904(d)(2), shall be treated as taxes paid or accrued with respect to foreign oil and gas income.

(B) HOSPITALIZATION INCIDENT TO DUTY.—The amendments made by subsection (B) shall not apply to the extent such taxes were paid or accrued with respect to foreign oil and gas income.

(SUBTITLE B—HOSPITALIZATION)

SEC. 411. READY RESERVE—NATIONAL GUARD EMPLOYEE CREDIT ADDED TO GENERAL BUSINESS CREDIT.

(a) READY RESERVE—NATIONAL GUARD CREDIT.—Subpart D of part IV of subchapter A of chapter 1 (relating to business-related credits) is amended by adding at the end the following:

“§ 411. Ready reserve—National Guard employee credit.

(1) GENERAL RULE.—For purposes of section 38, the Ready Reserve-National Guard employee credit determined under this section for any taxable year is an amount equal to 50 percent of the actual compensation amount for such taxable year.

(2) DEFINITION OF ACTUAL COMPENSATION AMOUNT.—For purposes of this section, the term ‘actual compensation amount’ means the amount of compensation paid or incurred by an employer with respect to a Ready Reserve-National Guard employee on any date during a taxable year, when the employee was absent from employment for the purpose of performing qualified active duty.

(c) LIMITATION.—The credit shall be allowed with respect to a Ready Reserve-National Guard employee who performs qualified active duty on any day on which the employee was not scheduled to work (for reason other than to participate in qualified active duty).

(d) DEFINITIONS.—For purposes of this section—

(1) QUALIFIED ACTIVE DUTY.—The term ‘qualified active duty’ means—

(A) active duty, other than the training duty specified in section 10147 of title 30, United States Code (relating to training requirements for the Ready Reserve), or section 502(a) of title 32, United States Code (relating to training requirements for the National Guard), in connection with which an employee is entitled to reemployment rights and other benefits or to a leave of absence from employment under chapter 43 of title 38, United States Code, and

(B) hospitalization incident to such duty.

(2) COMPENSATION.—The term ‘compensation’ means any remuneration paid to the employee by the employer, whether in cash or in kind, which is paid or incurred by a taxpayer and which is deductible from the taxpayer’s gross income under section 162(a).

(3) READY RESERVE—NATIONAL GUARD EMPLOYEE.—The term ‘Ready Reserve-National Guard employee’ means—

(A) a person who is an employee of a Ready Reserve-National Guard unit or National Guard unit, who is on active duty status, and who is performing qualified active duty during the period of such duty

(B) a person who is an employee of a Ready Reserve-National Guard unit or National Guard unit, who is on inactive duty status, who is performing qualified active duty during the period of such duty

(C) a person who is an employee of a Ready Reserve-National Guard unit or National Guard unit, who is on inactive duty status, and who is not performing qualified active duty during the period of such duty

(3) CREDIT.—The Ready Reserve-National Guard employee credit added to the general business credit under section 38 shall be allowed as a credit for the taxable year in which the ready reserve-National Guard employee credit is credited to the taxpayer’s return.
Guard employer’s means an employee who is a member of the Ready Reserve of a reserve component of an Armed Force of the United States as described in sections 10142 and 10141 of title 10, United States Code.

“4) CERTAIN RULES TO APPLY.—Rules similar to the rules of section 52 shall apply."

“5) PORTION OF CREDIT MADE REFUNDABLE.—

“(1) IN GENERAL.—In the case of an eligible employer of a Ready Reserve-National Guard employee who elects to aggregate credits allowed to a taxpayer under subpart C shall be increased by the lesser of—

“(A) the credit which would be allowed under this paragraph without regard to this subsection and the limitation under section 38(c), or

“(B) the amount by which the aggregate amount of credits allowed by this subpart (determined without regard to this subsection) would increase if the limitation imposed by section 38(c) for any taxable year were increased by the amount of employer payroll taxes imposed on the taxpayer during the calendar year in which the taxable year begins.

“The amount of the credit allowed under this subsection shall not be treated as a credit allowed under this subpart and shall reduce the amount of the credit otherwise allowable under subsection (a) without regard to section 38(c).

“(2) ELIGIBLE EMPLOYER.—For purposes of this subsection, the term ‘eligible employer’ means an employer which is a State or local government or subdivision thereof.

“(3) EMPLOYER PAYROLL TAXES.—For purposes of this subsection—

“(A) The term ‘employer payroll taxes’ means the taxes imposed by—

“(i) section 3111(b),

“(ii) sections 3211(a) and 3221(a) (determined without a rate to the rate under section 3111(b)).

“(B) SPECIAL RULE.—A rule similar to the rule of section 24(d)(2)(C) apply for purposes of subparagraph (A)."

“(b) CREDIT TO BE PART OF GENERAL BUSINESS CREDIT.—Section 38(b) (relating to current year business credit) is amended by adding at the end of subsection (a) the following:

“Sec. 45N. Ready Reserve-National Guard self-employed taxpayer. — The term ‘Ready Reserve-National Guard self-employed taxpayer’ means a taxpayer who—

“(1) has net earnings from self-employment (as defined in section 1402(a)) for the taxable year, and

“(2) is a member of the Ready Reserve of a reserve component of an Armed Force of the United States as described in section 10142 and 10141 of title 10, United States Code.

“(c) DENIAL OF DOUBLE BENEFIT.—Section 280C(a) (relating to rule for employment credits) is amended by inserting ‘45N(a),’ after ‘41A(a),’

“(d) CONFORMING AMENDMENT.—The table of sections for part D of part IV of subchapter A of chapter 1 is amended by inserting after section 35 the following:

“Sec. 45N. Ready Reserve-National Guard employee credit.

“(e) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years beginning after the date of the enactment of this Act.

SECTION 412. Ready Reserve-National Guard Replacement Employee Credit.

(a) In General.—Subpart B of part IV of subchapter A of chapter 1 (relating to foreign tax credits) is amended by adding after section 39C the following:

“Sec. 39D. Ready Reserve-National Guard Replacement Employee Credit.

“(a) ALLOWANCE.—

“(1) IN GENERAL.—In the case of an eligible taxpayer, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year a credit equal to 20 percent of wages paid by such employer that are classified in sector 31, 32, or 33 of the North American Industrial Classification System, and

“(ii) the primary business of such person which is engaged in the production of such business that is located in the United States.

“(B) the amount by which the aggregate amount of credits allowable by this subpart (determined without regard to this subsection) would increase if the limitation imposed by section 38(c) for any taxable year were increased by the amount of employer payroll taxes imposed on the taxpayer during the calendar year in which the taxable year begins.

“(2) ELIGIBLE EMPLOYER.—For purposes of this subsection—

“(A) The term ‘eligible employer’ means an employer which is a State or local government or subdivision thereof.

“(B) SPECIAL RULE.—A rule similar to the rule of section 24(d)(2)(C) apply for purposes of subparagraph (A)."

“(c) QUALIFIED REPLACEMENT EMPLOYEE.—

“For purposes of this section—

“(1) IN GENERAL.—The term ‘qualified replacement employee’ means an individual who is eligible to receive a Ready Reserve-National Guard employee or a Ready Reserve-National Guard self-employed taxpayer, but only with respect to the period during which—

“(A) such Ready Reserve-National Guard employee or a Ready Reserve-National Guard self-employed taxpayer is participating in such qualified active duty,

“(B) such Ready Reserve-National Guard self-employed taxpayer is participating in such qualified active duty.

“(2) READY RESERVE-NATIONAL GUARD EMPLOYEE.—The term ‘Ready Reserve-National Guard employee’ has the meaning given such term by section 45N(d)(3).

“(3) READY RESERVE-NATIONAL GUARD SELF-EMPLOYED TAXPAYER.—The term ‘Ready Reserve-National Guard self-employed taxpayer’ means a taxpayer who—

“(A) has net earnings from self-employment (as defined in section 1402(a)) for the taxable year, and

“(B) is a member of the Ready Reserve of a reserve component of an Armed Force of the United States as described in section 10142 and 10141 of title 10, United States Code.

“(d) COORDINATION WITH OTHER CREDITS.—The amount of credit otherwise allowable under section 38 with respect to any employee shall be reduced by the credit allowed by this section with respect to such employee.

“(e) LIMITATIONS.—

“(1) APPLICATION WITH OTHER CREDITS.—The credit allowed under subsection (a) for any taxable year shall not exceed the excess (if any) of—

“(A) the regular tax for the taxable year reduced by the sum of the credits allowable under subpart A and sections 27, 29, and 30, over

“(B) the tentative minimum tax for the taxable year.

“(2) DISALLOWANCE FOR FAILURE TO COMPLY WITH EMPLOYMENT OR REEMPLOYMENT RIGHTS OF MEMBERS OF THE RESERVE COMPONENTS OF THE ARMED FORCES OF THE UNITED STATES.—No credit shall be allowed under subsection (a) to a taxpayer for—

“(A) any taxable year, beginning after the date of the enactment of this section, in which the taxpayer is under a final order of the Secretary of Defense or authorized or required, by a district court of the United States under section 4323 of title 38 of the United States Code with respect to a violation of chapter 43 of such title, and

“(B) the 2 succeeding taxable years.

“(f) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

“(1) ELIGIBLE TAXPAYER.—The term ‘eligible taxpayer’ means a small business employer or a Ready Reserve-National Guard self-employed taxpayer.

“(2) SMALL BUSINESS EMPLOYER.—

“(A) IN GENERAL.—The term ‘small business employer’ means, with respect to any taxable year, any employer who employed an average of 50 or fewer employees on business days during such taxable year.

“(B) CONTROLLED GROUPS.—For purposes of subparagraph (A), persons treated as a single employer under subsection (b), (c), (m), or (o) of section 414 shall be treated as a single employer.

“(3) QUALIFIED ACTIVE DUTY.—The term ‘qualified active duty’ has the meaning given such term by section 45N(d)(1).

“(4) SPECIAL RULES FOR CERTAIN MANUFACTURERS.—

“(A) IN GENERAL.—In the case of any qualified manufacturer—

“(i) subsection (a)(2)(A) shall be applied by substituting ‘$20,000’ for ‘$15,000’,

“(ii) paragraph (2)(A) of this subsection shall be applied by substituting ‘$50’ for ‘$40’.

“(B) QUALIFIED MANUFACTURER.—For purposes of this paragraph, the term ‘qualified manufacturer’ means any person—

“(i) whose primary business of such person is classified in sector 31, 32, or 33 of the North American Industrial Classification System, and

“(ii) all of such person’s facilities which are used for production in such business that are located in the United States.

“(5) CARRYBACK AND FORWARDALLOWED.—

“(A) IN GENERAL.—The credit allowable under subsection (a) for any taxable year exceeds the amount of the limitation under subsection (e)(1) for such taxable year (in this paragraph referred to as the ‘unused credit year’), such excess shall be credit carryback to each of the 3 taxable years preceding the unused credit year and a credit carryforward to each of the 20 taxable years following the unused credit year.

“(B) RULES.—Rules similar to the rules of section 39 shall apply with respect to the credit carryback and credit carryforward under subparagraph (A).

“(6) CERTAIN RULES TO APPLY.—Rules similar to the rules of subsections (c), (d), and (e) of section 32 shall apply.

“(7) DEDUCTION FOR COMPENSATION TAKEN INTO ACCOUNT FOR CREDIT.—Section 280C(a) (relating to rule for employment credits) is amended by inserting ‘38(b)(c),’ after ‘38(b)(1),’

“(d) Clerical Amendment.—The table of sections for part D of part IV of subchapter A of chapter 1 is amended by inserting after the item relating to section 39C the following:

“Sec. 39D. Credit for replacement of active duty. —The term ‘credit for replacement of active duty’ has the meaning given such term by section 45N(d)(1).

“(8) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

SECTION 413. Income Tax Withholding on Differential Payments.

(a) IN GENERAL.—Section 3401 (relating to definitions) is amended by adding at the end the following new subsection:

“Sec. 3401. Credit for replacement of acti

The document contains legislative text related to tax credits and credits for replacement of active duty. It is a part of the United States tax code, specifically dealing with credits for replacement of active duty for members of the Armed Forces and credits for replacement of employment. The text includes provisions for different types of employers and specific rules regarding the calculation and application of these credits. It also discusses the effective dates and application of the amendments made by this section.
“(1) DIFFERENTIAL WAGE PAYMENTS TO ACTIVE DUTY MEMBERS OF THE UNIFORMED SERVICES.—

“(i) In general.—For purposes of section 494(b) of the American Jobs Creation Act of 2004, the term ‘differential wage payment’ means any payment which is the difference between the rate of pay that an individual is performing service in the uniformed services while on active duty for a period of 30 days and the rate of pay (referred to in this paragraph) at which the individual is performing service in the uniformed services while on active duty for a period of 30 days.

“(ii) Represents all or a portion of the wages which the individual is performing service in the uniformed services while on active duty for a period of 30 days.

“(iii) is made by an employer to an individual with respect to any period during which the individual is performing service in the uniformed services while on active duty for a period of 30 days.

“(B) Special Rule for Amendments.—(i) In general.—Notwithstanding special rules relating to veterans’ reemployment rights under USERRA, any differential wage payment shall be treated as compensation, and any arrangement to which section applies shall apply to remuneration paid after December 31, 2005.

“SEC. 411. TREATMENT OF DIFFERENTIAL WAGE PAYMENTS FOR RETIREMENT PLAN PURPOSES.

“(a) Pensions.—(1) In general.—Section 414(u) (relating to special rules relating to veterans’ reemployment rights under USERRA) is amended by adding at the end of the following new paragraph:

“(II) Treatment of differential wage payments.—

“(A) In general.—Except as provided in this paragraph, for purposes of applying this title to a retirement plan to which this section applies,

“(i) an individual receiving a differential wage payment shall be treated as an employee of the employer making the payment,

“(ii) the differential wage payment shall be treated as compensation, and

“(iii) the plan shall not be treated as failing to meet the requirements of any provision described in paragraph (1)(C) by reason of any contribution which is based on the differential wage payment.

“(B) Special Rule for Amendments.—(i) In general.—Notwithstanding paragraphs (A)(i), (A)(ii), and (A)(iii), an individual shall be treated as having been severed from employment with the individual performing service in the uniformed services described in section 3401(1)(B)(A).

“(ii) Limitation.—If an individual elects to receive the compensation described in paragraph (1)(C), the plan shall provide that the individual may not make an elective deferral or employee contribution during the 6-month period beginning on the date of the distribution.

“(C) Nondiscrimination Requirement.—Subparagraph (A)(iii) shall apply only if all employer-provided payments described in the following new paragraph in the uniformed services described in section 3401(1)(2)(A) are entitled to receive differential wage payments on reasonably equivalent terms and, if eligible to participate in a retirement plan maintained by the employer, to make contributions based on the payments. For purposes of applying this subparagraph to paragraphs (3), (4), and (5), of section 414(b) shall apply.

“(D) Differential Wage Payment.—For purposes of this paragraph, the term ‘differential wage payment’ has the meaning given such term by section 3401(1)(2)(A).”

“(2) Conforming Amendment.—The heading for section 414(u) is amended by inserting “AND TO DIFFERENTIAL WAGE PAYMENTS TO MEMBERS ON ACTIVE DUTY” after “USERRA.”

“SEC. 412. DIFFERENTIAL WAGE PAYMENTS TREATED AS COMPENSATION FOR INDIVIDUAL RETIREMENT PLANS.—Section 219(f)(1) (defining commission) is amended by adding at the end of the following new sentence: “The term ‘commission’ includes any differential wage payment (as defined in section 3401(1)(2)).”

“(c) Effective Date.—The amendments made by this section shall apply to plan years beginning after December 31, 2005.

“(d) Provisions Relating to Plan Amendments.—

“(1) In general.—If this subsection applies to any plan or annuity contract amendment which is adopted, the amendments made by this section shall apply to plan years beginning after December 31, 2005.

“(2) Conforming Amendments.—(A) Subparagraph (A)(1) of section 356(b)(2) is amended to read as follows:

“(A)(i) The term ‘disqualified investment income’ means, with respect to any corporation, the affiliated group described in section 1504(a) if such corporation were the common parent of such group, and includes any interest in such corporation identifiable whether a corporation meets the requirements of the preceding sentence, the term ‘disqualified investment income’ means, with respect to any corporation, the affiliated group which would be determined under section 1504(a) if such corporation were the common parent of the affiliated group described in section 1504(a).”

“(B) Control.—For purposes of paragraphs (2)(D), all distributee corporations which are members of the same affiliated group (as defined in section 1504(a)) without regard to section 1504(b) shall be treated as a distributee corporation.

“(2) Modifications to Rules Relating to Taxation of Distributions of Stock and Securities.—Subparagraph (A)(ii) of section 356(b)(2) is amended to read as follows:

“(A)(ii) described on or before such date, or

“(ii) described on or before such date in a public announcement or in a filing with the Securities and Exchange Commission.

“(C) Distributions Involved.—(A) Any distribution which is not to be treated as part of a transaction if—

“(i) the distributing corporation or controlled corporation is a disqualified investment corporation, and

“(B) any person holds, immediately after such date, a 50-percent or greater interest in any disqualified investment corporation, but only if such person did not hold such an interest in such corporation immediately before the transaction.

“(B) Disqualified Investment Corporation.—For purposes of this subsection—
“(A) IN GENERAL.—The term ‘disqualified investment corporation’ means any distributing or controlled corporation if the fair market value of the investment assets of the corporation does not exceed to a greater extent than its fair market value of all assets of the corporation.

(B) INVESTMENT ASSETS.—

(i) In General.—Except as otherwise provided in this subsection, the term ‘investment assets’ means—

(1) any debt instrument or other evidence of indebtedness,

(2) any option, forward or futures contract, notional principal contract, or derivative,

(3) foreign currency, or

(4) any similar asset.

(ii) Exception for assets used in active conduct of certain financial trades or businesses.—Such term shall not include any asset which is held for use in the active and regular conduct of—

(I) a lending or finance business (within the meaning of section 386D(b)(4))

(II) a banking business through a bank (as defined in section 581), a domestic building and loan association (within the meaning of section 581), a state or other regulated by an applicable insurance regulatory body.

This clause shall only apply with respect to any business if substantially all of the income of the business is derived from persons who are not related (within the meaning of section 707(b) or 707(b)(1)) to the person conducting the business.

(iii) Exception for securities marked to market.—Such term shall not include any security (as defined in section 475(c)(2)) which is held by a dealer in securities and to which section 475(a) applies.

(iv) Stock or securities in a 25-percent controlled entity.—

(I) In General.—Such term shall not include any stock and securities in, or any asset described in subsection (IV) or (V) of clause (I) issued by, a corporation which is a 25-percent controlled entity with respect to the distributing or controlled corporation.

(II) LOOK-THRU RULE.—The distributing or controlled corporation shall, for purposes of applying this subsection, be treated as owning its ratable share of the assets of any 25-percent controlled entity.

(III) Exception for related entities.—For purposes of this clause, the term ‘25-percent controlled entity’ means, with respect to any distributing or controlled corporation, any corporation to which the distributing or controlled corporation owns directly or indirectly stock meeting the requirements of section 1566(a)(2), except that such stock shall not be applied by substituting ‘25 percent’ for ‘30 percent’ and without regard to stock described in section 1566(a)(4).

(v) Interests in certain partnerships.—

(I) In General.—Such term shall not include any interest in a partnership, or any debt instrument or other evidence of indebtedness, issued by the partnership, if 1 or more of the trades or businesses of the partnership are—(or, without regard to the 5-year requirement under subsection (b)(2)(B), would be) taken into account by the distributing or controlled corporation, as the case may be, in determining whether the requirements of subsection (b) are met with respect to the distribution.

(ii) Look-Through Rule.—The distributing or controlled corporation shall, for purposes of applying this subsection, be treated as owning its ratable share of the assets of any partnership described in clause (I).

(iii) Attribution rules.—For purposes of this subsection—

(1) In General.—The term ‘50-percent or greater interest’ has the meaning given such term by subsection (d)(4).

(2) Attribution rules.—The rules of section 318 shall apply in determining ownership of stock for purposes of this paragraph.

(4) Transaction.—For purposes of this subsection, the term ‘transaction’ includes a series of transactions.

(5) Regulations.—The Secretary shall prescribe such regulations as may be necessary to carry out, or prevent the avoidance of, the purposes of this subsection, including regulations—

(A) to carry out, or prevent the avoidance of, the purposes of this subsection in cases involving—

(i) the use of related persons, intermediaries, pass-thru entities, options, or other arrangements, and

(ii) the treatment of assets unrelated to the trade or business of a corporation as investment assets if, prior to the distribution, investment assets were used to acquire such unrelated assets,

(3) Exception.—This subparagraph shall not apply with respect to any individual whose adjusted gross income for the taxable year exceeds $1,000,000 ($2,000,000 in the case of a joint return)."

(b) ITEMIZED DEDUCTIONS.—Section 68(f) of such Code is amended by adding at the end the following new clause:

(3) Exception.—This subparagraph shall not apply with respect to any individual whose adjusted gross income for the taxable year exceeds $1,000,000 ($2,000,000 in the case of a joint return).

(c) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years beginning after December 31, 2005.

SA 2635. Mr. SCHUMER (for himself and Mrs. FEINSTEIN) proposed an amendment to the bill S. 20, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006 as follows:

At the appropriate place, insert the following:

SEC. 5. TREATMENT AND SUPPORT SERVICES FOR VETERANS.

Out of any money in the Treasury of the United States not otherwise appropriated, and in addition to any amount otherwise appropriated, there are appropriated $500,000,000 to the Secretary of Veterans Affairs for each of fiscal years 2006 through 2010, to provide veterans suffering from mental illness, post-traumatic stress disorder, or drug or alcohol dependency with—

(1) treatment and rehabilitative counseling and related mental health services under section 1712A of title 38, United States Code; and

(2) treatment and rehabilitative services under section 1704A of title 38.

SEC. 6. ELIMINATION OF THE SCHEDULED PHASE OUT OF THE LIMITATIONS ON PERSONAL SONAL AND ITEMIZED DEDUCTIONS FOR INDIVIDUALS EARNING IN EXCESS OF $100,000.

(a) PERSONAL EXEMPTIONS.—Section 151(d)(3)(E) of the Internal Revenue Code of 1986 is amended by adding at the end the following new clause:

(3) Exception.—This subparagraph shall not apply with respect to any individual whose adjusted gross income for the taxable year exceeds $1,000,000 ($2,000,000 in the case of a joint return)."

(b) ITEMIZED DEDUCTIONS.—Section 68(f) of such Code is amended by adding at the end the following new clause:

(3) Exception.—This subparagraph shall not apply with respect to any individual whose adjusted gross income for the taxable year exceeds $1,000,000 ($2,000,000 in the case of a joint return).

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2005.

(d) APPLICATION OF EGTRRA SUNSET.—The amendments made by this section shall be subject to title IX of the Economic Growth and Tax Relief Reconciliation Act of 2001 to the same extent and in the same manner as the provision of such Act to which such amendment relates.

SA 2635. Mr. SCHUMER (for himself and Mrs. FEINSTEIN) proposed an amendment to the bill S. 20, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006 as follows:

At the end of title IV add the following:

SEC. 410. TEMPORARY WINDFALL PROFIT TAX.

(a) IN GENERAL.—Subtitle E (relating to alcohol, tobacco, and certain other excise taxes) is amended by adding at the end thereof the following new clause:

"Chapter 56—Temporary Windfall Profit Tax on Crude Oil"

"Sec. 5896. Imposition of tax.

"Sec. 5897. Windfall profit tax; etc.

Sec. 5898. Special rules and definitions.

Sec. 5899. Imposition of tax.

(a) In General.—In addition to any other tax imposed under this title, there is hereby
imposed on any applicable taxpayer an ex-
cise tax in an amount equal to 50 percent of
the windfall profit of such taxpayer for any
taxable year beginning in 2005.

(b) ADJUSTED TAXABLE INCOME.—For purposes
of this chapter, with respect to any appli-
cable taxpayer, the adjusted taxable in-
come for any taxable year is equal to the
taxable income for such taxable year (within
the meaning of section 63 and determined
without regard to this subsection)—

(1) increased by any interest expense de-
duction, charitable contribution deduction, and
any net operating loss deduction carried
forward from any prior taxable year, and

(2) reduced by any interest income, divi-
dend income, and net operating losses to the
extent such losses exceed taxable income for
the taxable year.

In the case of any applicable taxpayer which
is a foreign corporation, the adjusted taxable
income shall be determined with respect to
such income which is effectively connected
with the conduct of a trade or business in the
United States.

(c) REASONABLY INFLATED AVERAGE PROF-
IT.—For purposes of this chapter, with re-
spect to any applicable taxpayer, the reason-
ably inflated average profit for any taxable
year is an amount equal to the average of the
adjusted taxable income of such taxpayer
for taxable years beginning during the 2002—
2004 taxable year period plus 10 percent of
such average.

SEC. 5897. WINDFALL PROFIT, ETC.

(a) GENERAL RULE.—For purposes of this
chapter, the term ‘windfall profit’ means the
excess of the adjusted taxable income of the
applicable taxpayer for the taxable year over
the reasonably inflated average profit for
such taxable year.

(b) ADJUSTED TAXABLE INCOME.—For pur-
poses of this chapter, with respect to any appli-
cable taxpayer, the adjusted taxable in-
come for any taxable year is determined by
applying the following new paragraph:

(3) the interest in the contract of each
person other than the applicable exempt or-
ganization arising solely from a security or
collateral interest, and

(II) a principal portion of the death bene-
fits attributable to the insurance contract is
paid to the applicable exempt organization,
or a subsidiary or affiliate wholly owned by
one or more applicable exempt organiza-
tions.

SA 2636. Mr. INFLOFE submitted an amend-
ment intended to be proposed by him to the bill S. 2020, to
provide for reconciliation pursuant to section 202(b) of the
concurrent resolution on the budget for fiscal year 2006; which
was ordered to lie on the table; as fol-
lows:

On page 121, line 4, strike the period at the end and insert—

’’(I) the applicable exempt organization,
or a financing subsidiary or affiliate wholly
owned by one or more applicable exempt or-
ganizations, is the sole owner and bene-

ficiary of the contract,

(II) the interest in the contract of each
person other than the applicable exempt or-

ganization arising solely from a security or
collateral interest, and

(III) a principal portion of the death bene-

fits attributable to the insurance contract is
paid to the applicable exempt organization,
or a subsidiary or affiliate wholly owned by
one or more applicable exempt organiza-
tions.

SA 2637. Mr. COLEMAN (for himself and Mr. PRIOR) submitted an amend-
ment intended to be proposed by him to the bill S. 2020, to
provide for reconciliation pursuant to section 202(b) of the
concurrent resolution on the budget for fiscal year 2006; which
was ordered to lie on the table; as follows:

On page 235, between lines 13 and 14, insert the follow-

SEC. 15. ALTERNATIVE PERCENTAGE LIMITA-
TION FOR CORPORATE CHARITABLE
CONTRIBUTIONS TO THE MATHEM-
ATICS AND SCIENCE PARTNERSHIP
PROGRAM.

(a) IN GENERAL.—Section 170(b) (related
to percentage limitations) is amended by add-
ing at the end the following:

(3) SPECIAL RULE FOR CORPORATE
CONTRIBUTIONS TO THE MATHEM-
ATICS AND SCIENCE PARTNERSHIP
PROGRAM.

(A) IN GENERAL.—In the case of a corpo-
ration which makes an eligible mathematics
and science contribution—

(1) the limitation under paragraph (2)
shall apply separately with respect to all
such contributions and all other charitable
contributions, and

(2) paragraph (2) shall be applied with re-
spect to all eligible mathematics and science
contributions by substituting ‘‘15 percent’’ for
‘‘10 percent’’.

(B) ELIGIBLE MATHEMATICS AND SCIENCE
CONTRIBUTIONS.

(1) IN GENERAL.—For purposes of this
paragraph, the term ‘eligible mathematics
and science contribution’ means a charitable
contribution (other than a contribution of
used equipment) to a qualified partnership
for the purpose of an activity described in
Subsection (a)(3) of the Elementary and Sec-
ondary Education Act of 1965.

(II) QUALIFIED PARTNERSHIP.—The term
‘qualified partnership’ means an eligible partner-
ship (within the meaning of section 2201(b)(1)
of the Elementary and Secondary Education Act of 1965), but only to the ex-
tent that such partnership does not include a
beneficiary other than a person described in para-
graph (1)(A).

(C) TERMINATION.—This paragraph shall
not apply to any contributions made in taxa-
table years beginning after December 31,
2006.

(b) EFFECTIVE DATE.—The amendment
made by this section shall apply to contribu-
tions made in taxable years beginning after
December 31, 2005.

SA 2638. Mr. BUNNING submitted an amend-
ment intended to be proposed by him to the bill S. 2020, to
provide for reconciliation pursuant to section 202(b) of the
concurrent resolution on the budget for fiscal year 2006; which
was ordered to lie on the table; as fol-
lows:

At the end of title IV, insert the following:

SEC. 15. EXEMPTION OF QUALIFIED 501(c)(3)
BONDS ISSUED FROM FEDERAL GUARANTEER
PROHIBITIONS.

(a) IN GENERAL.—Section 149(b)(3) (relat-
ed to exceptions) is amended by adding at the
end the following new subparagraph:

(E) EXCEPTION FOR QUALIFIED 501(c)(3)
BONDS ISSUED FOR NURSING HOMES.

(1) IN GENERAL.—Paragraph (1) shall not ap-
ply to any qualified 501(c)(3) bond issued
before the date which is 1 year after the date
of the enactment of this subparagraph for
the purpose of an activity described in
section 501(c)(3), if such bond is part of an issue
the proceeds of which are used to fi-
nance 1 or more of the following facilities
primarily for the benefit of the elderly:

(1) Licensed nursing home facility.

(2) Licensed personal care facility.

(3) Continuing care retirement commu-
ity.

(4) Controlling care retirement commu-
nty.

(b) LIMITATION.—With respect to any cal-
endar year, clause (i) shall not apply to any
bond described in such clause if the aggre-
gate authorized face amount of the issue of
such bond was issued on or after the date
which is 1 year after the date of the en-
actment of this subparagraph for the
purpose of an activity described in
section 501(c)(3), if such bond is part of
such issue of which is used to finance 1 or
more of the following facilities
primarily for the benefit of the elderly:

(1) Subsidized housing for the elderly:

(2) Continuing care retirement commu-
ity.

(3) Continuing care retirement com-
"
which was ordered to lie on the table; as follows:

Beginning on page 76, strike line 23 and all that follows through page 77, line 2.

SA 2640. Mr. ROCKEFELLER submitted an amendment intended to be proposed by him to the bill S. 2020, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006; which was ordered to lie on the table; as follows:

Beginning on page 76, strike line 24 and all that follows through page 77, line 2, and insert the following:

Section 1397E(d)(2)(B) is amended to read as follows:

"(I) equipment or software for use in the qualified zone academy (including state-of-the-art technology and vocational equipment),

(II) technical assistance in developing curriculum or in training teachers in order to promote appropriate market driven technology in the classroom,

(III) services (but not of the local education agency) as volunteer mentors.

(IV) internships, or other educational opportunities outside the academy for students.

(V) cash, or

(VI) any other tangible or intangible property specified by the eligible local education agency of—

(1) equipment or software for use in the qualified zone academy (including state-of-the-art technology and vocational equipment),

(2) technical assistance in developing curriculum or in training teachers in order to promote appropriate market driven technology in the classroom,

(3) services (but not of the local education agency) as volunteer mentors.

SA 2641. Mr. BINGaman submitted an amendment intended to be proposed by him to the bill S. 2020, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006; which was ordered to lie on the table; as follows:

At the end of title IV add the following:

SEC. ___. MODIFICATIONS OF EFFECTIVE DATES OF LEASING PROVISIONS OF THE AMERICAN JOBS CREATION ACT OF 2004 AND FUNDING OF LIHEAP TRUST FUND.

(a) In General.—Section 849(b) of the American Jobs Creation Act of 2004, as amended by section 553 of this Act, is amended by adding at the end the following new paragraph:

"(3) LEASES TO FOREIGN ENTITIES.—In the case of tax-exempt use property leased to a tax-exempt entity which is a foreign person or entity, the amendments made by this paragraph shall apply to taxable years beginning after December 31, 2004, with respect to leases entered into on or after such date.

(b) LIHEAP TRUST FUND.

(1) IN GENERAL.—Subchapter A of chapter 98 (relating to trust fund code) is amended by adding at the end the following new section:

"SEC. 9511. LOW INCOME HOME ENERGY ASSISTANCE TRUST FUND.

(a) CREATION OF TRUST FUND.—There is established in the Treasury of the United States a trust fund to be known as the 'Low Income Home Energy Assistance Trust Fund,' consisting of amounts appropriated or credited to the Trust Fund as provided in this section or section 9602(b).

(2) TRANSFERS TO TRUST FUND.—There are hereby appropriated to the Low Income Home Energy Assistance Trust Fund amounts equivalent to the increased revenues received in the Treasury as the result of the amendment made by section 406(a) of the Tax Relief Act of 2005.

(c) EXPENDITURES FROM TRUST FUND.—Amounts in the Low Income Home Energy Assistance Trust Fund not to exceed $2,920,000,000 shall be available for fiscal year 2006, as provided by appropriation Acts, to make grants and loans to States to carry out the amendments made by paragraphs (1) and (2) of section 9511.

(d) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

(1) QUALIFIED SMALL EMPLOYER.—(A) IN GENERAL.—The term 'qualified small employer' means any employer which—

(i) provides eligibility for health insurance coverage (after any waiting period (as defined in section 9601(b)(4)) to all qualified employees of the employer, and

(ii) pays at least 70 percent of the cost of such coverage (60 percent in the case of family coverage) for each qualified employee.

(B) TRANSITION RULE FOR NEW PLANS.—(i) IN GENERAL.—If a small employer (or any predecessor) did not provide health insurance coverage to the qualified employees of the employer during the employer’s precongression period, then subparagraph (A) shall be applied to such employer for the first 5 taxable years following such period by substituting ‘50 percent’ for ‘70 percent’ in clause (i) (or for ‘60 percent’ in such clause, in the case of family coverage).

(ii) PERCOMPLETION PERIOD.—For purposes of clause (i), the precompliation periods are—

(I) the period beginning with the small employer’s taxable year preceding its first taxable year beginning after the date of the enactment of this Act, and

(II) the period beginning with the small employer’s taxable year preceding the first taxable year for which the employer meets the requirement of subparagraph (A)(i).

An employer not in existence for any period shall be treated in the same manner as an employer which is in existence and not providing coverage.

(C) SMALL EMPLOYER.—(I) IN GENERAL.—For purposes of this paragraph, the term 'small employer' means, with respect to any calendar year, any employer if such employer employed an average of not less than 2 and not more than 50 qualified employees of the employer on business days in the current calendar year in which such taxable year begins.

(II) EXCEPTIONS FOR SMALL EMPLOYERS.—(A) A small employer shall be treated as one employer for purposes of paragraph (I) if such employer employed an average of not less than 2 and not more than 50 qualified employees of the employer on business days in the current calendar year in which such taxable year begins.

(B) EXCEPTION FOR AMOUNTS PAID UNDER SALARY REDUCTION ARRANGEMENTS.—No amount paid or incurred for health insurance coverage which was not in existence throughout the 1st preceding calendar year, the determination under clause (i) shall be based on the average number of qualified employees of such employer which is reasonably expected such employer will employ on business days in the current calendar year.

(C) QUALIFIED EMPLOYEE HEALTH INSURANCE EXPENSES.—

(1) IN GENERAL.—The term ‘qualified employee health insurance expenses’ means any amount paid by an employer for health insurance coverage to the extent such amount is attributable to coverage provided to any employee while such employee is a qualified employee of the employer.

(2) EXCEPTION FOR AMOUNTS PAID UNDER SALARY REDUCTION ARRANGEMENTS.—No amount paid or incurred for health insurance coverage which was not in existence throughout the 1st preceding calendar year, the determination under clause (i) shall be based on the average number of qualified employees of such employer which is reasonably expected such employer will employ on business days in the current calendar year.

(D) APPLICABLE PERCENTAGE.—For purposes of subparagraph (A), the applicable percentage is equal to—

(I) 50 percent in the case of an employer with less than 26 qualified employees,

(II) 60 percent in the case of an employer with more than 25 but less than 36 qualified employees, and
(C) **HEALTH INSURANCE COVERAGE.**—The term ‘health insurance coverage’ has the meaning given such term by paragraph (1) of section 36B(d) (determined by disregarding the last sentence of paragraph (2) of such section).

(3) **QUALIFIED EMPLOYEE.**—The term ‘qualified employee’ means an employee of an employer with respect to a period, if the employer is not provided health insurance coverage under—

(A) a health plan of the employee’s spouse, or

(B) title XVIII, XIX, or XXI of the Social Security Act.

(C) chapter 17 of title 38, United States Code.

(D) chapter 55 of title 10, United States Code.

(E) chapter 89 of title 5, United States Code.

(F) any other provision of law.

(4) **EMPLOYER.**—The term ‘employer’—

(A) means any individual, with respect to any calendar year, who is reasonably expected to receive at least $5,000 of compensation from the employer during such year.

(B) does not include an employee within the meaning of section 410(c)(1), and

(C) includes a leased employee within the meaning of section 414(n).

(5) **COMPENSATION.**—The term ‘compensation’ means amounts described in section 6051(a)(3).

(6) **CERTAIN RULES MADE APPLICABLE.**—For purposes of this section, rules similar to the rules of section 52 shall apply.

(7) **DENIAL OF DOUBLE BENEFIT.**—No deduction or credit under any other provision of this chapter shall be allowed with respect to qualified employee health insurance expenses taken into account under subsection (a).

(8) **TERMINATION.**—This section shall not apply with respect to any taxable year beginning after December 31, 2006.

(b) **CREDIT TO BE PART OF GENERAL BUSINESS CREDIT.**—Section 38(b) of the Internal Revenue Code of 1986, as amended by this section, shall be added to the current year business credit under section 38(b) of such Code and shall be treated as a credit allowed under subpart D of part IV of subchapter A of such Code.

(2) **QUALIFIED EMPLOYEE.**—For purposes of this section, the term ‘qualified employee’ means, with respect to any month, an individual—

(1) who had a principal residence (as defined in section 121 of the Internal Revenue Code of 1986) in the Hurricane Katrina disaster area (as defined in section 1400N(2) of such Code) on August 28, 2005, and

(2) who performs not less than 80 percent of the employment services for a qualified employer who was being assisted in that manner as of November 14, 2005 (referred to in this section as an ‘eligible victim’), until such time as the Secretary determines that—

(1) the eligible victim has located a habitable home; and

(2) the Director has provided financial assistance to the eligible victim for use in relocating to that home, and the eligible victim has so relocate; and

(3) the eligible victim is able to afford the rent for that home, either with resources of the eligible victim or through the use of assistance payments from the Director (and, in the case of a victim who can afford the rent only through the use of assistance payments, that the Director has provided the assistance payments for a period of at least 90 days).

SA 2643. Ms. LANDRIEU submitted an amendment intended to be proposed by her to the bill S. 2020, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006; which was ordered to lie on the table; as follows:

SEC. 105. HOMELESSNESS PREVENTION.

Notwithstanding any other provision of law, the Director of the Federal Emergency Management Agency (referred to in this section as the ‘Director’) shall not cease to make payments for hotel or motel accommodations, or for other short-term temporary housing, on behalf of a victim of Hurricane Katrina or Hurricane Rita who was being assisted in that manner as of November 14, 2005 (referred to in this section as an ‘eligible victim’), until such time as the Director determines that—

(1) the eligible victim has located a habitable home;

(2) the Director has provided financial assistance to the eligible victim for use in relocating to that home, and the eligible victim has so relocated; and

(3) the eligible victim is able to afford the rent for that home, either with resources of the eligible victim or through the use of assistance payments from the Director (and, in the case of a victim who can afford the rent only through the use of assistance payments, that the Director has provided the assistance payments for a period of at least 90 days).

SEC. 106. SENSE OF THE SENATE.

It is the sense of the Senate that Congress should develop and provide funding for solutions necessary to address the lack of supply of affordable housing in areas devastated by Hurricane Katrina and Hurricane Rita.
(a) In General.—Subsection (a) of section 142 (relating to exempt facility bond) is amended by striking “or” at the end of paragraph (14), by striking the period at the end of paragraph (15), and—
(a) Certification.—The term ‘qualified weatherization assistance expenses’ means—
(A) with respect to the first 5 taxable years ending after the date of enactment of this section, the weatherization assistance expenses for each such year, and
(B) with respect to a taxable year after the fifth taxable year ending after the date of enactment of this section, the excess (if any) of the weatherization assistance expenses for such weatherization assistance expenses for the fifth taxable year preceding such year.
(3) Utility.—The term ‘utility’ means a corporation engaged in the sale of electric energy or gas and is described in section 7701(a)(33)(A).
(4) STATE WEATHERIZATION AGENCY.—The term ‘State weatherization agency’ means the department, agency, board, or other entity of a State that is authorized by such State to administer the weatherization program described in section 415 of the Energy Conservation and Production Act (42 U.S.C. 6865).
(c) Regulations.—The Secretary shall prescribe regulations necessary to carry out the purposes of this section.
(b) Credit Treated as Part of General Business Credit.—(1) in section 45N of the Internal Revenue Code of 1986, as amended by this Act, and by inserting “a research consortium”,
(b) APPLICABLE PENALTY.—For purposes of this section, the term ‘applicable penalty’ means any penalty, addition to tax, or fine imposed under chapter 68 of the Internal Revenue Code of 1986.
(c) EFFECTIVE DATE.—The provisions of this section shall apply to interest, penalties, additions to tax, and fines with respect to any taxable year if, as of the date of the enactment of this Act, the assessment of any tax, penalty, or interest with respect to such taxable year is not prevented by the operation of any law or rule of law.
On page 301, between lines 10 and 11, insert the following:
(c) EFFECTIVE DATE.—The provisions of this section shall apply to interest, penalties, additions to tax, and fines with respect to any taxable year if, as of the date of the enactment of this Act, the assessment of any tax, penalty, or interest with respect to such taxable year is not prevented by the operation of any law or rule of law.
On page 320, in the table following line 17, strike all that follows:
(6) the weatherization assistance credit determined under subsection 45N(a).
(2) by striking “and inserting after such paragraph (26) the following new paragraph:
(27) the weatherization assistance credit determined under section 45N(a).
(c) CONFORMING AMENDMENT.—The table of sections for Subpart D of Part IV of chapter A (relating to business related credits) is amended by adding after the item relating to section 45M the following new item:
“45N. Weatherization assistance credit.”
(d) EFFECTIVE DATE.—The amendments made by this section apply to weatherization assistance expenses (within the meaning of section 45N of the Internal Revenue Code of 1986) paid or incurred in taxable years ending after the date of enactment of this Act.
SEC. 5. WEATHERIZATION ASSISTANCE CREDIT.—
(a) IN GENERAL.—Subpart D of Part IV of subsection A of chapter I (relating to business related credits) is amended by inserting after section 45M the following new section:
“45N. Weatherization assistance credit.—
(A) paid by the taxpayer—
(i) to an entity that is described in section 415(b)(2) of the Energy Conservation and Production Act (42 U.S.C. 6865(b)(2)), that receives funds from the Department of Energy Weatherization Assistance Program as such an entity, and that uses the taxpayer’s amount for the weatherization assistance expenses of low-income individuals for purposes of section 415(a)(2) of the Energy Conservation and Production Act (42 U.S.C. 6865(a)(2)), as administered by the Department of Energy, or
(ii) to a State weatherization agency for use by such agency in its program that enhances State Department of Energy agency’s program described in subparagraph (A)(i) or to such agency described in subparagraph (A)(ii).
(B) certified by the taxpayer to a State weatherization agency as paid to one or more entities described in subparagraph (A)(i) or to such agency described in subparagraph (A)(ii).
SEC. 405. EXCLUSION OF CERTAIN AMOUNTS FROM INCOME FOR PURPOSES OF ELIGIBILITY FOR FEDERAELY ASSISTED LOW-INCOME HOUSING PROGRAMS.

The Department of Housing and Urban Development Act (42 U.S.C. 3537a) is amended by inserting after section 12 the following new section:

"SEC. 13. EXCLUSION OF CERTAIN AMOUNTS FROM INCOME.

"(a) In General.—Notwithstanding any other provision of law, amounts received by a member of the Armed Forces under section 403 of the United States Code, as a basic allowance for housing may not be treated as income for purposes of determining, for purposes of any program of the Department of Housing and Urban Development (unless a request is made by such member for the receipt of rental assistance under any such program to be treated as such income) or any other agency of the Federal Government for housing assistance (including any program for grants, loans, subsidies, advances, guarantees, credits, tax-exempt bonds, or other financial assistance), the eligibility of the member or the member’s family, or a dependent of the member or such dependent’s family, for—

"(1) assistance under such program; or

"(2) occupancy in any dwelling unit in any building or project for which assistance under such program is provided.

"(B) application of this subsection shall be limited to 1 family, or a dependent of the member or such dependent’s family directly; or

"(C) to the owner of such building or project.

"(b) Opt Out.—Each State housing authority may, without penalty, determine if it will provide the exclusion described in subsection (a) to members of the Armed Forces.

SA 2649. Mr. MARTINEZ (for himself and Mr. NELSON of Florida) submitted an amendment intended to be proposed by him to the bill S. 2020, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006; which was ordered to lie on the table; as follows:

On page 65, line 23, strike "or Mississippi", and insert "Mississippi, Florida, or Texas"

SA 2650. Mr. FEINGOLD (for himself, Mr. CONRAD, Mr. CHAFEE, Mr. OBAMA, and Mr. SALAZAR) proposed an amendment to the bill S. 2020, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006; as follows:

At the appropriate place, insert the following:

"SEC. 405. PAY-FOR-YOU-GO POINT OF ORDER IN THE SENATE.

"(a) Point of Order.—

"(1) In General.—It shall not be in order in the Senate to consider any direct spending or revenue legislation that would increase the on-budget deficit or cause an on-budget deficit for any 1 of the applicable time periods as measured in paragraphs (5) and (6).

"(2) Applicable Time Periods.—For purposes of this subsection, the term "applicable time period" means any 1 of the 3 following periods:

"(A) the first fiscal year covered by the most recently adopted concurrent resolution on the budget.

"(B) The period of the first 5 fiscal years covered by the most recently adopted concurrent resolution on the budget.

"(C) The period of the 5 fiscal years following the first year covered by the most recently adopted concurrent resolution on the budget.

"(3) Direct-Spending Legislation.—For purposes of this subsection and except as provided in paragraph (4), the term "direct-spending legislation" means any bill, joint resolution, amendment, motion, or conference report that affects direct spending as that term is defined by, and interpreted for purposes of, the Balanced Budget and Emergency Deficit Control Act of 1985.

"(4) Exclusion.—For purposes of this subsection, the terms "direct-spending legislation" and "revenue legislation" do not include—

"(A) any concurrent resolution on the budget; or

"(B) any provision of legislation that affects the full funding of, and continuation of, the deposit insurance guarantee commitment in effect on the date of enactment of the Budget Enforcement Act of 1990.

"(5) Baseline.—Estimates prepared pursuant to this section—

"(A) use the baseline surplus or deficit used for the most recently adopted concurrent resolution on the budget; and

"(B) be calculated under the requirements of subsections (b) through (d) of section 257 of the Balanced Budget and Emergency Deficit Control Act of 1985 for fiscal years beyond those covered by that concurrent resolution on the budget.

"(6) Prior Surplus.—If direct spending or revenue legislation increases the on-budget deficit or causes an on-budget deficit which such amendment relates.

"(7) Waiver.—This section may be waived or suspended by the affirmative vote of 2/3 of the Members, duly chosen and sworn.

"(c) Appeals.—Appeals in the Senate from the decisions of the Chair relating to provisions of this section shall be subject to title IX of the Emergency and Supplementary Appropriations Act of 2001 to the same extent and in the same manner as the provision of such Act to which such amendment relates.

SA 2653. Mr. BAUCUS (for Mr. REID (for himself, Mr. KERRY, Mr. LAUTENBERG, Ms. SNOWE, Mr. SALAZAR, Mr. BINGAMAN, Mr. JEFFORDS, Mr. BAYH, Mrs. CLINTON, Mr. HARKIN, Mrs. FEINSTEIN, and Ms. COLLINS)) proposed an amendment to the bill S. 2020, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006; which was ordered to lie on the table; as follows:

At the end of title IV, add the following:

"SEC. 410. REPEAL OF STATE AND LOCAL TAX EXEMPTION FOR FANNE Mae AND FREDDIE MAC.

"(a) Fannie Mae.—Section 309(c) of the Federal National Mortgage Association Charter Act (12 U.S.C. 1723a(c)) is amended to read as follows:

"(c) (Repealed).

"(b) FREDDIE MAC.—Section 303(e) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1452(e)) is amended to read as follows:

"(c) (Repealed).

SA 2652. Mrs. LINCOLN (for herself, Ms. SNOWE, Mr. OBAMA, and Mr. ROCKEFELLER) submitted an amendment intended to be proposed by her to the bill S. 2020, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006; as follows:

At the end of title IV, add the following:

"SEC. 411. EXTENSION OF ENERGY EFFICIENT COMMERCIAL BUILDINGS DEDUCTION THROUGH 2010.

"(a) Mr. ROCKEFELLER submitted an amendment intended to be proposed by him to the bill S. 2020, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006; which was ordered to lie on the table; as follows:

At the end of title IV, add the following:

"SEC. 412. EXTENSION OF RENEWABLE ENERGY INVESTMENT TAX CREDIT THROUGH 2010.

"(a) Mr. BAYH submitted an amendment intended to be proposed by him to the bill S. 2020, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006; which was ordered to lie on the table; as follows:

At the end of title IV, add the following:

"SEC. 414. EXTENSION OF ENERGY EFFICIENT COMMERCIAL BUILDINGS DEDUCTION THROUGH 2010.

"(a) Section 179D(b) (relating to termination) is amended by striking "2007" and inserting "2010".
SEC. 415. EXTENSION OF NEW ENERGY EFFICIENT HOME CREDIT THROUGH 2010.

Section 45L(g) (relating to termination) is amended by striking “2007” and inserting “2010.”

SEC. 416. EXTENSION OF RESIDENTIAL RENEWABLE ENERGY EFFICIENT PROPERTY CREDIT THROUGH 2010.

Section 25D(g) is amended to read as follows:

“(a) TERMINATION. The credits allowed under this subsection shall not apply to—

(1) property described in paragraph (1) or (2) of subsection (d) placed in service before December 31, 2010, and

(2) property described in subsection (d)(3) placed in service after December 31, 2007.”

SEC. 417. EXTENSION OF NONBUSINESS ENERGY PROPERTY CREDIT THROUGH 2010.

Section 25C(g) (relating to termination) is amended by striking “2007” and inserting “2010.”


(a) In General.—Section 849(b) of the American Jobs Creation Act of 2004 is amended by adding at the end the following new paragraph:

“(5) LEASED TO FOREIGN ENTITIES.—In the case of tax-exempt use property leased to a tax-exempt entity which is a foreign person or entity, the amendments made by this part shall apply to taxable years beginning after December 31, 2004, with respect to leases entered into on or before March 12, 2004.”

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the enactment of the American Jobs Creation Act of 2004.

SA 2654. Mr. GRASSLEY proposed an amendment to the bill S. 2020, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006; as follows:

At the end of title IV, add the following:

SEC. ____ . SENSE OF THE SENATE.

(a) FINDINGS.—The Senate makes the following findings:

(1) As many as 41,000,000 Americans are estimated to lack health insurance during the course of the year, many of whom are uninsured for a short period of time while a smaller number face longer periods without coverage.

(2) Rising health care costs contribute to the problem of the uninsured and make it more difficult to find a simple solution to make health care affordable.

(3) There is not a one-size fits all solution to address health care coverage issues.

(4) Businesses competing need for their resources, including investments to ensure their competitiveness and providing health care coverage for their employees and dependents.

(5) Lower tax rates on dividends and capital gains saved 24,000,000 families an average of nearly $950 on their 2004 taxes, including about 7,000,000 seniors who saved, on average, $1,230 each.

(6) These pro-growth tax cuts have spurred economic development and job creation and have been partly responsible for an increase in tax receipts.

(7) Of the more than 30,000,000 tax returns that included dividend income, those with adjusted gross income of less than $75,000 accounted for 64 percent, or over 19,000,000 of such returns.

(8) Of the nearly 23,000,000 tax returns that included capital gains, 62 percent of these returns, or about 14,000,000, had less than $75,000 in adjusted gross income.

(9) Allowing taxes to increase will make it harder for employers and individuals to afford health care insurance, leading to more individuals without health insurance.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the Senate should—

(1) prevent an increase in taxes on millions of Americans by not allowing the tax policy enacted in 2003 to expire; and

(2) extend tax policies that have proven to enhance economic growth, create jobs, and improve business’ and individuals ability to afford health insurance coverage; and

(3) address the multiple aspects of our Nation’s health care crisis, including the need to make health care more affordable, to expand health coverage, and to strengthen the health care safety net by—

(A) promoting the use of health care technology, which will help reduce medical errors that contribute to higher costs and promote greater efficiency in care delivery;

(B) providing new financial assistance and tax credits to make health insurance more affordable;

(C) creating financial incentives for young adults to purchase lifetime, portable health insurance;

(D) expanding health insurance coverage options for low-income entrepreneurs and self-employed individuals.

(E) increasing access to specialty care within the health care safety net by providing a tax deduction to physician specialists who provide care for patients referred from health care safety net providers;

(F) reducing regulatory burdens on health care safety net providers that lead to higher administrative costs and a diversion of funds that could be spent on patient care; and

(G) improving efforts to maximize participation of eligible beneficiaries in Federal health care safety net programs.

SA 2655. Mr. CRAIG (for himself and Mr. ROCKEFELLER) submitted an amendment intended to be proposed by him to the bill S. 2020, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006; as follows:

At the appropriate place, insert the following:

SEC. ____ . SENSE OF CONGRESS REGARDING DOHA ROUND.

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

(1) Members of the World Trade Organization (WTO) have failed in a round of trade negotiations known as the Doha Development Agenda (Doha Round).

(2) The Doha Round includes negotiations aimed at clarifying and improving disciplines under the Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994 (Antidumping Agreement), Agreement on Subsidies and Countervailing Measures (Subsidies Agreement).

(3) The WTO Ministerial Declaration adopted on November 14, 2001 (WTO Paper No. WT/MIN(01/DEC1) specifically provides that the Doha Round negotiations are to preserve the “basic concepts, principles and effectiveness” of the Antidumping Agreement and the Subsidies Agreement.

(4) In section 2102(b)(14)(A) of the Bipartisan Trade Promotion Authority Act of 2002, the Congress mandated that the principal negotiating objective of the United States with respect to trade remedy laws was to “preserve the ability of the United States to enforce its trade laws” and avoid agreements that lessen the effectiveness of domestic and international disciplines on unfair trade, especially dumping and subsidies;”.

(5) The countries that have been the most persistent and egregious violators of international trade laws have been those that have not been willing to take action under the Antidumping Agreement and the Subsidies Agreement to pressures to make cumulative trade remedy laws and practices, including mandating that unfair trade orders terminate after a set number of years even if unfair trade and injury are likely to recur.

(6) Chronic violators of fair trade disciplines have put forward proposals that would substantially liberalize existing trade remedy laws and practices, including mandating that unfair trade orders terminate after a set number of years even if unfair trade and injury are likely to recur.

(7) United States trade remedy laws have already been significantly weakened by numerous unjust and activist WTO dispute settlement decisions which have created new obligations to which the United States never agreed.

(8) Trade remedy laws remain a critical resource for American manufacturers, agricultural producers, and aquacultural producers in responding to closed foreign markets, subsidized imports, and other forms of unfair trade, particularly in the context of the challenges currently faced by these vital sectors of the United States economy.

(9) The United States had a current account trade deficit of approximately $568,000,000,000 in 2004, including a trade deficit of almost $162,000,000,000 with China alone, as well as a trade deficit of $40,000,000,000 in advanced technology.

(10) United States manufacturers have lost over 3,500,000 jobs since June 2000, and United States manufacturing, employment is currently at its lowest level since 1950.

(11) Many industries critical to United States national security are at severe risk from unfair foreign competition.

(12) The Congress strongly believes that the proposals put forward by countries seeking to undermine trade remedy disciplines in the Doha Round would harm the United States economy, including significant job losses and trade disadvantages.

(b) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) The United States should not be a signatory to any agreement or protocol with respect to the Doha Development Round of the World Trade Organization negotiations, or any other bilateral or multilateral trade negotiations, that—

(A) adopts any proposal to lessen the effectiveness of domestic and international disciplines on unfair trade or safeguard provisions, including proposals—

(i) mandating that unfair trade orders terminate after a set number of years even if unfair trade and injury is likely to recur; or

(ii) mandating that trade remedy duties reflect less than the full margin of dumping or subsidization;

(B) mandating higher de minimis levels of unfair trade; or

(iv) making cumulation of the effects of imports from multiple countries more difficult in unfair trade investigations, outlaws the critical practice of “zeroing” in antidumping investigations, mandating that United States tax policy, or any other provision that make it more difficult to prove injury.

(7) United States trade remedy laws have already been significantly weakened by numerous unjust and activist WTO dispute settlement decisions which have created new obligations to which the United States never agreed.

(8) Trade remedy laws remain a critical resource for American manufacturers, agricultural producers, and aquacultural producers in responding to closed foreign markets, subsidized imports, and other forms of unfair trade, particularly in the context of the challenges currently faced by these vital sectors of the United States economy.

(9) The United States had a current account trade deficit of approximately $568,000,000,000 in 2004, including a trade deficit of almost $162,000,000,000 with China alone, as well as a trade deficit of $40,000,000,000 in advanced technology.

(10) United States manufacturers have lost over 3,500,000 jobs since June 2000, and United States manufacturing, employment is currently at its lowest level since 1950.

(11) Many industries critical to United States national security are at severe risk from unfair foreign competition.

(12) The Congress strongly believes that the proposals put forward by countries seeking to undermine trade remedy disciplines in the Doha Round would harm the United States economy, including significant job losses and trade disadvantages.

(b) SENSE OF CONGRESS.—It is the sense of Congress that—

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(A) adopts any proposal to lessen the effectiveness of domestic and international disciplines on unfair trade or safeguard provisions, including proposals—

(i) mandating that unfair trade orders terminate after a set number of years even if unfair trade and injury is likely to recur; or

(ii) mandating that trade remedy duties reflect less than the full margin of dumping or subsidization;

(B) mandating higher de minimis levels of unfair trade; and

(iv) making cumulation of the effects of imports from multiple countries more difficult in unfair trade investigations, outlaws the critical practice of “zeroing” in antidumping investigations; or
mandating the weighing of causes or other provisions making it more difficult to prove injury in unfair trade cases; and

(b) would lessen in any manner the ability of the United States to enforce vigorously its trade laws, including the antidumping, countervailing duty, and safeguard laws;

(2) the United States trade laws and international disciplines are necessary to safeguard the public interest by offsetting injuries to unfair trade, and that further "balancing modifications" or other similar provisions are unnecessary and would interfere with the complexity and difficulty of achieving relief against injurious unfair trade practices; and

(3) the United States should ensure that any modification to international disciplines on unfair trade or safeguard provisions fully rectifies and corrects decisions by WTO dispute settlement panels or the Appellate Body that have unjustifiably and negatively impacted, United States law or practice, including a law or practice with respect to foreign dumping or subsidization.

SA 2656. Ms. SNOWE (for herself and Ms. COLLINS) submitted an amendment in the nature of a motion to strike the following:

Section 907—In section 907(f) of the Energy Policy Act of 1992 (42 U.S.C. 8242d, as in effect for calendar years beginning on or after February 14, 2003, and calendar years beginning on or after the date of enactment of this Act)...

SEC. 2. INCREASED LIHEAP FUNDING FOR 2006.

Notwithstanding any other provision of law, no tax imposed by the LUMBIA Employment, Health, and Income Assistance Act of 1992 (42 U.S.C. 8248 et seq.),...
SA 2657. Mr. ROCKEFELLER (for himself, Mr. HATCH, Mr. BOND, Ms. MIKULSKI, Mr. LOTT, Ms. SNOWE, and Mrs. FEINSTEIN) submitted an amendment intended to be proposed by him to the bill S. 2020, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006; which was ordered to lie on the table; as follows:

At the end of title IV, insert the following:

SECTION. EXCLUSION OF GAIN FROM SALE OF A PRINCIPAL RESIDENCE

(a) In General.—Subparagraph (A) of section 121(d)(9) (relating to exclusion of gain from sale of principal residence) is amended by striking "" and all that follows and inserting ""—

""(i) as a member of the uniformed services,

""(ii) as a member of the Foreign Service of the United States, or

""(iii) as an employee of the intelligence community.

(b) Employee of Intelligence Community Defined.—Subparagraph (C) of section 121(d)(9) is amended by redesignating clause (iv) as clause (v) and by inserting after clause (v) the following new clause:

""(iv) Employee of Intelligence Community.—The term ‘employee of the intelligence community’ means an employee (as defined by section 2105 of title 5, United States Code) of—

""(I) the Office of the Director of National Intelligence,

""(II) the Central Intelligence Agency,

""(III) the National Security Agency,

""(IV) the Defense Intelligence Agency,

""(V) the National Geospatial-Intelligence Agency,

""(VI) the National Reconnaissance Office,

""(VII) any other office within the Department of Defense for the collection of specialized intelligence through reconnaissance programs,

""(VIII) any of the intelligence elements of the Army, the Navy, the Air Force, the Marine Corps, the Federal Bureau of Investigation, the Department of Treasury, the Department of Energy, and the Coast Guard,

""(IX) the Bureau of Intelligence and Research of the Central Intelligence Agency, and

""(X) any of the elements of the Department of Homeland Security concerned with the analyses of foreign intelligence information.

(c) Special Rule.—Subparagraph (C) of section 121(d)(9), as amended by subsection (b), is amended by adding at the end the following:—

""(VI) Special Rule Relating to Intelligence Community.—An employee of the intelligence community shall not be treated as serving on qualified extended duty unless—

""(I) for purposes of such duty such employee has moved from 1 duty station to another; and

""(II) at least 1 of such duty stations is located outside of the Washington, District of Columbia, and Baltimore metropolitan statistical area (as defined by the Secretary of Commerce)."

(d) Conforming Amendment.—The heading for section 121(d)(9) is amended to read as follows:

""(I) Uniformed Services, Foreign Service, and Intelligence Community"

(e) Effective Date; Special Rule.—(1) Effective amendments made by this section shall take effect as if included in the amendments made by section 312 of the Taxpayer Relief Act of 1997.

(2) WAIVER OF LIMITATIONS.—If refund or credit of any overpayment of tax resulting from the amendments made by this section is prevented at any time before the close of the 1-year period beginning on the date of the enactment of this Act by operation of any law or rule of law (including res judicata), such refund or credit may nevertheless be made or allowed hereafter if filed before the close of such period.

SA 2658. Mr. DAYTON submitted an amendment intended to be proposed by him to the bill S. 2020, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006; as follows:

At the end of the bill add the following:

SECTION. VALUATION OF EMPLOYEE PERSONAL USE OF NONCOMMERCIAL AIRCRAFT

(a) In General.—For purposes of Federal income tax inclusion, the value of any employee personal use of noncommercial aircraft shall equal the excess (if any) of—

(1) greater of—

""(A) the fair market value of such use, or

""(B) the actual cost of such use (including all fixed and variable costs), over

(2) any amount paid by or on behalf of such employee for such use.

(b) Effective Date.—Subsection (a) shall apply to—

SA 2659. Mr. LATTENBERG submitted an amendment intended to be proposed by him to the bill S. 2020, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. 4. SENSE OF THE SENATE REGARDING TESTIMONY OF CERTAIN OIL COMPANY EXECUTIVES.

(a) FINDINGS.—The Senate makes the following findings:—

(1) On November 9, 2005, the Senate Committee on Energy and Natural Resources and the Senate Committee on Commerce, Science, and Transportation held a joint hearing on ‘Energy Pricing and Profits’.

(2) The chief executive officers of the 5 largest oil companies appeared as witnesses at the joint hearing on ‘Energy Prices and Profits’

(3) Section 1001 of title 18, United States Code, prohibits any ‘materially false, fictitious, or fraudulent statement or representation’ at a Senate hearing.

(4) A White House document obtained by The Washington Post contradicts the testimony of some witnesses.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the Attorney General of the United States should promptly begin an investigation to determine whether the testimony given by any of the oil company executives at the November 9, 2005, joint hearing referred to in subsection section 1001 of title 18, United States Code, or other applicable statutes.

SA 2660. Mr. DODD (for himself and Ms. MIKULSKI) submitted an amendment intended to be proposed by him to the bill S. 2020, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006; which was ordered to lie on the table; as follows:

At the end of title IV, add the following:

SEC. 405. MODIFICATION OF TAX RATES ON CAPITAL GAINS AND DIVIDENDS FOR INDIVIDUALS WITH $1,000,000 OR MORE OF TAXABLE INCOME.

(a) Modification of Tax Rates on Capital Gains and Dividends for Individuals with $1,000,000 or More of Taxable Income.—

(1) In General.—Section 1(h) is amended by adding at the end the following paragraph:

‘‘(12) MODIFIED RATES FOR INDIVIDUALS WITH $1,000,000 OR MORE OF TAXABLE INCOME.—If a taxpayer has taxable income of $1,000,000 or more for any taxable year—

‘‘(A) paragraph (11) (relating to dividends taxed as capital gain) shall not apply to any qualified dividend income of the taxpayer for the taxable year, and

‘‘(B) paragraph (1)(C) shall be applied by substituting 20 percent for 15 percent with respect to the adjusted net capital gain of the taxpayer for the taxable year, determined by only taking into account gain or loss properly allocable to the portion of the taxable year after December 31, 2005.’’

(2) Application to Minimum Tax.—Section 55(b)(3) is amended by adding at the end the following new sentence: ‘‘In the case of a taxpayer with alternative minimum taxable income of $1,000,000 or more for any taxable year, the rules of section 1(h)(12) shall apply for purposes of this paragraph.’’

(b) Effective Dates.—(1) Capital Gains.—Section 1(h)(12)(B) of the Internal Revenue Code of 1986 (as added by paragraph (1)) shall apply to taxable years beginning after December 31, 2005.

(2) Dividend Rates.—Section 1(h)(12)(A) of such Code (as added by paragraph (1)) shall apply to dividends received after December 31, 2005.

(3) Application of JGTRRA Sunset.—The amendment made by this subsection shall be subject to section 303 of the Jobs and Growth Tax Relief Reconciliation Act of 2003 to the same extent and in the same manner as the provision of such Act to which such amendment relates.

(c) Dedication of Resulting Revenues.—(1) NO CHILD LEFT BEHIND TRUST FUND.—Subchapter A of chapter 98 (relating to trust funds) is amended by adding at the end the following new section:

‘‘SEC. 9511. NO CHILD LEFT BEHIND TRUST FUND.

‘‘(a) Creation of Trust Fund.—There is established in the Treasury of the United States a trust fund to be known as the ‘No Child Left Behind Trust Fund’, consisting of any amount appropriated or credited to the Fund as provided in this section or section 9602(b).

‘‘(b) Transfers to Trust Fund.—There are hereby appropriated to the No Child Left Behind Trust Fund the following amounts equivalent to the increased revenues received in the Treasury as the result of the amendment made by section 405(a) of the Tax Relief Act of 2004:—

‘‘(1) In the case of fiscal year 2006, $4,085,000,000.00—’’
her to the bill S. 2020, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006; which was ordered to lie on the table; as follows:

SEC. 405. PENALTY FOR PROMOTING ABUSIVE TAX SHELTERS.

(a) PENALTY FOR PROMOTING ABUSIVE TAX SHELTERS.—Section 6701 (relating to promoting abusive tax shelters, etc.) is amended—

(1) by redesignating subsections (b) and (c) as subsections (c) and (d), respectively;

(2) by striking "a penalty" and all that follows through the period in the first sentence of subsection (a) and inserting "a penalty determined under paragraph (1) and";

(3) by inserting after subsection (a) the following new subsection:

"(b) AMOUNT OF PENALTY; CALCULATION OF PENALTY.—The amount of the penalty imposed by subsection (a) shall not exceed the greater of—

(A) 100 percent of the gross income derived (or to be derived) from such activity by the person or persons subject to such penalty, and

(B) if readily subject to calculation, the total amount of underpayment by the taxpayer (including penalties, interest, and taxes) in connection with the understate-

ment of the liability for tax.

(2) CALCULATION OF PENALTY.—The penalty amount determined under paragraph (1) shall be calculated with respect to each instance of aid, assistance, procurement, or advice provided by the person or persons subject to such penalty, and each person who made such an understate-

ment of the liability for tax.

(3) LIABILITY FOR PENALTY.—If more than 1 person is liable under subsection (a) with respect to providing such aid, assistance, procurement, or advice, all such persons shall be jointly and severally liable for the penalty under such subsection.

(c) PENALTIES NOT DEDUCTIBLE.—Section 6701 is amended by adding at the end the following new subsection:

"(c) PENALTIES NOT DEDUCTIBLE.—The payment of any penalty imposed under section 6701 or the payment of any amount to settle or avoid the imposition of such penalty shall not be considered an ordinary and necessary expense in carrying on a trade or business for purposes of this title and shall not be de-

ductible by the person who is subject to such penalty or who makes such payment.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to activities after the date of the enactment of this Act.

SEC. 505. PENALTY FOR AIDING AND ABETTING THE UNDERSTATEMENT OF TAX LIABILITY.

(a) IN GENERAL.—Section 6701(a) (relating to imposition of penalty) is amended—

(1) by inserting "aid, assistance, procure-

ment, or advice with respect to such" before "portion" both places it appears in para-

graphs (2) and (3), and

(2) by inserting "instance of aid, assist-

ance, procurement, or advice or each such" before "document" in the matter following paragraph (3).

(b) AMOUNT OF PENALTY.—Subsection (b) of section 6701 (relating to penalties for aiding and abetting the understate-

ment of tax liability) is amended to read as follows:

"(b) AMOUNT OF PENALTY; CALCULATION OF PENALTY; LIABILITY FOR PENALTY.—

(1) AMOUNT OF PENALTY.—The amount of the penalty imposed by subsection (a) shall not exceed the greater of—

(A) 100 percent of the gross income derived (or to be derived) from such aid, assistance, procurement, or advice provided by the person or persons subject to such penalty, and

(B) if readily subject to calculation, the total amount of underpayment by the taxpayer (including penalties, interest, and taxes) in connection with the understate-

ment of the liability for tax.

(2) LIABILITY FOR PENALTY.—If more than 1 person is liable under subsection (a) with respect to providing such aid, assistance, procurement, or advice, all such persons shall be jointly and severally liable for the penalty under such subsection.

(c) PENALTIES NOT DEDUCTIBLE.—Section 6701 is amended by adding at the end the follow-

ing new subsection:

"(c) PENALTIES NOT DEDUCTIBLE.—The pay-

ment of any penalty imposed under this sec-

tion or the payment of any amount to settle or avoid the imposition of such penalty shall not be considered an ordinary and necessary expense in carrying on a trade or business for purposes of this title and shall not be de-

ductible by the person who is subject to such penalty or who makes such payment.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to activities after the date of the enactment of this Act.

SEC. 665. Mr. HARKIN (for himself and Mr. OBAMA) submitted an amendment intended to be proposed by him to the bill S. 2020, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006; as follows:

At the end of title IV, add the following:

"SEC. 506. PENALTY FOR AIDING AND ABETTING THE UNDERSTATEMENT OF TAX LIABILITY.

(a) IN GENERAL.—Section 6701(a) (relating to imposition of penalty) is amended—

(1) by inserting "aid, assistance, procure-

ment, or advice with respect to such" before "portion" both places it appears in para-

Graphs (2) and (3), and

(2) by inserting "instance of aid, assist-

ance, procurement, or advice or each such" before "document" in the matter following paragraph (3).

(b) AMOUNT OF PENALITY.—Subsection (b) of section 6701 (relating to penalties for aiding and abetting the understate-

ment of tax liability) is amended to read as follows:

"(b) AMOUNT OF PENALTY; CALCULATION OF PENALITY; LIABILITY FOR PENALTY.—

(1) AMOUNT OF PENALTY.—The amount of the penalty imposed by subsection (a) shall not exceed the greater of—

(A) 100 percent of the gross income derived (or to be derived) from such aid, assistance, procurement, or advice provided by the person or persons subject to such penalty, and

(B) if readily subject to calculation, the total amount of underpayment by the taxpayer (including penalties, interest, and taxes) in connection with the understate-

ment of the liability for tax.

(2) LIABILITY FOR PENALTY.—If more than 1 person is liable under subsection (a) with respect to providing such aid, assistance, procurement, or advice, all such persons shall be jointly and severally liable for the penalty under such subsection.

(c) PENALTIES NOT DEDUCTIBLE.—Section 6701 is amended by adding at the end the follow-

ing new subsection:

"(c) PENALTIES NOT DEDUCTIBLE.—The pay-

ment of any penalty imposed under this sec-

tion or the payment of any amount to settle or avoid the imposition of such penalty shall not be considered an ordinary and necessary expense in carrying on a trade or business for purposes of this title and shall not be de-

ductible by the person who is subject to such penalty or who makes such payment.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to activities after the date of the enactment of this Act.

SEC. 665. Mr. HARKIN (for himself and Mr. OBAMA) submitted an amendment intended to be proposed by him to the bill S. 2020, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006; as follows:

At the end of title IV, add the following:

"SEC. 506. PENALTY FOR AIDING AND ABETTING THE UNDERSTATEMENT OF TAX LIABILITY.

(a) IN GENERAL.—Section 6701(a) (relating to imposition of penalty) is amended—

(1) by inserting "aid, assistance, procure-

ment, or advice with respect to such" before "portion" both places it appears in para-

Graphs (2) and (3), and

(2) by inserting "instance of aid, assist-

ance, procurement, or advice or each such" before "document" in the matter following paragraph (3).

(b) AMOUNT OF PENALITY.—Subsection (b) of section 6701 (relating to penalties for aiding and abetting the understate-

ment of tax liability) is amended to read as follows:

"(b) AMOUNT OF PENALTY; CALCULATION OF PENALITY; LIABILITY FOR PENALTY.—

(1) AMOUNT OF PENALTY.—The amount of the penalty imposed by subsection (a) shall not exceed the greater of—

(A) 100 percent of the gross income derived (or to be derived) from such aid, assistance, procurement, or advice provided by the person or persons subject to such penalty, and

(B) if readily subject to calculation, the total amount of underpayment by the taxpayer (including penalties, interest, and taxes) in connection with the understate-

ment of the liability for tax.

(2) LIABILITY FOR PENALTY.—If more than 1 person is liable under subsection (a) with respect to providing such aid, assistance, procurement, or advice, all such persons shall be jointly and severally liable for the penalty under such subsection.

(c) PENALTIES NOT DEDUCTIBLE.—Section 6701 is amended by adding at the end the follow-

ing new subsection:

"(c) PENALTIES NOT DEDUCTIBLE.—The pay-

ment of any penalty imposed under this sec-


RESTORATION OF THE PHASEOUT OF PERSONAL EXEMPTIONS AND THE OVERALL LIMITATION ON ITEMIZED DEDUCTIONS RECONCILIATION DURATION IN INCOME THRESHOLD USED TO CALCULATE REFUNDABLE PORTION OF CHILD TAX CREDIT.

(a) RESTORATION OF THE PHASEOUT OF PERSONAL EXEMPTIONS AND THE OVERALL LIMITATION ON ITEMIZED DEDUCTIONS.—

(1) RESTORATION OF PHASEOUT OF PERSONAL EXEMPTIONS.—
   (A) In general.—Paragraph (3) of section 151(d) (relating to exemption amount) is amended by striking subparagraphs (E) and (F).
   (B) EFFECTIVE DATE.—The amendment made by this paragraph shall apply to taxable years beginning after December 31, 2005.

(b) REDUCTION IN INCOME THRESHOLD USED TO CALCULATE REFUNDABLE PORTION OF CHILD TAX CREDIT.—

(1) In general.—Section 66 is amended by striking subsections (f) and (g).

(2) EFFECTIVE DATE.—The amendment made by this paragraph shall apply to taxable years beginning after December 31, 2005.

EXEMPTIONS.

EXEMPTIONS.

ITEMIZED DEDUCTIONS.

(1) ALLOWANCE OF CREDIT.—The credit rate determined with respect to any rural renaissance bond is the product of—
   (A) the credit rate determined by the Secretary under paragraph (2) for the day on which such bond was sold, multiplied by
   (B) the outstanding face amount of the bond.

(2) DETERMINATION.—For purposes of paragraph (2), with respect to any rural renaissance bond, the Secretary shall determine daily or caused to be determined daily a credit rate which in the first day on which there is a binding, written contract for the sale or exchange of the bond. The credit rate for any day is the credit rate which the Secretary or the Secretary’s designee estimates will permit the issuance of rural renaissance bonds with a specified maturity or redemption date without discount and without interest cost to the qualified issuer.

(3) CREDIT ALLOWANCE DATE.—For purposes of this section, the term ‘credit allowance date’ means—
   (A) March 15,
   (B) June 15,
   (C) September 15, and
   (D) December 15.

Such term also includes the last day on which the bond is outstanding.

(4) SPECIAL RULE FOR ISSUANCE AND REFINANCING.—In the case of a bond which is issued during the 3-month period ending on a credit allowance date, the amount of the credit determined under this subsection with respect to such credit allowance date shall be a ratable portion of the credit otherwise determined based on the portion of the 3-month period during which the bond is outstanding. A similar rule shall apply when the bond is refinanced (including any obligation directly or indirectly refinanced by such indebtedness) on or after the date of the enactment of this section.

(B) REIMBURSEMENT.—For purposes of paragraph (1)(B), a rural renaissance bond may be issued to reimburse a borrower for amounts paid after the date of the enactment of this section.

For purposes of paragraphs (1)(B) and (2), a qualified project may be refinanced with proceeds of a rural renaissance bond only if the qualified project was originally incurred after the date of the enactment of this section.

(C) TREATMENT OF CHANGES IN USE.—For purposes of this section, the term ‘qualified project’ means any project described in subparagraph (A) of subsection (2) for which a rural renaissance bond was issued before the date of the enactment of this section which causes such proceeds not to be used for a qualified project. The Secretary shall prescribe regulations specifying remedial actions that may be taken (including conditions for taking such remedial actions) to prevent an action described in the preceding sentence from causing a bond to fail to be a rural renaissance bond.

SEC. 54A. CREDIT TO HOLDERS OF RURAL RENAISSANCE BONDS.

(a) In general.—Subpart H of part IV of subchapter A of chapter 1 (relating to tax credits) is amended by adding at the end of the section following subsection (f)—

"SEC. 54A. CREDIT TO HOLDERS OF RURAL RENAISSANCE BONDS.

 '"(a) ALLOWANCE OF CREDIT.—In the case of a rural renaissance bond on a credit allowance date of such bond, which occurs during the taxable year, there shall be allowed as a credit against the tax imposed by this subchapter for such taxable year an amount equal to the sum of the credits determined under subsection (b) with respect to credit allowance dates during such year on which the tax credit holds such bond.

 '"(b) AMOUNT OF CREDIT.—'

"(1) IN GENERAL.—The amount of the credit determined under this subsection with respect to a credit allowance date for a rural renaissance bond is 25 percent of the annual credit determined with respect to such bond.

"(2) ANNUAL CREDIT.—The annual credit determined with respect to any rural renaissance bond is the product of—
   (A) the credit rate determined by the Secretary under paragraph (2) for the day on which such bond was sold, multiplied by
   (B) the outstanding face amount of the bond.

"(3) DETERMINATION.—For purposes of paragraph (2), with respect to any rural renaissance bond, the Secretary shall determine daily or caused to be determined daily a credit rate which in the first day on which there is a binding, written contract for the sale or exchange of the bond. The credit rate for any day is the credit rate which the Secretary or the Secretary’s designee estimates will permit the issuance of rural renaissance bonds with a specified maturity or redemption date without discount and without interest cost to the qualified issuer.

"(4) CREDIT ALLOWANCE DATE.—For purposes of this section, the term ‘credit allowance date’ means—
   (A) March 15,
   (B) June 15,
   (C) September 15, and
   (D) December 15.

Such term also includes the last day on which the bond is outstanding.

"(5) SPECIAL RULE FOR ISSUANCE AND REFINANCING.—In the case of a bond which is issued during the 3-month period ending on a credit allowance date, the amount of the credit determined under this subsection with respect to such credit allowance date shall be a ratable portion of the credit otherwise determined based on the portion of the 3-month period during which the bond is outstanding. A similar rule shall apply when the bond is refinanced (including any obligation directly or indirectly refinanced by such indebtedness) on or after the date of the enactment of this section.

"(B) REIMBURSEMENT.—For purposes of paragraph (1)(B), a rural renaissance bond may be issued to reimburse a borrower for amounts paid after the date of the enactment of this section.

For purposes of paragraphs (1)(B) and (2), a qualified project may be refinanced with proceeds of a rural renaissance bond only if the qualified project was originally incurred after the date of the enactment of this section.

"(C) TREATMENT OF CHANGES IN USE.—For purposes of this section, the term ‘qualified project’ means any project described in subparagraph (A) of subsection (2) for which a rural renaissance bond was issued before the date of the enactment of this section which causes such proceeds not to be used for a qualified project. The Secretary shall prescribe regulations specifying remedial actions that may be taken (including conditions for taking such remedial actions) to prevent an action described in the preceding sentence from causing a bond to fail to be a rural renaissance bond.

"(D) MATURE LIMITATIONS.—'

"(1) DURATION OF TERM.—A bond shall not be treated as a rural renaissance bond if the maturity of such bond exceeds the maximum term determined by the Secretary under paragraph (2) with respect to such bond.

"(2) MAXIMUM TERM.—During each calendar month, the Secretary shall determine the maximum term permitted under this paragraph for bonds issued during the following calendar month. Such maximum term shall be the term which the Secretary estimates will result in the present value of the obligation to repay the principal on the bond being equal to 90 percent of the principal amount of such bond. Such present value shall be determined without regard to the requirements of subsection (f)(3) and using as a discount rate the rate determined for tax-exempt obligations having a term of 10 years or more which are issued during the month.
the term as so determined is not a multiple of a whole year, such term shall be rounded to the next highest whole year.

(3) RATEABLE PRINCIPAL AMORTIZATION REQUIRED.—No principal of a rural renaissance bond shall be treated as principal of a rural renaissance bond unless it is part of an issue which provides for an equal amount of principal to be paid by the qualified issuer during the 5-year period beginning on the date of issuance that the issue is outstanding.

(4) LIMITATION ON AMOUNT OF BONDS DESIGNATED.—(1) NATIONAL LIMITATION.—There is a rural renaissance bond limitation of $200,000,000.

(2) ALLOCATION BY SECRETARY.—The Secretary shall allocate the amount described in paragraph (1) of this section among qualified issuers in such manner as the Secretary determines appropriate.

(5) CREDIT INCLUDED IN GROSS INCOME.—Gross income includes the amount of the credit allowed to the taxpayer under this section (determined without regard to subsection (c)) and the amount so included shall be treated as interest income.

(b) SPECIAL RULES RELATING TO EXPENDITURES.—

(1) IN GENERAL.—An issue shall be treated as meeting the requirements of this subsection if, as of the date of issuance, the qualified issuer reasonably expects that—

(A) at least 95 percent of the proceeds from the sale of the issue are to be spent for 1 or more qualified projects within the 5-year period beginning on the date of issuance of the rural renaissance bond.

(B) a binding commitment with a third party to spend at least 10 percent of the proceeds from the sale of the issue will be incurred during the 6-month period beginning on the date of issuance of the rural renaissance bond or, in the case of a rural renaissance bond issued to a pooled financing agent, during the 6-month period beginning on the date of the loan of such proceeds to a borrower, and

(C) such projects will be completed with due diligence and the proceeds from the sale of the issue will be spent with due diligence.

(2) EXTENSION OF PERIOD.—Upon submission of a request prior to the expiration of the period described in paragraph (1)(A), the Secretary may extend such period if the qualified issuer shows that the failure to satisfy the 5-year requirement is due to reasonable cause and the related projects will continue to proceed with due diligence.

(3) MINIMUM EXPENDITURE REQUIRED AMONG BOND PROCEEDS WITHIN 5 YEARS.—To the extent that less than 95 percent of the proceeds of such issue are expended by the close of the 5-year period beginning on the date of issuance (or if an extension has been obtained under paragraph (2), by the close of the extended period), the qualified issuer shall reallocate the proceeds of the nonqualified bonds within 90 days after the end of such period.

For purposes of this paragraph, the amount of the nonqualified bonds required to be redeployed shall be determined in the same manner as under section 142.

(1) SPECIAL RULES RELATING TO ARRANGEMENT.—A bond which is part of an issue shall not be treated as a rural renaissance bond unless, with respect to the issue of which the bond is a part, the qualified issuer satisfies the arbitrage requirements of section 148 with respect to proceeds of the issue.

(2) QUALIFIED ISSUER.—For purposes of this section—

(1) IN GENERAL.—The term ‘qualified issuer’ means any not-for-profit cooperative lender which has as of the date of the enactment of this section received a guarantee under section 146 of the Rural Electrification Act and which meets the requirement of paragraph (2).

(2) USER FEE REQUIREMENT.—The requirement of this paragraph is met if the issuer of any rural renaissance bond makes grants for qualified projects as defined under subsection (c)(2) on a semi-annual basis every year that such bond is outstanding in an annual amount equal to one-half of the rate on United States Treasury Bills of the same maturity that is the outstanding principal balance of rural renaissance bonds issued by such issuer.

(3) SPECIAL RULES RELATING TO POOL FINANCING BONDS.—No part of a pooled financing bond may be allocable to loan unless the borrower has entered into a written loan commitment for such portion prior to the issue date of such bond.

(4) OTHER DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

(1) BOND.—The term ‘bond’ includes any obligation.

(2) POOLED FINANCING BOND.—The term ‘pooled financing bond’ shall have the meaning given such term by section 149(k)(4)(A).

(3) RURAL AREA.—The term ‘rural area’ means any area other than—

(A) a city or town which has a population of greater than 50,000 inhabitants, or

(B) the urbanized area contiguous and adjacent to such a city or town.

(4) PARTNERSHIP; S CORPORATION; AND OTHER PASS-THRU ENTITIES.—

(5) ISUERS OF RURAL RENAISSANCE BONDS.—

(a) IN GENERAL.—Under regulations prescribed by the Secretary, in the case of a partnership, trust, S corporation, or other pass-through entity, rules similar to the rules of section 41(g) shall apply with respect to the credit allowable under subsection (a).

(b) NO BASIS ADJUSTMENT.—In the case of a bond held by a partnership, trust, S corporation, or other pass-through entity, rules similar to the rules of section 1397(e) shall apply.

(c) BONDS HELD BY REGULATED INVESTMENT COMPANIES.—

(T) EXTENSION OF WITHHOLDING TO CERTAIN OTHERS.—

(a) CREATION OF TRUST FUND.—There is established in the Treasury of the United States a trust fund to be known as the ‘Low-Income Home Energy Assistance Trust Fund’, consisting of any amount appropriated or credited to the Trust Fund as provided in this section or section 952(b).

(b) TRANSFERS TO TRUST FUND.—There are hereby appropriated to the Low-Income Home Energy Assistance Trust Fund amounts equivalent to the increased revenues received in the Treasury as the result of the amendment made by section 410(a) of the Tax Relief Act of 2005.

(c) EXPENDITURES FROM TRUST FUND.—

(1) IN GENERAL.—The Government of the United States shall use any amounts available under this section to carry out the program under the Low-Income Home Energy Assistance Trust Fund, as established by this section.

(2) EFFECTIVE DATES.—The amendment made by this subsection shall apply to—

(a) LIHEAP TRUST FUND.

(b) PAYMENTS MADE BY GOVERNMENT ENTITIES.

(3) PAYMENTS MADE BY GOVERNMENT ENTITIES.

(4) COORDINATION WITH OTHER SECTIONS—

(1) IN GENERAL.—Subchapter A of chapter 98 (relating to trust fund code) is amended by adding at the end the following new section:

### SEC. 9511. LOW-INCOME HOME ENERGY ASSISTANCE TRUST FUND.

(a) CREATION OF TRUST FUND.—There is established in the Treasury of the United States a trust fund to be known as the ‘Low-Income Home Energy Assistance Trust Fund’, consisting of any amount appropriated or credited to the Trust Fund as provided in this section or section 952(b).

(b) TRANSFERS TO TRUST FUND.—There are hereby appropriated to the Low-Income Home Energy Assistance Trust Fund amounts equivalent to the increased revenues received in the Treasury as the result of the amendment made by section 410(a) of the Tax Relief Act of 2005.

(2) EFFECTIVE DATES.—The amendment made by this subsection shall apply to—

(a) LIHEAP TRUST FUND.

(b) PAYMENTS MADE BY GOVERNMENT ENTITIES.

(3) COORDINATION WITH OTHER SECTIONS.—

(1) IN GENERAL.—Subchapter A of chapter 98 (relating to trust fund code) is amended by adding at the end the following new section:

### SEC. 9511. LOW-INCOME HOME ENERGY ASSISTANCE TRUST FUND.

(2) EFFECTIVE DATES.—

(a) LIHEAP TRUST FUND.

(b) PAYMENTS MADE BY GOVERNMENT ENTITIES.

(3) COORDINATION WITH OTHER SECTIONS.

(1) IN GENERAL.—Subchapter A of chapter 98 (relating to trust fund code) is amended by adding at the end the following new section:

### SEC. 9511. LOW-INCOME HOME ENERGY ASSISTANCE TRUST FUND.

(2) EFFECTIVE DATES.—

(a) LIHEAP TRUST FUND.

(b) PAYMENTS MADE BY GOVERNMENT ENTITIES.

(3) COORDINATION WITH OTHER SECTIONS.

(1) IN GENERAL.—Subchapter A of chapter 98 (relating to trust fund code) is amended by adding at the end the following new section:
was ordered to lie on the table; as follows:

At the end of title IV, insert the following:

SEC. 224. EXTENSION OF FULL CREDIT FOR QUALIFIED ELECTRIC VEHICLES.

(a) In General.—Section 30(b) (relating to limitations on credit for qualified electric vehicles) is amended by striking paragraph (2) and by redesignating paragraph (3) as paragraph (2).

(b) Effective Date.—The amendments made by this section shall apply to vehicles placed in service after December 31, 2005.

SA 2669. Ms. LANDRIEU (for herself and Mr. VTTER) proposed an amendment to the bill S. 2020, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006; as follows:

On page 35, between lines 16 and 17, insert the following:

SEC. 104. HOUSING RELIEF FOR INDIVIDUALS AFFECTED BY HURRICANE KATRINA.

(a) Exclusion of Employer Provided Housing for Individual Affected by Hurricane Katrina.

(1) In General.—For purposes of the Internal Revenue Code of 1986, gross income of a qualified employee shall not include the value of any lodging furnished to such employee, such employee’s spouse, or any of such employee’s dependents by or on behalf of a qualified employer for any month during the taxable year.

(2) Limitation.—The amount which may be excluded under subsection (a) for any month for which lodging is furnished during the taxable year shall not exceed $600.

(b) Employer Credit for Housing Employers Affected by Hurricane Katrina.

(1) In General.—In the case of a qualified employer, there shall be allowed as a credit for the taxable year a credit equal to the aggregate of such contributions does not exceed the excess of the taxpayer’s taxable income over the amount of charitable contributions allowable under subparagraph (A).

(2) Effective Date.—The amendments made by this section shall apply to vehicles placed in service after December 31, 2005.

SEC. 225. ENCOURAGEMENT OF CONTRIBUTIONS OF CAPITAL GAIN REAL PROPERTY FOR CONSERVATION PURPOSES.

(a) In General.—

(i) Individuals.—Paragraph (1) of subsection 170(b)(1) (relating to the percentage limitation) is amended by redesignating subparagraphs (E) and (F) as subparagraphs (F) and (G), respectively, and by inserting after subparagraph (D) the following new subparagraph:

(E) CONTRIBUTIONS OF QUALIFIED CONSERVATION REAL PROPERTY

(1) In General.—Any qualified conservation contribution (as defined in subsection (h)(1)) to an organization described in subparagraph (A) shall be allowed to the extent the aggregate of such contributions does not exceed the excess of 50 percent of the taxpayer’s contribution base over the amount of all other charitable contributions allowable under this paragraph.

(ii) Qualified Farmer or Rancher.—For purposes of this section, the term ‘‘qualified farmer or rancher’’ means an individual who is a farmer or rancher (as defined in section 2032A(e)(5)) and who is a qualified farmer or rancher (as defined in paragraph (1)(E)(iv)(II)) and the stock of which is not readily tradable on an established securities market at any time during such year.

(b) Conforming Amendments.

(1) The second sentence of clause (i) of section 170(b)(1)(C) is amended by striking ‘‘subparagraph (D)’’ and inserting ‘‘subparagraph (D) or (E)’’.

(2) Clause (i) of section 170(b)(1)(D) is amended by striking ‘‘subparagraph (A)’’ and inserting ‘‘subparagraphs (A) or (E)’’.

(3) Paragraph (2) of section 170(d) is amended by striking ‘‘subparagraph (b)(2)’’ each place it appears and inserting ‘‘subparagraph (b)(2)(A)’’.

SEC. 308. ENHANCED DEDUCTION FOR CHARITABLE CONTRIBUTIONS BY CERTAIN CORPORATE FARMERS AND RANCHERS.

(a) In General.—Subsection (e) of section 170 (relating to certain contributions of ordinary income and capital gain property) is amended by striking ‘‘the contribution is made by a corporation which, for the taxable year of the corporation during which the contribution is made, is a qualified farmer or rancher’’ as defined in paragraph (1)(E)(iv)(II) and the stock of which is not readily tradable on an established securities market at any time during such year.

(b) Qualified Artistic Charitable Contributions.

(1) In General.—Any qualified conservation contribution (as defined in subsection (h)(1)) made—

(i) by a corporation which, for the taxable year during which the contribution is made, is a qualified farmer or rancher (as defined in paragraph (1)(E)(iv)(II) and the stock of which is not readily tradable on an established securities market at any time during such year, and

(ii) to an organization described in paragraph (1)(A),

shall be allowed to the extent the aggregate of such contributions does not exceed the excess of the taxpayer’s taxable income over the amount of charitable contributions allowable under subparagraph (A).

(c) Special Rule for Contributions by Certain Corporations and Scholarly Compositions.

(1) In General.—In the case of a qualified artistic charitable contribution—

(i) the amount of such contribution taken into account under this section shall be the fair market value of the artwork contributed (determined at the time of such contribution), and

(ii) no reduction in the amount of such contribution shall be made under paragraph (1).

(b) Qualified Artistic Charitable Contribution.

(1) For purposes of this paragraph, the term ‘‘qualified artistic charitable contribution’’ means a charitable contribution of any literary, musical, artistic, or scholarly composition, or similar property, or the components thereof,

(ii) no reduction in the amount of such contribution shall be made under paragraph (1).
contribution no less than 18 months prior to such contribution.

(ii) the taxpayer—

(i) has received a qualified appraisal of the fair market value of such property in accordance with the regulations under this section, and

(ii) attaches to the taxpayer’s income tax return for the taxable year in which such contribution was made a copy of such appraisal.

(b) In general—(1) In general—(A) In general—(i) the donee is an organization described in subsection (b)(1)(A), and

(ii) the use of such property by the donee is related to the purpose or function consistent with the provisions of clause (iv), and

(iii) written statement representing that the donee’s use of the property will be in accordance with the provisions of clause (iv), and

(iv) the written appraisal referred to in clause (ii) includes evidence of the extent (if any) to which property created by the personal efforts of the taxpayer and of the same type and of the same property is or has been owned, maintained, and displayed by organizations described in subsection (b)(1)(A), and

(iii) sold to or exchanged for persons other than the taxpayer, donee, or any related person (as defined in section 465(b)(3)(C)).

(C) MAXIMUM DOLLAR LIMITATION—The increase in the deduction under this section by reason of this paragraph for any taxable year—

(i) shall not exceed the artistic adjusted gross income of the taxpayer for such taxable year, and

(ii) shall not be taken into account in determining the amount which may be carried from such taxable year under subsection (d).

(2) ARTISTIC ADJUSTED GROSS INCOME—For purposes of this paragraph, the term ‘artistic adjusted gross income’ means that portion of the adjusted gross income of the taxpayer for the taxable year attributable to—

(i) income from the sale or use of property created by the personal efforts of the taxpayer which is of the same type as the donated property, and

(ii) income from teaching, lecturing, performing, or similar activity with respect to property described in clause (i).

(E) PARAGRAPH NOT TO APPLY TO CERTAIN Charitable contributions by substitute for purposes of this paragraph, the term ‘artistic adjusted gross income’ means that portion of the adjusted gross income of the taxpayer for the taxable year attributable to—

(i) income from the sale or use of property created by the personal efforts of the taxpayer which is of the same type as the donated property, and

(ii) income from teaching, lecturing, performing, or similar activity with respect to property described in clause (i).

(F) COPYRIGHT TREATED AS SEPARATE PROPERTY FOR PARTIAL INTEREST RULE.—In the case of a qualified artistic contribution that is a copyrighted literary, artistic, or scholarly composition, or similar property and the copyright on such work shall be treated as separate properties for purposes of this paragraph and subsection (c).

(G) TERMINATION.—This paragraph shall not apply to contributions made after December 31, 2005.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2005.

SEC. 319. MILEAGE REIMBURSEMENTS TO CHARITABLE VOLUNTEERS.

(a) In general—(1) For purposes of this subsection, the term ‘qualified partnership’ means an eligible partnership (as defined in paragraph (2)) to a qualified partnership for the purpose of an activity described in section 2201(c) of the Elementary and Secondary Education Act of 1965, but only to the extent that such partnership does not include a person other than a person described in paragraph (4).

(ii) QUALIFIED PARTNERSHIP.—The term ‘qualified partnership’ means an eligible partnership within the meaning of section 2201(b)(1) of such Act (as added by the Elementary and Secondary Education Act of 1965), but only to the extent that such partnership does not include a person other than a person described in paragraph (4).

(iii) TERMINATION.—This paragraph shall not apply to any contributions made in taxable years beginning after December 31, 2005.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to contributions made in taxable years beginning after December 31, 2005.
(1) shall furnish annually, at such time and in such manner as the Secretary may by forms or regulations prescribe, information setting forth—

(A) the legal name of the organization,

(B) any name under which such organization operates or does business,

(C) the organization’s mailing address and Internet address (if any),

(D) the organization’s taxpayer identification number,

(E) the name and address of a principal officer,

(F) evidence of the continuing basis for the organization’s exemption from the filing requirements described in subsection (a), and

(2) upon the termination of the existence of the organization, shall furnish notice of such termination.

(b) Loss of Exempt Status for Failure To File Return or Notice.—Section 6033 (relating to returns by exempt organizations), as amended by subsection (a), is amended by redesignating subsection (k) as subsection (l) and by inserting after subsection (j) the following new subsection:

(K) Loss of Exempt Status for Failure To File Return or Notice.—

(1) In general.—If an organization described in subsection (a)(1) or (i) fails to file an annual return or notice required under either subsection for 3 consecutive years, such organization’s status as an organization exempt from tax under section 501(a) shall be considered revoked and the Secretary may disclose to the appropriate State officer designated as the individual who is to inspect returns or return information under subsection (a)(1) such Code for the failure to file a return under section 6033(a)(1) of such Code.

(2) Effective Date.—The amendments made by this section shall apply to notices and returns with respect to annual periods beginning after 2005.

SEC. 325. DISCLOSURE TO STATE OFFICIALS OF PROCEEDINGS REFERRED TO EXEMPT ORGANIZATIONS.

(a) In General.—Subsection (c) of section 6104 is amended by striking paragraph (2) and inserting the following:

(2) Disclosure of Proposed Actions Related to Charitable Organizations.—

(A) Specific Notifications.—In the case of an organization to which paragraph (1) applies, the Secretary may disclose to the appropriate State officer—

(i) a notice of proposed refusal to recognize such organization as an organization described in section 501(c)(3) or a notice of proposed revocation of such organization’s recognition as an organization exempt from taxation under section 501(a),

(ii) the issuance of a letter of proposed deficiency of tax imposed under section 507 or chapter 41 or 42, and

(iii) the names, addresses, and taxpayer identification numbers of organizations which have applied for recognition as organizations described in section 501(c)(3).

(B) Returns and Return Information. Returns and return information of organizations with respect to which information is disclosed under subparagraph (A) may be made available for inspection or disclosed to an appropriate State officer.

(C) Procedures for Disclosure. Information may be inspected or disclosed under subparagraph (A) or (B) on—

(i) upon written request by an appropriate State officer, and

(ii) for the purpose of, and only to the extent necessary in, the administration of State laws regulating such organizations.

Such information may only be inspected by or disclosed to representatives of the appropriate State officer designated as the individuals who are to inspect or to receive the returns or return information under this paragraph on behalf of such officer. Such representatives shall not include any contractor or agent.

(2) Disclosures Other Than By Request.—The Secretary may make available for inspection or disclose returns and return information of an organization to which paragraph (1) applies to appropriate State officers of any State if the Secretary determines that such inspection or disclosure may facilitate the resolution of Federal or State issues relating to the tax-exempt status of such organization.

(3) Disclosure With Respect to Certain Other Exempt Organizations.—Upon written request by an appropriate State officer, the Secretary may make available for inspection or disclosure returns and return information of an organization described in paragraph (2), (4), (6), (7), (8), (10), or (13) of section 501(c) for the purpose of, and only to the extent necessary in, the administration of State laws regulating the solicitation or administration of the charitable funds or charitable assets of such organizations. Such information may be inspected only by or disclosed only to representatives of the appropriate State officer designated as the individuals who are to inspect or to receive the returns or return information under this paragraph on behalf of such officer. Such representatives shall not include any contractor or agent.

(c) Effective Date.—The amendments made by this section shall take effect on the
date of the enactment of this Act but shall not apply to requests made before such date. On page 174, line 4, strike “121st day” and insert “181st day.”

On page 174, line 6, strike “121st day” and insert “181st day.”

On page 174, line 10, strike “121st day” and insert “181st day.”

On page 174, line 12, strike “121st day” and insert “181st day.”

On page 176, line 25, strike “5” and insert “7” the applicable percentage.”

On page 178, between lines 4 and 5, insert the following:

“(A) 3 percent for the first taxable year beginning after the date of the enactment of this section.

(B) 5 percent for the second taxable year beginning after such date, and

(C) 1 percent for any taxable year beginning after the second taxable year beginning after such date.

On page 178, strike lines 9 through 15 and insert the following:

“(A) 1 percent paid by the sponsoring organization from a donor advised fund—

(i) to any organization described in section 170(b)(1)(A) other than any organization described in section 509(a)(3) or any sponsoring organization if such amount is for maintenance in a donor advised fund, and

(ii) notwithstanding clause (i), to any organization described section 170(b)(17)(B)(i), but only to the extent not prohibited by regulations, and

On page 179, strike lines 1 through 3 and insert the following:

“(2) DISTRIBUTIONS TO SPONSORING ORGANIZATIONS.

(A) IN GENERAL.—Except as provided in subparagraph (B), such term shall include any distribution to a sponsoring organization.

(B) ORGANIZATION LEVEL DISTRIBUTIONS.—For purposes of subparagraph (B), such term shall not include any distribution to a sponsoring organization unless such distribution is designated for use in connection with a charity described in section 509(a)(1) and is for maintenance in a donor advised fund.

On page 185, line 9, strike “section 4967(g)(2)(C)” and insert “section 4967(g)(2)(A)(i)(I)”,

On page 190, strike lines 7 through 14 and insert the following:

“(C) TAXABLE DISTRIBUTION.—For purposes of this subsection—

(1) IN GENERAL.—The term ‘taxable distribution’ means any distribution from a donor advised fund to any person other than the sponsoring organization’s non donor advised fund accounts or organizations described in section 170(b)(1)(A) (other than any organization described in section 509(a)(3) or any sponsoring organization if such amount is for maintenance in a donor advised fund).

(2) EXCEPTION.—Notwithstanding paragraph (1), such term shall not include any distribution from a donor advised fund to any organization described section 170(c)(7)(B)(ii) to the extent such distribution is not prohibited under regulations.

On page 190, line 17, strike “121st day” and insert “181st day.”

On page 190, line 22, strike “4967(g)(2)(C)” and insert “4967(g)(2)(A)(i)(I)”,

On page 192, lines 18 and 19, strike “providing by the sponsoring organization in connection with” and insert “from”.

Beginning on page 193, line 17 strike all through page 196, line 4 and insert the following:

SEC. 333. TREATMENT OF CHARITABLE CONTRIBUTIONS TO DONOR ADVISED FUNDS.

(a) IN GENERAL.—A deduction otherwise allowed under subsection (a) for any contribution to a sponsoring organization (as defined in section 4967(g)(1)) to be maintained in any donor advised fund (as defined in section 4967(g)(2)) of such organization shall only be allowed if—

(i) such sponsoring organization is not described in paragraph (3) or (4) of subsection (a) or section 509(a)(3), and

(ii) the taxpayer obtains a contemporaneous written acknowledgment (determined under rules similar to the rules of paragraph (8)(C) from the sponsoring organization that such organization has exclusive legal control over the assets contributed.

(b) CONTRIBUTIONS TO TYPE I OR TYPE II SUPPORTING ORGANIZATIONS.—

(1) IN GENERAL.—Notwithstanding subparagraph (A)(i), a contribution to a sponsoring organization (as so defined) described in clause (ii) to be maintained in any donor advised fund (as so defined) of such organization shall be allowed to the extent not prohibited by regulations.

(ii) ORGANIZATION DESCRIBED.—An organization is described in this clause if the organization meets the requirements of subparagraph (A)(i) or (B) of section 509(a), or

(I) operated, supervised, or controlled by one or more organizations described in paragraph (1) or (2) of section 509(a), or

(ii) supervised or controlled in connection with one or more such organizations.

(iii) EFFECTIVE DATE.—The amendments made by this section shall apply to contributions made after the date which is 180 days after the date of the enactment of this Act.

On page 206, line 16, strike “5 percent” and insert “the applicable percentage”.

On page 210, between lines 11 and 12, insert the following:

“(3) APPLICABLE PERCENTAGE.—For purposes of paragraph (1)(A)(ii), the applicable percentage is—

(A) 5 percent for the first taxable year beginning after the date of the enactment of this Act, and

(B) 5 percent for any taxable year beginning after the second taxable year beginning after such date.

On page 210, strike line 24 and insert the following:

“(2) ADMINISTRATIVE AND OPERATING EXPENSES.—Reasonable and necessary administrative expenses of a type III supporting organization shall be treated as a qualifying distribution to a supported organization.

On page 214, line 4, strike “3 percent” and insert “the applicable percentage.”

On page 216, strike line 24 and insert the following:

“(1) SPECIAL RULE FOR CERTAIN HOLDINGS OF TYPE III SUPPORTING ORGANIZATIONS.—For purposes of this subsection, the term ‘excess business holdings’ shall not include any holding of a type III supporting organization (as defined in section 4958(h)(2)) in any business enterprise if the holdings are held
for the benefit of the community pursuant to the direction of a State attorney general or a State official with jurisdiction over the type III supporting organization.

(6) Definition of For purposes of this section—

On page 219, strike lines 5 through 9 and insert the following:

(a) REQUIREMENT TO FILE RETURN.—Subparagraph (B) of section 6033(a)(3), as redesignated by section 311, is amended by inserting ‘‘other than an organization described in section 501(c)(3)’’ after ‘‘(b)’’.

Beginning on page 225, line 9, strike all through page 230, line 21 and insert the following:

SEC. 401. MODIFICATION TO S CORPORATION PASSEIVE INVESTMENT INCOME RULES.

(a) INCREASED PERCENTAGE LIMIT.—Paragraph (2) of section 1375(a) is amended by striking ‘‘25 PERCENT’’ and inserting ‘‘60 PERCENT’’.

(b) REPEAL OF EXCESSIVE PASSIVE INCOME AS A TERMINATION EVENT.—

(1) IN GENERAL.—Section 1362(d) is amended by striking paragraph (3).

(2) CONFORMING AMENDMENT.—Subsection (b) of section 1375 is amended by striking paragraphs (3) and (4) and inserting the following new paragraph:

Paragraph (4) of section 1375 is amended by striking ‘‘25 PERCENT’’ and inserting ‘‘60 PERCENT’’.

(7) The heading for section 1375 is amended by striking ‘‘25 PERCENT’’ and inserting ‘‘60 PERCENT’’.

(c) the plan is required to provide coverage of individuals who, but for the exception of the application of section 499A of such Code by reason of this section, would be subject to the requirements of such section with respect to the plan, and

(D) the plan meets such other requirements as the Secretary of the Treasury prescribes in the regulations under subsection (a).

SEC. 407. SENSE OF THE SENATE REGARDING THE DEDICATION OF EXCESS FUNDS.

It is the sense of the Senate that any increases in revenues to the Treasury as a result of this Act and the amendments made by this Act that exceed the amounts specified in the reconciliation provisions shall be dedicated to the Low-Income Home Energy Assistance Program, in an amount not to exceed the amount which is $2,900,000,000 for fiscal year 2005.

Beginning on page 236, line 17, strike all through page 239, line 8 and insert the following:

SEC. 502. MODIFICATION OF EFFECTIVE DATE OF EXCEPTION FROM SUSPENSION RULES FOR CERTAIN LISTED AND REPORTABLE TRANSACTIONS.

(a) EFFECTIVE DATE MODIFICATION.—

(1) IN GENERAL.—Paragraph (b) of section 903(d) of the American Jobs Creation Act of 2004 is amended to read as follows:

(2) EXCEPTION FOR REPORTABLE OR LISTED TRANSACTIONS.—

(1) IN GENERAL.—The amendments made by subsection (c) shall apply with respect to interest accruing on or before October 3, 2004.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall take effect as if included in the provisions of the American Jobs Creation Act of 2004 to which it relates.

(A) the plan is required to cover substantially all employees;

(1) the taxpayer provides to the Secretary 1 or more documents was provided for the date on which the taxpayer owes an additional amount of tax for the taxable year, clause (i) shall be applied by substituting the date the last of the documents was provided for the date on which the return is filed.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to documents provided on or after the date of the enactment of this Act.

(c) CONFORMING AMENDMENTS.—

(1) Subparagraph (J) of section 26(b)(2) is amended by striking ‘‘25 percent’’ and inserting ‘‘30 percent’’.

(2) Clause (i) of section 1942(c)(4)(A) is amended by striking ‘‘2004’’ and inserting ‘‘2005’’.

(3) Clause (ii) of section 1942(c)(4)(B) is amended by striking ‘‘2004’’ and inserting ‘‘2005’’.

(4) Clause (i) of section 1942(c)(4)(B) is amended by striking ‘‘2004’’ and inserting ‘‘2005’’.

(5) Subparagraph (d) of section 1942(c)(4)(B) is amended by striking ‘‘2004’’ and inserting ‘‘2005’’.

(6) The heading for section 1942(c) is amended by striking ‘‘2004’’ and inserting ‘‘2005’’.

SEC. 403. MODIFICATION OF BOND RULE.

In the case of bonds issued after the date of the enactment of this Act and before August 31, 2009—

(1) the requirement of paragraph (1) of section 2 of the Bank Holding Company Act of 1956 (12 U.S.C. 1841(a)), or a financial holding company (within the meaning of section 2(g) of such Act), the term ‘‘passive investment income’’ shall not include gross receipts derived from royalties, rents, dividends, interest, and annuities.

(2) EXCEPTION FOR INTEREST ON NOTES FROM SALES OF INVENTORY.—The term ‘‘passive investment income’’ shall not include interest on any obligation acquired in the ordinary course of the corporation’s trade or business that is part of property described in section 2221(a)(1).

(3) TREATMENT OF CERTAIN LENDING OR FINANCE COMPANIES.—If the S corporation meets the requirements of section 542(c)(6) for the taxable year, the term ‘‘passive investment income’’ shall not include gross receipts for the taxable year which are derived directly from the active and regular conduct of a lending or finance business (as defined in section 542(d)(1)).

(4) TREATMENT OF CERTAIN DIVIDENDS.—If an S corporation holds stock in a C corporation meeting the requirements of section 1504(a)(2), the term ‘‘passive investment income’’ shall not include dividends received from such C corporation to the extent such dividends are attributable to the earnings and profits of such C corporation derived from the active conduct of a trade or business.

(5) EXCEPTION FOR BANKS, ETC.—In the case of a bank (as defined in section 581), a bank holding company (within the meaning of section 2(a) of the Bank Holding Company Act of 1956 (12 U.S.C. 1841(a))), or a financial holding company (within the meaning of section 2(g) of such Act), the term ‘‘passive investment income’’ shall not include—

(i) interest income earned by such bank or company, or

(ii) dividends on assets required to be held by such bank or company, including stock in the Federal Reserve Bank, the Federal Home Loan Bank, or the Federal Agricultural Mortgage Bank or participation certificates issued by a Federal Intermediate Credit Bank.

(F) COORDINATION WITH SECTION 1727.—The amount of passive investment income shall be determined in the same manner as any recognized built-in gain or loss of the S corporation for any taxable year in the recognition period. Terms used in the preceding sentence shall have the same respective meanings as when used in section 1734.

(c) the plan is required to provide coverage of individuals who, but for the exception of the application of section 499A of such Code by reason of this section, would be subject to the requirements of such section with respect to the plan, and

(D) the plan meets such other requirements as the Secretary of the Treasury prescribes in the regulations under subsection (a).

SEC. 407. SENSE OF THE SENATE REGARDING THE DEDICATION OF EXCESS FUNDS.

It is the sense of the Senate that any increases in revenues to the Treasury as a result of this Act and the amendments made by this Act that exceed the amounts specified in the reconciliation provisions shall be dedicated to the Low-Income Home Energy Assistance Program, in an amount not to exceed the amount which is $2,900,000,000 for fiscal year 2005.

Beginning on page 236, line 17, strike all through page 239, line 8 and insert the following:

SEC. 502. MODIFICATION OF EFFECTIVE DATE OF EXCEPTION FROM SUSPENSION RULES FOR CERTAIN LISTED AND REPORTABLE TRANSACTIONS.

(a) EFFECTIVE DATE MODIFICATION.—

(1) IN GENERAL.—Paragraph (b) of section 903(d) of the American Jobs Creation Act of 2004 is amended to read as follows:

(2) EXCEPTION FOR REPORTABLE OR LISTED TRANSACTIONS.—

(1) IN GENERAL.—The amendments made by subsection (c) shall apply with respect to interest accruing after October 3, 2004.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall take effect as if included in the provisions of the American Jobs Creation Act of 2004 to which it relates.

(A) the plan is required to cover substantially all employees;

(1) the taxpayer provides to the Secretary 1 or more documents was provided for the date on which the taxpayer owes an additional amount of tax for the taxable year, clause (i) shall be applied by substituting the date the last of the documents was provided for the date on which the return is filed.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to documents provided on or after the date of the enactment of this Act.
SEC. 504. PENALTY FOR PROMOTING ABUSIVE TAX SHELTERS.

(a) Penalty for Promoting Abusive Tax Shelter.—Section 6700 (relating to promoting abusive tax shelters, etc.) is amended—

(1) by redesignating subsections (b) and (c) as subsections (c) and (d), respectively;

(2) by striking ‘‘a penalty’’ and all that follows through the period in the first sentence of subsection (a) and inserting ‘‘a penalty determined under subsection (b)’’; and

(3) by inserting after subsection (a) the following new subsections:

‘‘(b) Amount of Penalty; Calculation of Penalty; Liability for Penalty.—

‘‘(1) Amount of Penalty.—The amount of the penalty imposed by subsection (a) shall be 100 percent of the gross income derived (or to be derived) from such activity by the person or persons subject to such penalty.

‘‘(2) Calculation of Penalty.—The penalty amount determined under paragraph (1) shall be calculated with respect to each instance of an activity described in subsection (a), each instance in which income was derived by the person or persons subject to such penalty, and each person who participated in such an activity.

‘‘(3) Liability for Penalty.—If more than 1 person is liable under subsection (a) with respect to such activity, all such persons shall be jointly and severally liable for the penalty under such subsection.

‘‘(c) Penalty Not Deductible.—The payment of any penalty imposed under this section or the payment of any amount to settle or avoid the imposition of such penalty shall not be treated as an ordinary and necessary expense in carrying on a trade or business for purposes of this title and shall not be deductible by the person who is subject to such penalty or who makes such payment.’’.

(b) Conforming Amendment.—Section 6701(a) is amended by striking the last sentence.

(c) Effective Date.—The amendments made by this section shall apply to actions, decisions, and failures to act, occurring after the date of the enactment of this Act.

SEC. 505. PENALTY FOR AIDING AND RETTING THE UNDERSTATEMENT OF TAX LIABILITY.

(a) In General.—Section 6701(a) (relating to imposition of penalty) is amended—

(1) by inserting ‘‘or tax liability reflected in,’’ after ‘‘the preparation or presentation of,’’ and

(2) by inserting ‘‘aid, assistance, procurement, or advice with respect to such’’ before ‘‘portion’’ both places it appears in paragraphs (2) and (3), and

(3) by inserting ‘‘instance of aid, assistance, procurement, or advice or each such’’ before ‘‘document’’ in the matter following paragraph (3).

(b) Amount of Penalty.—Subsection (b) of section 6701 (relating to penalties for aiding and abetting understatement of tax liability) is amended to read—

‘‘(b) Amount of Penalty; Calculation of Penalty; Liability for Penalty.—

‘‘(1) Penalty.—The amount of the penalty imposed by subsection (a) shall be 100 percent of the gross income derived (or to be derived) from such aid, assistance, procurement, or advice provided by the person or persons subject to such penalty.

‘‘(2) Calculation of Penalty.—The penalty amount determined under paragraph (1) shall be calculated with respect to each instance of aid, assistance, procurement, or advice described in subsection (a), each instance in which income was derived by the person or persons subject to such penalty or, and each person who made such an understatement of the liability for tax.

‘‘(c) Liability for Penalty.—If more than 1 person is liable under subsection (a) with respect to providing such aid, assistance, procurement, or advice, all such persons shall be jointly and severally liable for the penalty under such subsection.’’.

(c) Effective Date.—The amendments made by this section shall apply to actions, decisions, and failures to act, occurring after the date of the enactment of this Act.

SEC. 506. INCREASE IN CRIMINAL MONETARY PENALTY LIMITATION FOR THE UNDERPAYMENT OR OVERPAYMENT OF TAX DUE TO FRAUD.

(a) In General.—Section 7206 (relating to fraud and false statements) is amended—

(1) by striking ‘‘Any person who—’’ and inserting ‘‘(a) In General.—Any person who—’’,

(ii) by striking ‘‘Penalty or who makes such payment.’’.

(b) Increase in Penalties.—Subsection (b) of section 7206 is amended by striking the last sentence and inserting—

‘‘(b) Increase in Monetary Limitation for Underpayment or Overpayment of Tax Due to Fraud.—If any portion of any underpayment (as defined in section 6664(f)) or overpayment (as defined in section 6601(a)) of tax required to be shown on a return is attributable to fraudulent action described in subsection (a) (other than an underpayment (as defined in section 6664(f)) or overpayment (as defined in section 6601(a)) of tax paid on account of any interest if the shareholder did not own more than 5 percent of such class of stock at any time during the 1 year period ending on the date of such distribution), the applicable dollar amount shall be increased by the following new subsection:

‘‘(1) Amount of Penalty.—

(1) In General.—The amount of the penalty imposed under subsection (a) (other than an underpayment (as defined in section 6664(f)) or overpayment (as defined in section 6601(a)) of tax paid on account of any interest if the shareholder did not own more than 5 percent of such class of stock at any time during the 1 year period ending on the date of such distribution) shall be equal to the excess (if any) of—

(A) the amount determined under paragraph (2) over

(B) the amount described in clause (i).

(2) Applicable Dollar Amount.—

(A) In General.—The applicable dollar amount under subsection (a) is $1,000,000.

(B) In the case of a tax return or statement for a taxable year ending after the date of the enactment of this Act, the applicable dollar amount under subsection (a) shall be equal to the excess (if any) of—

(A) the amount determined under paragraph (1) over

(B) the amount described in clause (i).

(c) Effective Date.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

SEC. 507. TREATMENT OF DISTRIBUTIONS ATTRIBUTABLE TO FIRPTA GAINS.

(a) Qualified Investment Entity.—

(1) In General.—Section 897(h)(4)(A)(i) (defining qualified investment entity) is amended by inserting ‘‘which is a United States real property holding corporation or which would be a United States real property holding corporation if the exceptions provided in subsections (c)(3) and (h)(2) did not apply to it’’ after ‘‘qualified investment trust or regulated investment company’’.

(b) Effective Date.—The amendments made by this section shall apply to distributions with respect to taxable years beginning after the date of the enactment of this Act.

SEC. 508. TREATMENT OF CERTAIN DISTRIBUTIONS AS DIVIDENDS.

(a) In General.—Section 852(b)(3) (relating to capital gains) is amended by adding at the end the following new subparagraph:

‘‘(3) Fraud and False Statements.—Section 7206(a) (as redesignated by subsection (a)) is amended—

(A) by striking ‘‘$1,000,000’’ and inserting ‘‘$500,000’’,

(B) by striking ‘‘$500,000’’ and inserting ‘‘$1,000,000’’, and

(C) by striking ‘‘3 years’’ and inserting ‘‘5 years’’.

(b) Effective Date.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

SEC. 509. APPLICATION OF FIRPTA TO REGULATED INVESTMENT COMPANIES.

(a) In General.—Section 897(b)(4)(A)(i) (defining qualified investment entity) is amended by adding ‘‘which is a nonresident alien individual, a foreign corporation, or other qualified investment entity’’.

(b) Effective Date.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

SEC. 510. AMENDMENTS TO SECTION 852(b)(3).

(a) In General.—Section 852(b)(3) (relating to capital gains) is amended—

(1) by striking ‘‘a distribution to an entity described in subparagraph (C) of section 1481A(a), or an entity described in paragraph (1) of section 1481A(b) that is treated as a qualified investment entity for purposes of sections 1481A(a)(4) through (a)(10)’’.

(2) by adding ‘‘section 2482(h)’’ after ‘‘section 1481A(a)’’.

(b) Effective Date.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

SEC. 511. AMENDMENTS TO SECTION 2482(h).

(a) In General.—Section 2482(h) (relating to gain recognized from the sale or exchange of a United States real property interest) is amended—

(1) by adding ‘‘section 1481A’’ after ‘‘section 1481A’’.

(b) Effective Date.—The amendments made by this section shall apply to property interests described in section 1481A(a) acquired (or held) after the date of the enactment of this Act.

SEC. 512. AMENDMENTS TO SECTION 852(b)(3).

(a) In General.—Section 852(b)(3) (relating to capital gains) is amended—

(1) by striking ‘‘a distribution to an entity described in subparagraph (C) of section 1481A(a), or an entity described in paragraph (1) of section 1481A(b) that is treated as a qualified investment entity for purposes of sections 1481A(a)(4) through (a)(10)’’.

(2) by adding ‘‘section 2482(h)’’ after ‘‘section 1481A(a)’’.

(b) Effective Date.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

SEC. 513. AMENDMENTS TO SECTION 2482(h).

(a) In General.—Section 2482(h) (relating to gain recognized from the sale or exchange of a United States real property interest) is amended—

(1) by adding ‘‘section 1481A’’ after ‘‘section 1481A’’.

(b) Effective Date.—The amendments made by this section shall apply to property interests described in section 1481A(a) acquired (or held) after the date of the enactment of this Act.
“(ii) shall be included in such shareholder's gross income as a dividend from the regulated investment company.”.

(2) CONFORMING AMENDMENT.—Section 871(k) (relating to short-term capital gain dividends) is amended by adding at the end the following new subparagraph:

“(E) CERTAIN DISTRIBUTIONS.—In the case of a distribution which section 897 does not apply by reason of the second sentence of section 897(h)(1), the amount which would be treated as a short-term capital gain dividend to the shareholder (without regard to this subparagraph)

“(i) shall not be treated as a short-term capital gain dividend, and

“(ii) shall be included in such shareholder's gross income as a dividend from the regulated investment company.”.

(3) EFFECTIVE DATE.—

(a) IN GENERAL.—As provided in paragraph (2), the amendments made by this section shall apply to taxable years of qualified regulated investment companies beginning after the date of the enactment of this Act.

(b) DIVIDENDS.—The amendments made by subsection (b) shall apply to dividends with respect to taxable years of regulated investment companies beginning after December 31, 2004.

SEC. 565. PREVENTION OF AVOIDANCE OF TAX ON INVESTMENTS OF FOREIGN PERSONS IN UNITED STATES REAL PROPERTY THROUGH WASH SALE TRANSACTIONS.

(a) IN GENERAL.—Section 897(h) of the Internal Revenue Code of 1986 (relating to special rules in certain investment entities) is amended by redesignating paragraph (4) as paragraph (5) and by inserting after paragraph (3) the following new paragraph:

“(4) APPLICABLE WASH SALES TRANSACTIONS.—

“(A) IN GENERAL.—If an interest in a domestically controlled qualified investment entity which is in an applicable wash sale transaction, the taxpayer shall, for purposes of this section, be treated as having gain from the sale or exchange of a United States real property interest in an amount equal to the portion of the distribution described in subparagraph (B) with respect to such interest which, but for the disposition, would be treated by the taxpayer as gain from the sale or exchange of a United States real property interest under paragraph (1).

“(B) APPLICABLE WASH SALES TRANSACTION.—For purposes of this paragraph—

“(i) IN GENERAL.—The term ‘applicable wash sales transaction’ means any transaction (other than transactions described in clause (i)(I) with respect to either (i) the interest which was disposed of, or acquired, in the transaction.

“(ii) EXCEPTION FOR CERTAIN PUBLICLY TRADABLE QUARANTINE. —In the case of a distribution which section 897 does not apply by reason of the second sentence of section 897(h)(1), the amount which would be treated as a short-term capital gain dividend if it involves the disposition of any class of stock in a qualified investment entity which has engaged in an established securities market within the United States but only if the nonresident alien individual or foreign corporation did not own or maintain an interest in such class of stock at any time during the 1-year period ending on the date of the distribution described in clause (i)(I).

“(B) NOT WITHHOLDING REQUIRED.—Section 1445(b) of the Internal Revenue Code of 1986 (relating to exemptions) is amended by adding at the end the following new paragraph:

“(8) APPLICABLE WASH SALES TRANSACTIONS.—No person shall be required to deduct and withhold any amount under subsection (a) with respect to a disposition which is treated as a disposition of a United States real property interest solely by reason of section 897(h)(4).”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions after December 31, 2005, in taxable years ending after such date.

SEC. 566. MODIFICATIONS TO RULES RELATING TO DISTRIBUTIONS OF STOCK AND SECURITIES OF A CONTROLLED CORPORATION.

(a) MODIFICATION OF ACTIVE BUSINESS DEFI- NITION UNDER SECTION 355.—

(1) IN GENERAL.—Section 355(b) (defining active conduct of a trade or business) is amended by adding at the end the following new paragraph:

“(B) SPECIAL RULES RELATING TO ACTIVE BUSINESS REQUIREMENT.—

“(A) IN GENERAL.—For purposes of determining whether a corporation meets the requirement of paragraph (2)(A), all members of such corporation’s separate affiliated group shall be treated as 1 corporation. For purposes of the preceding sentence, the term ‘separate affiliated group’ means, with respect to any corporation, the affiliated group which would be determined under section 1504(b) if (I) the common parent and section 1504(b) did not apply.

“(B) CONTROL.—For purposes of paragraph (2)(D), all distributee corporations which are members of the same affiliated group (as defined in section 1504(a) without regard to section 1504(b)) shall be treated as 1 distributee corporation.”.

(2) CONFORMING AMENDMENTS.—

(A) Subparagraph (A) of section 355(b)(2) is amended to read as follows:

“(A) it is engaged in the active conduct of a trade or business.

(B) Section 355(b)(2) of such Code is amended by striking the last sentence.

(c) EFFECTIVE DATES.—

(A) IN GENERAL.—The amendments made by this subsection shall apply—

(i) to distributions after the date of the enactment of this Act, and before January 1, 2010, and

(ii) for purposes of determining the continued qualification under section 355(b)(2)(A) of the Internal Revenue Code of 1986 (as amended by paragraph (2)(A) of distributions made before such date, as a result of an acquisition, disposition, or other restructuring after such date and before January 1, 2010.

(B) TRANSITION RULE.—The amendments made by this subsection shall not apply to any distribution pursuant to a transaction which is—

(i) made pursuant to an agreement which was binding on such date of enactment and at all times thereafter,

(ii) described in a ruling request submitted to the Internal Revenue Service on or before such date, or

(iii) described on or before such date in a public announcement or in a filing with the Securities and Exchange Commission.

(C) ELECTIONS.—

(i) OUT OF TRANSITION RELIEF.—Subpara- graph (A)(iii) shall not apply to a distributing or controlled corporation if the corporation elects not to have such subparagraph apply to distributions of such corporation. Any such election, once made, shall be irrevocable.

(ii) APPLICATION TO PRIOR DISTRIBUTIONS.—Subparagraph (A)(iii) shall not apply to a distributing or controlled corporation if the corporation elects not to have such subparagraph apply to such corporation. Any such election, once made, shall be irrevocable.

(b) SECTION 355 NOT TO APPLY TO DISTRIBUTIONS IF THE DISTRIBUTING OR CONTROLLED CORPORATION IS A DISQUALIFIED INVESTMENT CORPORATION.—

(1) IN GENERAL.—Section 355 (relating to distributions of stock and securities of a controlled corporation) is amended by adding at the end the following new subsection:

“(K) SECTION NOT TO APPLY TO DISTRIBUTIONS INVOLVING DISQUALIFIED INVESTMENT CORPORATIONS.—

“(1) IN GENERAL.—This section (and so much of section 355 as relates to this section) shall not apply to any distribution which is part of a transaction if—

“(A) either the distributing corporation or controlled corporation is, immediately after the transaction, a disqualified investment corporation, and

“(B) any person holds, immediately after the transaction, a 50-percent or greater interest in any disqualified investment corporation, but only if such person did not hold such an interest in such corporation immediately before the transaction.

“(C) SECTION NOT TO APPLY TO DISTRIBUTIONS INVOLVING DISQUALIFIED INVESTMENT CORPORATIONS.—For purposes of this subsection—

“(A) IN GENERAL.—The term ‘disqualified investment corporation’ means any distributing or controlled corporation if the fair market value of the investment assets of the corporation is 75 percent or more of the fair market value of all assets of the corporation.

“(B) INVESTMENT ASSETS.—

“(i) IN GENERAL.—Except as otherwise provided in this subparagraph, the term ‘investment assets’ means—

“(I) cash,

“(II) any stock or securities in a corporation,

“(III) any interest in a partnership,

“(IV) any debt instrument or other evidence of indebtedness,

“(V) any option, forward or futures contract, notional principal contract, or derivative,

“(VI) foreign currency, or

“(VII) any similar asset.

“(C) EXCEPTION FOR ASSETS USED IN ACTIVE CONDUCT OF CERTAIN FINANCIAL TRADES OR BUSINESSES.—Such term shall not include any asset which is held for use in the active conduct of a financial trade or business if—

“(I) a lending or finance business (within the meaning of section 954(c)),

“(II) a banking business through a bank (as defined in section 581) or a tax exempt building and loan association (within the meaning of section 7701(a)(19)), or any similar institution specified by the Secretary, or

“(III) an insurance business if the conduct of the business is licensed, authorized, or regulated by an applicable insurance regulatory body.

This clause shall only apply with respect to assets if substantially all of the income of the business is derived from persons who are not related (within the meaning of
section 267(b) or 707(b)(1) to the person conducting the business.

‘‘(iii) Exception for securities marked to market.—Such term shall not include any security described in section 221 as a security (within the meaning of section 221) which is held by a dealer in securities and to which section 475(a) applies.

‘‘(iv) Stock or securities in a 25-percent controlled entity.—(I) In general.—Such term shall not include any stock and securities in, or any asset described in subsection (IV) or (V) of clause (ii) of section 897(c)(1), held by a 25-percent controlled entity with respect to the distributing or controlled corporation.

‘‘(II) The distributing or controlled corporation shall, for purposes of applying this subsection, be treated as owning its ratable share of the assets of any 25-percent controlled entity.

‘‘(III) 25-percent controlled entity.—For purposes of this clause, the term ‘25-percent controlled entity’ means, with respect to any distributing or controlled corporation, any corporation with respect to which the distributing or controlled corporation owns directly or indirectly stock meeting the requirements of section 1564(a)(2)(B), except that such section shall be applied by substituting ‘25 percent’ for ‘30 percent’ and without regard to stock described in section 1564(a)(4).

‘‘(v) Certain partnerships.—(I) In general.—Such term shall not include any interest in a partnership, or any debt instrument or other evidence of indebtedness, held by a partnership, if one or more of the trades or businesses of the partnership are (or, without regard to the 5-year requirement described in subsection (b)(2)(B), would be) taken into account by the distributing or controlled corporation, as the case may be, in determining whether the requirements of subsection (b)(2)(B) are met with respect to the distribution.

‘‘(II) Look-thru rule.—The distributing or controlled corporation shall, for purposes of applying this subsection, be treated as owning its ratable share of the assets of any partnership described in subsection (I).

‘‘(b) 50-percent or greater interest.—For purposes of this subsection—

‘‘(I) in general.—The term ‘50-percent or greater interest’ has the meaning given such term in subsection (d)(4).

‘‘(II) Appropriation rules.—The rules of section 318 shall apply for purposes of determining ownership of stock for purposes of this paragraph.

‘‘(c) Transaction.—For purposes of this subsection, the term ‘transaction’ includes a series of transactions.

‘‘(d) The issuer. The Secretary shall prescribe such regulations as may be necessary to carry out, or prevent the avoidance of, the purposes of this subsection, including regulations—

‘‘(I) to carry out, or prevent the avoidance of, the purposes of this subsection in cases involving—

‘‘(i) the use of related persons, intermediaries, pass-thru entities, options, or other arrangements, and

‘‘(ii) the treatment of assets unrelated to the trade or business of a corporation as investment assets if, prior to the distribution, investment assets were used to acquire such unrelated assets,

‘‘(II) in which appropriate cases exclude from the application of this subsection a distribution which does not have the character of a redemption which would be treated as a sale for purposes of section 302.

‘‘(III) which modify the application of the attribution rules applied for purposes of this subsection.

‘‘(e) Effective dates.—(A) In general.—The amendments made by this subsection shall apply to distributions after the date of the enactment of this Act.

‘‘(B) Transition rule.—The amendments made by this subsection shall not apply to any distribution pursuant to a transaction which is—

‘‘(I) made pursuant to an agreement which was binding on such date of enactment and at all times thereafter,

‘‘(II) described in a ruling request submitted to the Internal Revenue Service on or before such date,

‘‘(III) described on or before such date in a public announcement or in a filing with the Securities and Exchange Commission.

SEC. 507. AMORTIZATION OF EXPENSES IN CONNECTION WITH ACQUIRING MUSIC OR MUSIC COPYRIGHTS.

(a) In general.—Section 265A (relating to capitalization and inclusion in inventory costs of certain expenses) is amended by redesignating subsection (i) as subsection (j) and by adding after subsection (h) the following new subsection:

‘‘(i) Special rules for certain musical works and copyrights.—

‘‘(I) In general.—If—

‘‘(1) any expense is paid or incurred by the taxpayer in creating or acquiring any musical composition (including any accompanying words), with respect to a musical composition, and

‘‘(2) such expense is required to be capitalized under this section,

then, notwithstanding section 167(g), the amount capitalized shall be amortized ratably over the 5-year period beginning with the month in which the composition or copyright was acquired (or, in the case of expenses paid or incurred in connection with the creation of a musical composition, the 5-taxable-year period beginning with the taxable year in which the expenses were paid or incurred).

‘‘(ii) exceptions.—Paragraph (1) shall not apply to any expense—

‘‘(1) which is a qualified creative expense under subsection (b), or

‘‘(2) to which a simplified procedure established under subsection (j)(1) applies,

‘‘(1) which is an amortizable section 197 tangible personal property (as defined in section 197(c)), or

‘‘(2) which, without regard to this section, would not be allowable as a deduction.

‘‘(b) Effective date.—The amendments made by this section shall be effective on and after the date of enactment.

‘‘(c) Regulations.—The Secretary shall prescribe such regulations as may be necessary to carry out, or prevent the avoidance of, the purposes of this subsection.

SEC. 508. CREDIT TO HOLDERS OF RURAL RENAISSANCE BONDS.

(a) In general.—Section 568 (relating to credit to holders of rural renaissance bonds) is amended by adding after subsection (j) the following new paragraphs:

‘‘(1) Allocation of credit.—In the case of a taxpayer who holds a rural renaissance bond on a credit allowance date of such bond, which occurs during the taxable year, there shall be allowed as a credit against the tax imposed by this chapter for such taxable year an amount equal to the sum of the credits determined for that taxpayer by subsection (b) with respect to credit allowance dates during such year on which the taxpayer holds such bond.

‘‘(2) Amount of credit.—(A) In general.—The credit determined under this subsection with respect to any credit allowance date for a rural renaissance bond is 25 percent of the annual credit for such bond.

‘‘(B) Annual credit.—The annual credit determined with respect to any rural renaissance bond is the amount determined by the Secretary under paragraph (3) for the day on which such bond was sold, multiplied by

‘‘(C) Maximum face amount of the bond.

‘‘(3) Determination.—For purposes of paragraph (2), with respect to any rural renaissance bond, the Secretary shall determine daily or caused to be determined daily a credit rate which shall apply to the first day on which there is a binding, written contract for sale of the face amount of such bond. The credit rate for any day is the credit rate which the Secretary will announce or in a filing with the Securities and Exchange Commission.

SEC. 509. CREDIT ALLOWANCE DATE.—For purposes of this section, the term ‘credit allowance date’ means—

(A) March 15,

(B) June 15,

(C) September 15, and

(D) December 15.

Such term also includes the last day on which the bond is outstanding.

‘‘(4) Special Rule for Issuance and Redemption.—In the case of a bond which is issued during the 3-month period ending on a credit allowance date, the amount of the credit determined under subsection (b) with respect to such credit allowance date shall be a ratable portion of the credit otherwise determined based on the 3-month period during which the bond is outstanding. A similar rule shall apply when the bond is redeemed or matures.

‘‘(5) Limitation Based on Amount of Tax.—The credit allowed under subsection (a) for any taxable year shall not exceed the excess of—

(A) the sum of the regular tax liability (as defined in section 26(b)) plus the tax imposed by section 55, over

(B) the sum of the credits allowable under this part (other than subpart C thereof, relating to refundable credits).

‘‘(6) Rural Renaissance Bond.—For purposes of this section—

(A) in general.—The term ‘rural renaissance bond’ means any bond issued as part of an issue if—

(i) the bond is issued by a qualified issuer,

(ii) 95 percent or more of the proceeds from the sale of such issue are to be used for capital expenditures incurred for 1 or more qualified projects,

(iii) the qualified issuer designates such bond for purposes of this section and the bond is in registered form, and

(iv) the issue meets the requirements of subsection (e) and (h).

‘‘(B) qualified project.—Special use rules.—

‘‘(I) in general.—The term ‘qualified project’ means 1 or more projects described in subparagraph (B) located in a rural area.

(ii) projects described.—A project described in this subparagraph is—

(i) a water or waste treatment project,

(ii) an affordable housing project,

(iii) a community facility project, including a hospital, fire and police stations, and nursing and assisted-living facilities,

(iv) a value-added agriculture or renewable energy facility project for agricultural purposes or other purposes, includ¬

ing any project to promote the production, processing, or retail sale of ethanol (including fuel at least 85 percent of the volume of which consists of the residue of ethanol), biodiesel, animal waste, biomass, raw commodities, or wind as a fuel,

(v) a distance learning or telecommunication project,

(vi) a rural utility infrastructure project, including any electric or telephone system,
(vi) a project to expand broadband technology.

(vii) a rural teleworks project, and

(ix) any project described in any preceding sentence carried out by the Delta Regional Authority.

(C) SPECIAL RULES.—For purposes of this paragraph—

(i) Project described in subparagraph (B)(iv) for a farmer-owned entity may be considered a qualified project if such entity is located in a rural area, or in the case of a farmer-owned entity, the headquarters of which are located in a nonrural area, if the project is located in a rural area, and

(ii) a farmer-owned entity which is a facility described in subparagraph (B)(iv) for agricultural producers may be considered a qualified project regardless of whether the facility is located in a rural or nonrural area.

(3) SPECIAL USE RULES.—

(A) REFINANCING RULES.—For purposes of paragraph (1)(B), a qualified project may be refinanced with proceeds of a rural renaissance bond only if the indebtedness being refinanced (including any obligation directly or indirectly refinanced with proceeds of a rural renaissance bond) under this subsection (d)(3) and using as a discount rate determined without regard to the requirements of subparagraph (C)(i) and using as a discount rate determined without regard to the requirements of this section (determined without regard to subsection (c)) and the amount so included shall be treated as interest income.

(B) SPECIAL RULES RELATING TO EXPENDITURES.—

(1) IN GENERAL.—An issue shall be treated as meeting the requirements of this subsection if, as of the date of issuance, the qualified issuer reasonably expects—

(A) at least 95 percent of the proceeds from the sale of the issue are to be spent for 1 or more projects (or the extended period), the qualified issuer reasonably expects such projects to be completed within 60 months after the date of issuance of the rural renaissance bond, and

(B) the proceeds of the issue shall be treated as being spent on the credit allowance date (as determined in paragraph (3)) and the amount so included shall be treated as interest income.

(2) TERMINATION.—For purposes of this paragraph, the proceeds of a rural renaissance bond may be issued to reimburse a borrower for amounts paid after the date of the enactment of this Act by the borrower with respect to a qualified project, but only if—

(i) prior to the payment of the original expenditure, the borrower declared its intent to reimburse such expenditure with the proceeds of a rural renaissance bond,

(ii) not later than 60 days after payment of the original expenditure, the qualified issuer—

(A) determined in the preceding sentence that the proceeds of the rural renaissance bond or, in the case of a rural renaissance bond, the proceeds of which are to be loaned to 2 or more borrowers, such binding commitment shall be incurred within the 6-month period beginning on the date of such issue, and

(B) such projects will be completed with due diligence and the proceeds from the sale of the issue will be spent with due diligence.

(3) CREDIT TO HOLDERS OF RURAL RENAISSANCE BONDS.—

(A) IN GENERAL.—For purposes of subsection (c), the term ‘interest’ includes amounts includible in gross income under section 54(f) and such amounts shall be treated as paid on the credit allowance date (as defined in section 54(b)(4)).

(B) REPORTING TO CORPORATIONS, ETC.—Except as otherwise provided in regulations, any use of any interest described in subparagraph (A) shall be reported to shareholders of such company under procedures prescribed by the Secretary.

(4) REPORTING OF CREDIT ON RURAL RENAISSANCE BONDS.—

(A) IN GENERAL.—For purposes of subsection (b), the term ‘interest’ includes amounts includible in gross income under section 54(f) and such amounts shall be treated as paid on the credit allowance date (as defined in section 54(b)(4)).

(B) REPORTING TO CORPORATIONS, ETC.—Except as otherwise provided in regulations, any use of any interest described in subparagraph (A) shall be reported to shareholders of such company under procedures prescribed by the Secretary.

(5) CREDIT TO HOLDERS OF RURAL RENAISSANCE BONDS.—

(A) IN GENERAL.—For purposes of subsection (c), the term ‘interest’ includes amounts includible in gross income under section 54(f) and such amounts shall be treated as paid on the credit allowance date (as defined in section 54(b)(4)).

(B) REPORTING TO CORPORATIONS, ETC.—Except as otherwise provided in regulations, any use of any interest described in subparagraph (A) shall be reported to shareholders of such company under procedures prescribed by the Secretary.

(6) REPORTING.—Issuers of rural renaissance bonds shall submit reports similar to the reports required under section 1397E(i)(1) shall apply.

(7) BONDS HELD BY REGULATED INVESTMENT COMPANIES.—If any rural renaissance bond is held by a regulated investment company, the credit determined under subsection (a) shall be treated as a reduction in the investment in, and the income from, such bond.
SEC. 569. MODIFICATION OF TREATMENT OF LOANS TO QUALIFIED CONTINUING CARE FACILITIES.

(a) In General.—Section 7872 is amended to read as follows:

‘‘(g) Exception for Loans to Qualified Continuing Care Facilities.—

‘‘(1) In General.—This section shall not apply for any calendar year to any below-market loan owed by a facility which on the last day of such year is a continuing care facility, if such loan was made pursuant to a continuing care contract and if the lender (or the lender’s spouse) attains age 62 before the close of such year.

‘‘(2) Continuing Care Contract.—For purposes of this section, the term ‘continuing care contract’ means a written contract between (i) a continuing care facility, as appropriate for the health of such individual or individual’s spouse, and

(ii) that include an independent living unit, plus an assisted living or nursing facility, or both, as is available in the continuing care facility.

‘‘(3) Special Rules Relating to Large Integrated Oil Companies Which Are Dual Capacity Taxpayers.—

‘‘(A) In General.—For purposes of this section, the term ‘qualified continuing care facility’ means 1 or more facilities—

(i) which are designed to provide services as the health of such individual or individual’s spouse requires, and

(ii) substantially all of the independent living unit residents of which are covered by continuing care contracts.

(B) Nursing Homes Excluded.—The term ‘qualified continuing care facility’ shall not include any facility which is of a type which is traditionally considered a nursing home.

‘‘(B) Revisions Made by the Act.—The amendment made by this section shall apply to loans made after December 31, 2005.

SEC. 570. MODIFICATIONS OF FOREIGN TAX CREDITS RULES APPLICABLE TO LARGE INTEGRATED OIL COMPANIES WHICH ARE DUAL CAPACITY TAXPAYERS.

(a) In General.—Section 901 (relating to credit for taxes for foreign countries and of possessions of the United States), as amended by this Act, is amended by redesignating subsections (m) and (n) as subsections (n) and (o), respectively, and by inserting after subsection (l) the following new subsection:

‘‘(m) Special Rules Relating to Large Integrated Oil Companies Which Are Dual Capacity Taxpayers.—

‘‘(1) General Rule.—Notwithstanding any other provision of this chapter, any amount paid or accrued by a dual capacity taxpayer which is paid by an integrated oil company to a foreign country or possession of the United States for any period shall not be considered a tax—

(i) if, for such period, the foreign country or possession does not impose a generally applicable income tax, or

(ii) to the extent such amount exceeds the amount paid in accordance with regulations which—

(I) is paid by such dual capacity taxpayer pursuant to the generally applicable income tax imposed by the foreign country or possession, or

(II) would be paid if the generally applicable income tax imposed by the country or possession possessed were applicable to such dual capacity taxpayer.

Nothing in this paragraph shall be construed to imply the proper treatment of any such amount not in excess of the amount determined under subsection (l).’’.”

(b) In General.—The Secretary of the Treasury shall not enter into any qualified tax collection contract after April 1, 2006, unless the Secretary implements a disability preference program that meets the requirements of subsection (b).

(c) Disability Preference Program Requirements.—

(1) In General.—A disability preference program meets the requirements of this subsection if such program requires that not less than 10 percent of the accounts of each dollar value category are awarded to persons described in paragraph (2).

(2) Person Described.—For purposes of paragraph (1), a person is described in this paragraph if—

(A) as of the date any qualified tax collection contract is awarded;

(i) such person employs not less than 50 severely disabled individuals within the United States; or

(ii) not less than 30 percent of the employees of such person within the United States are severely disabled individuals;

(B) such person agrees as a condition of the qualified tax collection contract that not more than 90 days after the date of such contract is awarded, not less than 3 percent of the employees of such person employed in connection with providing services under such contract shall—

(i) be hired after the date such contract is awarded; and

(ii) be severely disabled individuals; and

(C) such person is otherwise qualified to perform the services required.

(d) Definitions.—For purposes of this section—

(1) Qualified Tax Collection Contract.—

The term ‘‘qualified tax collection contract’’ shall have the meaning given such term under section 6309(b) of the Internal Revenue Code of 1986.

(2) Dollar Value Category.—The term ‘‘dollar value category’’ means the dollar range of accounts to be collected as determined and assigned by the Secretary under section 6309(b)(2)(B) of the Internal Revenue Code of 1986.
Title VI—Compliance with Congressional Budget Act

SEC. 601. SUNSET OF CERTAIN PROVISIONS AND AMENDMENTS.

The provisions of, and amendments made by, title I, title II, subtitle A of title III, and title IV shall not apply to taxable years beginning after September 30, 2010, and the Internal Revenue Code of 1986 shall be applied as if such provisions and amendments had never been enacted.

SA 2671. Mr. Frist (for Mr. Enzi) proposed an amendment to the bill S. 1418, to enhance the adoption of a nationwide interoperable health information technology system and to improve the quality and reduce the costs of health care in the United States; as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the ‘‘Wired for Health Care Quality Act’’.

SEC. 2. IMPROVING HEALTH CARE QUALITY, SAFETY, AND EFFICIENCY.

The Public Health Service Act (42 U.S.C. 201 et seq.) is amended by adding at the end the following:

‘‘TITLE XXIX—HEALTH INFORMATION TECHNOLOGY AND QUALITY

SEC. 2901. DEFINITIONS.

In this title:

‘‘(1) HEALTH CARE PROVIDER.—The term ‘health care provider’ means a hospital, skilled nursing facility, home health entity, health care clinic (federally qualified health center, group practice (as defined in section 1877(b)(4) of the Social Security Act), a pharmacist, a pharmacy, a laboratory, a physician (as defined in section 1861(r) of the Social Security Act), a practitioner (as defined in section 1842(b)(18)(CC) of the Social Security Act), a health facility operated by or pursuant to contract with the Indian Health Service, a rural health clinic, and any other category of facility or clinician determined appropriate by the Secretary.

‘‘(2) HEALTH INFORMATION.—The term ‘health information’ has the meaning given such term in section 1171 of the Social Security Act.

‘‘(3) LABORATORY.—The term ‘laboratory’ has the meaning given that term in section 351.

‘‘(4) PHARMACIST.—The term ‘pharmacist’ has the meaning given that term in section 804 of the Federal Food, Drug, and Cosmetic Act.

‘‘(5) QUALIFIED HEALTH INFORMATION TECHNOLOGY.—The term ‘qualified health information technology’ means a computerized health information system (including hardware and software) that—

‘‘(A) protects the privacy and security of health information;

‘‘(B) maintains and provides permitted access to health information in an electronic format;

‘‘(C) incorporates decision support to reduce medical errors and enhance health care quality;

‘‘(D) complies with the standards adopted by the Federal Government under section 2903; and

‘‘(E) allows for the reporting of quality measures under section 2907.

‘‘(6) STATE.—The term ‘State’ means each of the several States of Columbia, Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Northern Mariana Islands.

SEC. 2902. OFFICE OF THE NATIONAL COORDINATOR OF HEALTH INFORMATION TECHNOLOGY.

‘‘(a) OFFICE OF NATIONAL HEALTH INFORMATION TECHNOLOGY.—There is established within the Office of the Secretary an Office of the National Coordinator of Health Information Technology (referred to in this section as the ‘Office’). The Office shall be headed by a National Coordinator who shall be appointed by the Secretary and shall report directly to the Secretary.

‘‘(b) PURPOSE.—It shall be the purpose of the Office to coordinate with relevant Federal agencies and private entities and oversee programs and activities to develop a nationwide interoperable health information technology infrastructure that—

‘‘(1) ensures that patients’ individually identifiable health information is secure and protected;

‘‘(2) improves health care quality, reduces medical errors, and advances the delivery of patient-centered medical care;

‘‘(3) reduces costs resulting from inefficiency, medical errors, inappropriate care, and incomplete information;

‘‘(4) ensures that appropriate information to help make informed decisions is available at the time and place of care;

‘‘(5) promotes a more effective marketplace, greater competition, and increased choice through the wider availability of accurate information on health care costs, quality, and outcomes;

‘‘(6) improves the coordination of care and information, including among hospitals, laboratories, physician offices, and other entities through an effective infrastructure for the secure and authorized exchange of health care information;

‘‘(7) improves public health reporting and facilitates the early identification and rapid response to public health threats and emergencies, including bioterrorist events and infectious disease outbreaks;

‘‘(8) facilitates health research; and

‘‘(9) promotes prevention of chronic diseases.

‘‘(c) DUTIES OF THE NATIONAL COORDINATOR.—The National Coordinator shall—

‘‘(1) serve as the principal advisor to the Secretary concerning the development, application, and use of health information technology, and coordinate and oversee the health information technology programs of the Department;

‘‘(2) facilitate the adoption of a nationwide, interoperable system for the electronic exchange of health information;

‘‘(3) ensure the adoption and implementation of standards for the electronic exchange of health information to reduce cost and improve health care quality;

‘‘(4) ensure that health information technology policy and programs of the Department are coordinated with those of relevant executive branch agencies (including Federal commissions) with a goal of avoiding duplication of efforts and of helping to ensure that each agency undertakes health information technology activity primarily within the areas of its greatest expertise and technical capability;

‘‘(5) to the extent permitted by law, coordinate outreach and consultation with the relevant executive branch agencies (including Federal commissions) with public and private parties of interest, including consumers, payers, employers, hospitals and other health care providers, physicians, community health centers, laboratories, vendors and other stakeholders;

‘‘(6) to the extent permitted by law, advise the President regarding specific Federal health information technology programs; and

‘‘(7) prepare the reports described under section 2909(c) (excluding paragraph (4) of such section).

‘‘(d) DETAIL OF FEDERAL EMPLOYEES.—

‘‘(1) IN GENERAL.—Upon the request of the National Coordinator, the head of any Federal agency is authorized to detail, with or without reimbursement from the Office, any of the personnel of such agency to the Office to perform any activity in carrying out its duties under this section.

‘‘(2) EFFECT OF DETAIL.—Any detail of personnel under paragraph (1) shall not (A) interrupt or otherwise affect the civil service status or privileges of the Federal employee; and

‘‘(B) be in addition to any other staff of the Department employed by the National Coordinator.

‘‘(3) ACCEPTANCE OF DETAILEES.—Notwithstanding any other provision of law, the Office—

‘‘(A) may accept detailed personnel from other Federal agencies without regard to whether the agency described under paragraph (1) is reimbursing the Office;

‘‘(B) may assign personnel under paragraph (1) to assist it in carrying out its duties under this section.

‘‘(4) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, $5,000,000 for fiscal year 2006, $5,000,000 for fiscal year 2007, and such sums as may be necessary for each of fiscal years 2008 through 2010.

SEC. 2903. AMERICAN HEALTH INFORMATION COLLABORATIVE.

‘‘(a) PURPOSE.—The Secretary shall establish the public–private American Health Information Collaborative (referred to in this section as the ‘Collaborative’) to—

‘‘(1) advise the Secretary and recommend specific actions to achieve a nationwide interoperable health information technology infrastructure;

‘‘(2) serve as a forum for the participation of a broad range of stakeholders to provide input on achieving the interoperability of health information technology; and

‘‘(3) recommend standards (including content, communication, and security standards), operate the electronic exchange of health information (including for the reporting of quality data under section 2907) for adoption
by the Federal Government and voluntary adoption by private entities.

(b) COMPOSITION.—

(1) IN GENERAL.—The Collaborative shall be composed of members of the public and private sectors to be appointed by the Secretary, including representatives from—

(A) consumer or patient organizations;

(B) providers of health care, with expertise in privacy and security;

(C) health care providers;

(D) health information plans or other third party payors;

(E) information technology vendors; and

(F) purchasers or employers.

(2) PARTICIPATION.—In appointing members under paragraph (1), and in developing the procedures for conducting the activities of the Collaborative, the Secretary shall ensure a balance among various sectors of the health care system so that no single sector unduly influences the recommendations of the Collaborative.

(3) TERMS.—Members appointed under paragraph (1) shall serve for 2 years, except that any member appointed to fill a vacancy for an unexpired term shall be appointed for the remainder of such term. A member shall not serve more than 2 successive terms or until a successor has been appointed.

(4) OUTSIDE INVOLVEMENT.—With respect to the Collaborative, the Secretary shall ensure an adequate opportunity for the participation of outside advisors, including individuals with expertise in—

(A) health information privacy;

(B) health information security;

(C) health care quality and patient safety, including entities with expertise in utilizing health information technology to improve health care quality and patient safety;

(D) data exchange; and

(E) developing information technology standards and new health information technology.

(c) RECOMMENDATIONS AND POLICIES.—Not later than 1 year after the date of enactment of this title, and annually thereafter, the Collaborative shall recommend to the Secretary—

(1) EXISTING STANDARDS.—The standards adopted by the Consolidated Health Informatics Initiative shall be deemed to have been recommended by the Collaborative under this section.

(2) GENERAL REVIEW.—Not later than 1 year after the date of enactment of this title, the Collaborative shall—

(A) review existing standards (including content, communication, and security standards) for the electronic exchange of health information;

(B) identify deficiencies and omissions in such existing standards; and

(C) identify duplication and overlap in such existing standards; and

recommend new standards and modifications to such existing standards as necessary.

(3) ONGOING REVIEW.—Beginning 1 year after the date of enactment of this title, and annually thereafter, the Collaborative shall—

(A) review existing standards (including content, communication, and security standards) for the electronic exchange of health information;

(B) identify deficiencies and omissions in such existing standards; and

(C) identify duplication and overlap in such existing standards; and

recommend new standards and modifications to such existing standards as necessary.

(4) LIMITATION.—The standards and timeframe for adoption described in this section shall be consistent with any standards developed pursuant to the Health Insurance Portability and Accountability Act of 1996.

(e) FEDERAL ACTION.—Not later than 90 days after the date of enactment of this title, the Secretary of Health and Human Services, the Secretary of Veterans Affairs, and the Secretary of Defense, in collaboration with representatives of other relevant Federal agencies, as determined appropriate by the Secretary, shall jointly review such recommendations. If appropriate, the Secretary shall provide for the adoption by the Federal Government of any nationally accepted standards contained in such recommendations.

(f) COORDINATION OF FEDERAL SPENDING.—

(1) IN GENERAL.—Not later than 1 year after the adoption by the Federal Government of a recommendation as provided for in subsection (e), and in compliance with chapter 113 of title 40, United States Code, no Federal agency shall expend Federal funds for the purchase of any new health information technology or health information technology system for clinical care or for the electronic retrieval, storage, or exchange of health information that is not consistent with applicable standards adopted by the Federal Government under subsection (e).

(2) RULE OF CONSTRUCTION.—Nothing in paragraph (1) shall be construed to restrict the purchase of minor (as determined by the Secretary) hardware or software components in order to modify, correct a deficiency in, or extend the life of existing hardware or software.

(g) COORDINATION OF FEDERAL DATA COLLECTION.—Not later than 3 years after the adoption by the Federal Government of a recommendation as provided for in subsection (e), the Secretary shall coordinate the collection of health data for the purposes of quality reporting, surveillance, epidemiology, adverse event reporting, research, or for other purposes, as determined by the Secretary, shall comply with standards adopted under subsection (e).

(h) VOLUNTARY ADOPTION.—

(1) IN GENERAL.—Any standards adopted by the Federal Government under subsection (e) shall be voluntary with respect to private entities.

(2) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to require that a private entity that enters into a contract with the Federal Government adopt the standards adopted by the Federal Government under this section with respect to activities not related to the contract.

(i) LIMITATION.—Not later than 5 years after the date of enactment of this title, any contract entered into by the Federal Government that includes Federal funds for the purchase of any health information technology or health information system for clinical care or for the electronic retrieval, storage, or exchange of health information shall require that the contract be consistent with applicable standards adopted under this subtitle.

(j) REPORTS.—The Secretary shall submit to the Committee on Health, Education, Labor, and Pensions and the Committee on Finance of the Senate and the Committee on Energy and Commerce and the Committee on Ways and Means of the House of Representatives, on an annual basis, a report that—

(1) describes the specific actions that have been taken by the Federal Government and private entities to facilitate the adoption of such existing standards as are necessary for the electronic exchange of health information;

(2) describes barriers to the adoption of such nationwide systems;

(3) contains recommendations to achieve full implementation of such a nationwide system; and

(4) contains a plan and progress toward the establishment of an entity to ensure the continuation of the functions of the Collaborative.

(k) APPLICATION OF FACA.—The Federal Advisory Committee Act (5 U.S.C. App.) shall apply to the Collaborative, except that the term provided for under section 14(a)(2) shall be 5 years.

(l) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, $1,000,000 for fiscal year 2006, $1,000,000 for fiscal year 2007, and such sums as may be necessary for each of fiscal years 2008 through 2010.
("2) Certification Assistance.—The Secretary may recognize a private entity or entities to assist in the certification described under paragraph (1) using the criteria developed by the Secretary under this section.

(3) Outside Involvement.—The Secretary, through consultation with the Collaborative, may accept recommendations on the development of the criteria under subsections (a) and (b) from a Federal agency or private entity.

SEC. 2903. GRANTS TO FACILITATE THE WIDESPREAD ADOPTION OF INTEROPERABLE HEALTH INFORMATION TECHNOLOGY.

(a) Competitive Grants to Facilitate the Widespread Adoption of Health Information Technology. —

(1) In General.—The Secretary may award competitive grants to eligible entities to facilitate the purchase and enhance the utilization of qualified health information technology systems and training personnel in the utilization of qualified health information technology to improve the quality and efficiency of health care.

(2) Eligibility.—To be eligible to receive a grant under paragraph (1) an entity shall—

(A) submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require;

(B) submit to the Secretary a strategic plan for the implementation of data sharing and interoperability measures;

(C) be a—

(i) not for profit hospital, including a federally qualified health center (as defined in section 1915(aa)(4) of the Social Security Act);

(ii) individual or group practice; or

(iii) another health care provider not described in clause (i) or (ii);

(D) adopt the standards adopted by the Federal Government under section 2903;

(E) implement the measures adopted under section 2903 and report to the Secretary on such measures;

(F) agree to notify patients if their individually identifiable health information is wrongfully disclosed;

(G) demonstrate significant financial need; and

(H) provide matching funds in accordance with paragraph (4).

(3) Use of Funds.—Amounts received under a grant under this subsection shall be used to facilitate the purchase and enhance the utilization of qualified health information technology systems and training personnel in the use of such technology.

(4) Matching Requirement.—To be eligible for a grant under this subsection an entity shall contribute non-Federal contributions to the costs of carrying out the activities for which the grant is awarded in an amount equal to $1 for each $1 of Federal funds provided under the grant.

(5) Preference in Awarding Grants.—In awarding grants under this subsection the Secretary shall give preference to—

(A) eligible entities that are located in rural, frontier, and other underserved areas as determined by the Secretary;

(B) eligible entities that will link, to the extent practicable, the qualified health information system to local or regional health information plan or plans; and

(C) with respect to an entity described in subsection (a)(2)(C)(i), a nonprofit health care provider.

(b) Competitive Grants to States for the Development of State Loan Programs to Facilitate the Widespread Adoption of Health Information Technology.—

(1) In General.—The Secretary may award competitive grants to States for the establishment of State programs for loans to health care providers to facilitate the purchase and enhance the utilization of qualified health information technology.

(2) Establishment of Fund.—To be eligible to receive a competitive grant under this subsection an eligible entity shall establish a qualified health information technology loan fund (referred to in this subsection as a ‘State loan fund’) and comply with the requirements of this section.

(A) To enter into a grant under this subsection shall be deposited in the State loan fund established by the State. No funds authorized by this title shall be deposited in a State loan fund under this subsection only may be used for the following:

(i) To award loans that comply with the following:

(A) To loans with an interest rate for each loan shall be less than or equal to the market interest rate.

(ii) The principal and interest payments on each loan shall commence not later than 1 year after the loan was awarded, and each loan shall be fully amortized not later than 10 years after the date of the loan.

(iii) The State loan fund shall be credited with all payments of principal and interest on each loan awarded from the fund.

(B) To guarantee, or purchase insurance for, a local obligation for any project eligible for assistance under this subsection if the guarantee or purchase would improve credit market access and reduce the interest rate applicable to the obligation involved.

(C) As a source of revenue for security for the payment of principal and interest on any local obligation for any project eligible for assistance under this subsection if the proceeds of the sale of the bonds will be deposited into the State loan fund.

(D) To earn interest on the amounts deposited into the State loan fund.

(3) Administration of State Loan Funds.—

(A) Combined Financial Administration.—A State may (as a convenience and to avoid unnecessarily administrative costs) combine, in accordance with State law, the financial administration of a State loan fund established under this subsection with the financial administration of any other revolving fund established by the State if otherwise not prohibited by the law under which the State loan fund was established.

(B) Cost of Administering Fund.—Each State that annually spends funds to administer the State loan fund under this subsection may be used to leverage loans, the proceeds of which finance a project eligible for assistance under this subsection if the guarantee or purchase would improve credit market access and reduce the interest rate applicable to the obligation involved.

(C) Guidance and Regulations.—The Secretary shall publish guidance and promulgate regulations as may be necessary to carry out the provisions of this subsection, including—

(i) provisions to ensure that each State commits and expends funds allotted to the State under this subsection as efficiently as possible in accordance with this title and applicable State laws; and

(ii) guidance to prevent waste, fraud, and abuse.

(D) Private Sector Contributions.—

(i) In General.—A State loan fund established under this subsection may accept contributions from private sector entities, except that such entities may not specify the recipient or recipients of any loan issued under this subsection.

(ii) Availability of Information.—A State shall make publicly available the identity of, and amount contributed by, any private sector entity under clause (i) and may make letters of commendation or make other awards (that have no financial value) to any such entity.
"(8) Matching requirements.—
   "(A) IN GENERAL.—The Secretary may not make a grant under paragraph (1) to a State unless the State agrees to make available, directly or through contributions from non-Federal contributions in cash toward the costs of the State program to be implemented under the grant in an amount at least equal to $1 for each $1 of Federal funds provided under the grant.
   "(B) Determination of amount of non-Federal contribution.—In determining the amount of non-Federal contributions that a State has provided pursuant to subparagraph (A), the Secretary may not include any amounts provided to the State by the Federal Government, or services assisted or subsidized to any significant extent by the Federal Government, nor may be included in determining the amount of such non-Federal contributions.
   "(d) Reports.—Not later than 1 year after the date on which the first grant is awarded under this section and during the grant period, an entity that receives a grant under this section shall submit to the Secretary a report on the activities carried out under the grant involved. Each such report shall include—
   "(1) a description of the financial costs and benefits of the project involved and of the entities to which such costs and benefits accrue;
   "(2) an analysis of the impact of the project on health care quality and safety;
   "(3) a description of any reduction in duplicative or unnecessary care as a result of the project involved;
   "(4) a description of the efforts of recipients under this section to facilitate secure patient access to health information; and
   "(5) other information as required by the Secretary.
   "(e) Requirement to achieve quality improvement.—The Secretary shall annually evaluate the activities conducted under this section. The Secretary shall implement the lessons learned from such evaluation in a manner so that awards made subsequent to each such evaluation are made in a manner that, in the opinion of the Secretary, will result in the greatest improvement in quality measures under section 2903.
   "(f) Limitation.—An eligible entity may only receive one non-renewable grant under subsection (a), one non-renewable grant under subsection (b), and one non-renewable grant under subsection (c).
   "(g) Authorization of appropriations.—
      "(1) IN GENERAL.—For the purpose of carrying out this section, there is authorized to be appropriated $116,000,000 for fiscal year 2006, $141,000,000 for fiscal year 2007, and such sums as may be necessary for each of fiscal years 2008 through 2010.
      "(2) Availability.—Amounts appropriated under paragraph (1) shall remain available through fiscal year 2010.

SEC. 2906. DEMONSTRATION PROGRAM TO INTEGRATE INFORMATION TECHNOLOGY INTO CLINICAL EDUCATION.
   "(a) IN GENERAL.—The Secretary may award grants under this section to carry out demonstration projects to develop academic curricula integrating qualified health information technology systems in the clinical education of health professionals. Such awards shall be made on a competitive basis and pursuant to peer review.
   "(b) Eligibility.—An eligible entity may be eligible to receive a grant under subsection (a), an entity shall—
      "(1) submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require;
      "(2) submit to the Secretary a strategic plan for integrating qualified health information technology in the clinical education of health professionals and for ensuring the consistent utilization of decision support systems that reduce medical errors and enhance health care quality;
      "(3) be—
         "(A) a health professions school;
         "(B) a school of nursing equal to not less than 50 percent of such costs ($1 for each $2 of Federal funds provided under the grant).
(d) Matching Funds.—

(1) IN GENERAL.—The Secretary may award a grant to an entity under this section only if the entity agrees to make available non-Federal contributions toward the costs of the program to be funded under the grant in an amount not less than $2 of Federal funds provided under the grant.

(2) Determination of Amount Contributed.—Non-Federal contributions under paragraph (1) may be in cash or in kind, fairly evaluated, including equipment or services.

(3) Use of Funds.—

(A) quality measurement using the quality measures adopted under this Act, and

(B) do not conflict with the needs and priorities of the programs under titles XVIII, XIX, and XXI of such Act, as set forth by the Administrator of the Centers for Medicare & Medicaid Services.

(c) Required Considerations in Developing and Updating the Measures.—In developing and updating the quality measures under this section, the Secretary may take into account:

(1) any demonstration or pilot program conducted by the Secretary relating to measuring and rewarding quality and efficiency of care;

(2) any existing activities conducted by the Secretary relating to measuring and rewarding quality and efficiency; and

(3) any existing activities conducted by private entities, including health insurance plans and payors:

(4) the report by the Institute of Medicine of the National Academy of Sciences under section 2902(b) of such Public Health Service Act; and

(5) issues of data collection and reporting, including the amount and cost of collecting and reporting data on measures.

(d) Solicitation of Advice and Recom- mendations.—On and after July 1, 2006, the Secretary shall consult with the following regarding the development, updating, and use of quality measures developed under this section:

(1) Health insurance plans and health care providers, including such plans and providers with experience in the care of the frail elderly and individuals with multiple complex chronic conditions, or groups representing such health insurance plans and providers.

(2) Groups representing patients and consumers.

(3) Purchasers and employers or groups representing purchasers or employers.

(4) Organizations that focus on quality improvement as well as the measurement and reporting of quality measures.

(5) Organizations that certify and license health care providers.

(6) State government public health programs.

(7) Individuals or entities skilled in the conduct and interpretation of health services, and health economics research and with expertise in outcomes and effectiveness research and technology assessment.

(8) Individuals or entities involved in the development and establishment of standards and certification for health information technology systems and applications.

(9) Individuals or entities with experience with:

(A) urban health care issues;

(B) rural and frontier health care issues.

(e) Use of Quality Measures.—

(1) IN GENERAL.—For purposes of activities conducted or supported by the Secretary under this Act, the Secretary shall, to the extent practicable, adopt and utilize the quality measures developed under this section.

(2) Collaborative Agreements.—With respect to activities conducted or supported by the Secretary under this Act, the Secretary may establish collaborative agreements with public or private entities, including health plans and health insurance issuers, providers, purchasers, consumer organizations, and entities receiving a grant under section 2905,

(3) Reporting.—The Secretary shall implement procedures to enable the Department of Health and Human Services to accept the electronic submission of data for purposes of—

(A) quality measurement using the quality measures developed under this section and the standards adopted by the Federal Government under section 2903; and

(B) for reporting measures used to make value-based payments under programs under the Social Security Act.

(f) Dissemination of Information.—Be- ginning January 1, 2007, and each January 1 thereafter, the Secretary shall make comparative quality information available to health care consumers, health professionals, public health officials, researchers, and other appropriate individuals and entities, the Secretary shall provide for the dissemination, aggregation, and analysis of quality measures collected under section 2905 and the dissemination of recommendations and best practices derived in part from such analysis.

(g) Technical Assistance.—The Secretary shall provide technical assistance to public and private entities to enable such entities to—

(1) implement and use evidence-based guidelines with the greatest potential to improve health care quality, efficiency, and patient safety; and

(2) establish mechanisms for the rapid dissemination of information regarding evidence-based guidelines with the greatest potential to improve health care quality, efficiency, and patient safety.

(h) Rule of Construction.—Nothing in this title shall be construed as prohibiting the Secretary, acting through the Administrator of the Centers for Medicare & Medicaid Services, from developing quality...
measures (and timing requirements for reporting such measures) for use under programs administered by the Secretary under the Social Security Act, including programs under titles XVIII, XIX, and XXI of such Act.”

SEC. 3. LICENSURE AND THE ELECTRONIC EXCHANGE OF HEALTH INFORMATION.

(a) In General.—The Secretary, acting through the Director, shall develop a Health Information Technology Resource Center to provide technical assistance and develop best practices to support and accelerate efforts to adopt, implement, and effectively use interoperable health information technology.

(b) Purpose.—The purpose of the Center is to—

"(A) provide a forum for the exchange of knowledge and experience;

"(B) accelerate the transfer of lessons learned from existing public and private sector initiatives, including those currently receiving Federal financial support;

"(C) assemble, analyze, and widely disseminate evidence and experience related to the adoption, implementation, and effective use of interoperable health information technology;

"(D) provide for the establishment of regional and local health information networks to facilitate the development of interoperability across settings and improve the quality of health care;

"(E) provide for the development of solutions to barriers to the exchange of electronic health information; and

"(F) conduct other activities identified by the States, local or regional health information networks, or health care stakeholders as a focus for developing and sharing best practices.

SEC. 4. ENSURING PRIVACY AND SECURITY.

(a) I N GENERAL.

Nothing in this Act (or the amendments made by this Act) shall be construed to require the duplication of Federal efforts with respect to the establishment of the Center, regardless of whether such efforts were carried out prior to or after the enactment of this subsection.

(b) TECHNICAL ASSISTANCE TELEPHONE NUMBER.

The Secretary, acting through the Director, shall establish a toll-free telephone number or Internet website to provide health care providers and patients with a single point of contact to—

"(1) learn about Federal grants and technical assistance services related to interoperable health information technology;

"(2) learn about Federal health information technology and the quality measures adopted by the Federal Government under sections 2903 and 2907;

"(3) learn about regional and local health information networks for assistance with health information technology; and

"(4) disseminate additional information determined by the Secretary.

(c) AUTHORIZATION OF APPROPRIATIONS.

Nothing in this subsection shall be construed to require the duplication of Federal efforts with respect to the establishment of the Center, regardless of whether such efforts were carried out prior to or after the enactment of this subsection.

(d) R EIMBURSEMENT INCENTIVES.

To provide support for the activities of the Center, the Director shall modify the requirements, if necessary, that apply to the National Resource Center for Health Information Technology to provide the necessary infrastructure to support the duties and activities of the Center and facilitate information exchange across the public and private sectors.

 SEC. 5. GAO STUDY.

Not later than 6 months after the date of enactment of this Act, the Comptroller General of the United States shall submit to Congress a report on the necessity and workability of requiring health plans (as defined in section 1171 of the Social Security Act (42 U.S.C. 254c-2)) to provide health care providers (as defined in such section 1171) who transmit health information in electronic format if their individually identifiable health information (as defined in such section 1171) is wrongfully disclosed.

SEC. 6. STUDY OF REIMBURSEMENT INCENTIVES.

The Secretary of Health and Human Services shall carry out, or contract with a private entity to carry out, a study that examines—

"(1) the variation among State laws that relate to the licensure, registration, and certification of medical professionals; and

"(2) how such variation among State laws impacts the ability of patients and health care providers to exchange electronic health information—

"(A) among the States; and

"(B) between the States and the Federal Government.

(b) REPORT AND RECOMMENDATIONS.—Not later than 1 year after the date of enactment of this Act, the Secretary of Health and Human Services shall publish a report that—

"(1) describes the results of the study carried out under subsection (a); and

"(2) makes recommendations to States regarding the harmonization of State laws based on the results of such study.

SEC. 7. HEALTH INFORMATION TECHNOLOGY RESOURCE CENTER.

(a) In General.—The Secretary, acting through the Director, shall develop a Health Information Technology Resource Center to—

"(1) GIVE TECHNICAL ASSISTANCE.—Provide technical assistance and develop best practices to support and accelerate efforts to adopt, implement, and effectively use interoperable health information technology in compliance with section 2903 and 2907.

"(2) PURPOSE.—The purpose of the Center is to—

"(A) provide a forum for the exchange of knowledge and experience;

"(B) accelerate the transfer of lessons learned from existing public and private sector initiatives, including those currently receiving Federal financial support;

"(C) assemble, analyze, and widely disseminate evidence and experience related to the adoption, implementation, and effective use of interoperable health information technology;

"(D) provide for the establishment of regional and local health information networks to facilitate the development of interoperability across settings and improve the quality of health care;

"(E) provide for the development of solutions to barriers to the exchange of electronic health information; and

"(F) conduct other activities identified by the States, local or regional health information networks, or health care stakeholders as a focus for developing and sharing best practices.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation be authorized to meet on Thursday, November 17, 2005, at 2:30 p.m., on pending Committee business.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Committee on Environment and Public Works be authorized to meet on Tuesday, November 15, 2005, at 10 a.m., to conduct a hearing on “A Review of the GAO Report on the Sale of Financial Products to Military Personnel.”

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate on November 17, 2005, at 10 a.m., to conduct a hearing on “A Review of the GAO Report on the Sale of Financial Products to Military Personnel.”

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Committee on Environment and Public Works be authorized to hold a hearing on November 17, 2005, at 9:35 a.m. to evaluate the degree to which the preliminary findings on the failure of the levees are being incorporated into the restoration of hurricane protection.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Committee on Homeland Security and Governmental Affairs be authorized to meet on Thursday, November 17, 2005, at 10 a.m., for a hearing titled, “From Proposed to Final: Evaluating Regulations for the National Security Personnel System.”
November 17, 2005
CONGRESSIONAL RECORD — SENATE S13253

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON INDIAN AFFAIRS
Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Committee on Indian Affairs be authorized to meet on Thursday, November 17, 2005, at 10 a.m. in Room 216 of the Hart Senate Office Building to conduct an oversight hearing on the In Re Tribal Lobbying Matters, et al.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY
Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet to conduct a markup on Thursday, November 17, 2005, at 9:30 a.m. in Senate Dirksen Office Building Room 226.

I. Nominations
Joseph Frank Bianco, to be U.S. District Judge for the Eastern District of New York; Timothy Mark Burgess, to be U.S. District Judge for the District of Alaska; Gregory F. Van Tatenhove, to be U.S. District Judge for the Eastern District of Kentucky; Eric Nicholas Farnsworth, to be U.S. District Judge for the Eastern District of Alaska; Gregory F. Van Tatenhove, to be U.S. District Judge for the Eastern District of Kentucky; Carol E. Dinkins, to be Commissioner, National Economic Research Associates, New York, N.Y.; Catherine Lucille Hanaway, to be Commissioner, National Economic Research Associates, New York, N.Y.; Joseph Frank Bianco, to be U.S. District Judge for the Eastern District of New York; Raul G. Cano, to be Vice Chairman of the Privacy and Civil Liberties Oversight Board; James O’Gara, to be Deputy Director for Supply Reduction, Office of National Drug Control Policy; Emilio Gonzalez, to be Director of the Bureau of Citizenship and Immigration Services, Department of Homeland Security; Catherine Lucille Hanaway, to be U.S. Attorney for the Eastern District of Missouri; Carol E. Dinkins, to be Chairman of the Privacy and Civil Liberties Oversight Board; Alan Charles Raul, to be Vice Chairman of the Privacy and Civil Liberties Oversight Board.

II. Bills

III. Matters
S.J. Res. 1, Marriage Protection Amendment, Allard, Sessions, Kyl, Hatch, Cornyn, Coburn, Brownback.

COMMITTEE ON THE JUDICIARY
Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet to conduct a hearing on “Recent Developments in Assessing Future Asbestos Claims Under the FAIR Act,” Thursday, November 17, 2005, at 2 p.m. in the Dirksen Senate Office Building. Panel I: Douglas Holtz-Eakin, Ph.D., Director, Congressional Budget Office, Washington, DC; Panel II: Charles Bates, Ph.D., Chairman, Bates White LLC, Washington, DC; Laura Welch, M.D., Medical Director, Center to Protect Workers Rights, Washington, DC; Mark Peterson, Ph.D., President, Legal Analysis Systems, Thousand Oaks, CA; Mark Lederer, Chief Financial Officer, Claims Resolution Management Corporation (aka The Manville Trust), Katonah, NY; Denise Martin, Ph.D., Sr. Vice President, National Economic Research Associates, New York, N.Y.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INTELLIGENCE
Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on November 17, 2005 at 10:30 a.m. to hold a closed hearing.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INTELLIGENCE
Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on November 17, 2005 at 2:30 p.m. to hold a closed business meeting.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON AFRICAN AFFAIRS
Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Subcommittee on African Affairs be authorized to meet during the session of the Senate on November 17, 2005 at 2:30 p.m. to hold a hearing on African Organizations and Institutions: Cross-Continental Progress.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON AVIATION
Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Subcommittee on Aviation be authorized to meet on Thursday, November 17, 2005, at 2:30 p.m. to hold a hearing on African Organizations and Institutions: Cross-Continental Progress.

The PRESIDING OFFICER. Without objection, it is so ordered.

PRIVILEGE OF THE FLOOR
Mr. LEAHY. Mr. President, I ask unanimous consent that Priya Narasimhan be granted the privilege of the floor during votes and throughout the debate on this Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

MEETING THE HOUSING AND SERVICE NEEDS OF SENIORS ACT OF 2005
Mr. GRASSLEY. Mr. President, for the leader I have a unanimous consent request that the Senate proceed to the immediate consideration of Calendar No. 285, S. 705.

The PRESIDING OFFICER. The clerk will report the bill by title.

The legislative clerk read as follows:
A bill (S. 705) to establish the Interagency Council on Meeting the Service Needs of Seniors, and for other purposes.

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Banking, Housing, and Urban Affairs, with an amendment, as follows:

[Strike out all after the enacting clause and insert the part printed in italic.]

S. 705
Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.
This Act may be cited as the “Meeting the Housing and Service Needs of Seniors Act of 2005.”

SEC. 2. FINDINGS.
Congress finds the following:
(1) The senior population (persons 65 or older) in this country is rapidly growing, and is expected to increase from 34,700,000 in 2000 to nearly 40,000,000 by 2010, and then will dramatically increase to over 50,000,000 by 2020.
(2) By 2020, the population of “older” seniors, those over age 85, is expected to double to 7,000,000, and then double again to 14,000,000 by 2040.
(3) As the senior population increases, so does the need for additional safe, decent, affordable, and suitable housing that meets their unique needs.
(4) Due to the health care, transportation, and service needs of seniors, issues of providing suitable and affordable housing opportunities differ significantly from the housing needs of other families.
(5) Seniors need access to a wide array of housing options, such as affordable assisted living, in-home care, supportive or service-enriched housing, and retrofitted homes and apartments to allow seniors to age in place and to avoid premature placement in institutional settings.
(6) While there are many programs in place to assist seniors in finding and affording suitable housing and accessing needed services, these programs are fragmented and spread across many agencies, making it difficult for seniors to access one service or to receive comprehensive information.
(7) Better coordination among Federal agencies is needed, as is better coordination at State and local levels, to ensure that seniors can access government activities, programs, services, and benefits in an effective and efficient manner.
(8) Up to date, accurate, and accessible statistics on key characteristics of seniors, including conditions, behaviors, and needs, are required to accurately identify the housing and service needs of seniors.

SEC. 3. DEFINITIONS.
In this Act:
(1) The term “housing” means any form of residence, including rental housing, home ownership, assisted living, group home, supportive housing arrangement, nursing facility, or any other physical location where a person can live.
(2) The term “service” includes transportation, health care, nursing assistance, meal, personal care and chore services, assistance with daily activities, mental health care, physical therapy, case management, and any other services needed by seniors to allow...
them to stay in their housing or find alternative housing that meets their needs.

(3) The term “program” includes any Federal, State or local program providing income support, benefits, health care, employment services, housing assistance, mortgages, mortgage or loan insurance or guarantees, housing counseling, supportive services, assistance with daily activities, or other assistance for seniors.

(4) The term “Council” means the Interagency Council on Meeting the Housing and Service Needs of Seniors.

(5) The term “senior” means any individual 65 years of age or older.

SEC. 4. INTERAGENCY COUNCIL ON MEETING THE HOUSING AND SERVICE NEEDS OF SENIORS.

(a) ESTABLISHMENT.—There is established in the executive branch an independent council to be known as the Interagency Council on Meeting the Housing and Service Needs of Seniors.

(b) OBJECTIVES.—The objectives of the Council are as follows:

(1) To promote coordination and collaboration among the Federal departments and agencies, State and local governments, and service needs of seniors in order to better meet the needs of senior citizens.

(2) To identify the unique housing and service needs faced by seniors around the country and to recommend ways that the Federal Government, States, States and local governments, and others can better meet those needs, including how to ensure that seniors find and afford housing that allows them to access health care, transportation, counseling, assistance, and assistance with daily activities where they live or in their communities.

(3) To facilitate the aging in place of seniors, by identifying and making available the programs and services necessary to enable seniors to remain in their homes as they age.

(4) To improve coordination among the housing and service related programs and services of Federal agencies for seniors and to make recommendations about needed changes with an emphasis on—

(A) maximizing the impact of existing programs and services;

(B) reducing or eliminating areas of overlap and duplication in the provision and accessibility of such programs and services; and

(C) making access to programs and services easier for seniors around the country.

(5) To ensure the efficiency and effectiveness of existing housing and service related programs and services which serve seniors.

(6) To establish an ongoing system of coordination among and within such agencies or organizations so that the housing and service needs of seniors are met in a more efficient manner.

(c) MEMBERSHIP.—The Council shall be composed of the following:

(1) The Secretary of Housing and Urban Development or a designee of the Secretary.

(2) The Assistant Secretary of Health and Human Services or a designee of the Secretary.

(3) The Secretary of Agriculture or a designee of the Secretary.

(4) The Secretary of Transportation or a designee of the Secretary.

(5) The Secretary of Labor or a designee of the Secretary.

(6) The Secretary of Veterans Affairs or a designee of the Secretary.

(7) The Secretary of the Treasury or a designee of the Secretary.

(8) The Commissioner of the Social Security Administration or a designee of the Commissioner.

(9) The Administrator of the Centers for Medicare and Medicaid Services or a designee of the Administrator.

(10) The Administrator of the Administration on Aging or a designee of the Administrator.

(11) The head (or designee) of any other Federal agency as the Council considers appropriate.

(12) State and local representatives knowledgeable about the needs of seniors as chosen by the Council members described in paragraphs (1) through (11).

(d) CHAIRPERSON.—The Chairperson of the Council shall alternate between the Secretary of Housing and Urban Development and the Secretary of Health and Human Services on an annual basis.

(e) VICE CHAIR.—Each year, the Council shall elect a Vice Chair from among its members.

(f) MEETINGS.—The Council shall meet at the call of its Chairperson or a majority of its members at any time, and no less often than quarterly. The Council shall hold meetings with stakeholders and other interested parties at least twice a year, so that the opinions of such parties can be taken into account and so that outside groups can learn of the Council’s activities and plans.

SEC. 5. FUNCTIONS OF THE COUNCIL.

(a) RELEVANT ACTIVITIES.—In carrying out its objectives, the Council shall—

(1) review all Federal programs and services that assist seniors in finding, affording, and rehabilitating housing, including those that assist seniors in accessing health care, transportation, supportive services, and assistance with daily activities, where or close to where seniors live;

(2) monitor trends, and recommend improvements in existing programs and services administered, funded, or financed by Federal, State, and local agencies to assist seniors in accessing health care, transportation, supportive services, and assistance with daily activities, where or close to where seniors live;

(b) REPORTS.

(1) EACH年, the Council shall prepare and transmit to the President, the Senate Committee on Banking, Housing, and Urban Affairs, the Senate Committee on Health, Education, Labor, and Pensions, the House Financial Services Committee, the House Committee on Education and the Workforce a report that—

(A) summarizes the reports required in paragraph (1);

(B) utilizes recent data to assess the nature of the problems faced by seniors in meeting their unique housing and service needs;

(C) provides a comprehensive and detailed description of the programs and services of the Federal Government that address the needs and problems described in subparagraph (B);

(D) describes the activities and accomplishments of the Council in working with Federal, State, and local governments, and private organizations in coordinating programs and services to meet the needs described in subparagraph (B) and the resources available to meet those needs;

(E) assesses the level of Federal assistance required to meet the needs described in subparagraph (B) and the extent to which Federal assistance is being used to meet those needs;

(F) makes recommendations for the Federal Government to coordinate programs and services to meet the needs described in subparagraph (B) and the extent to which Federal assistance is being used to meet those needs;

(G) to provide all requested information and data to the Council as requested.

(b) INFORMATION FROM AGENCIES.—A agencies which are members of the Council shall provide all requested information and data to the Council as requested.
SEC. 2. FINDINGS.

In this Act:

(1) HOUSING.—The term "housing" means any form of residence, including rental housing, homeownership, assisted living, group home, supportive housing arrangement, nursing facility, or any other physical location where a person can live.

(2) SENIOR.—The term "senior" means any individual 65 years of age or older.

(3) AS THE SENIOR POPULATION INCREASES, SO DOES THE NEED FOR ADDITIONAL, DECENT, AFFORDABLE, AND SUITABLE HOUSING THAT MEETS THEIR UNIQUE NEEDS.

(4) DUE TO THE HEALTH CARE, TRANSPORTATION, AND SERVICE NEEDS OF SENIORS, ISSUES OF PROVIDING SUITABLE AND AFFORDABLE HOUSING OPPORTUNITIES DIFFER SIGNIFICANTLY FROM THE HOUSING NEEDS OF OTHER FAMILIES.

(5) SENIORS NEED ACCESS TO A WIDE ARRAY OF HOUSING OPTIONS, SUCH AS AFFORDABLE ASSISTED LIVING, IN-HOME CARE, SUPPORTIVE OR SERVICE-ENRICHED HOUSING, AND RETROFITTED HOMES AND APARTMENTS THAT ALLOW SENIORS TO AGE IN PLACE AND TO AVOID PREMATURE PLACEMENT IN INSTITUTIONAL SETTINGS.

(6) WHILE THERE ARE MANY PROGRAMS IN PLACE TO ASSIST SENIORS IN FINDING AND AFFORDING SUITABLE HOUSING AND ACQUIRING NEEDED SERVICES, THESE PROGRAMS ARE SEGREGATED AND SPREAD ACROSS MANY AGENCIES, MAKING IT DIFFICULT FOR SENIORS TO ACCESS ASSISTANCE OR TO RECEIVE COMPREHENSIVE INFORMATION.

(7) BETTER COORDINATION AMONG FEDERAL AGENCIES IS NEEDED, AS IS BETTER COORDINATION AT STATE AND LOCAL LEVELS, TO ENSURE THAT SENIORS CAN ACCESS GOVERNMENT ACTIVITIES, PROGRAMS, SERVICES, AND BENEFITS IN AN EFFECTIVE AND EFFICIENT MANNER.

SEC. 3. DEFINITIONS.

In this Act:

(a) COMPENSATION.—The term "compensation" means any fee, remuneration, or other remuneration.

(b) COUNCIL ON MEETING THE HOUSING AND SERVICE NEEDS OF SENIORS.—The Council on Meeting the Housing and Service Needs of Seniors is established by this Act.

(c) EXECUTIVE DIRECTOR.—The Executive Director is the executive officer of the Council.

(d) MEMBERS.—The members of the Council are appointed by the Secretary of Housing and Urban Development, the Secretary of Health and Human Services, the Secretary of Agriculture, the Secretary of Veterans Affairs, the Secretary of Health and Human Services, the Secretary of Labor, the Secretary of Transportation, the Secretary of the Treasury, the Administrator of the Centers for Medicare and Medicaid Services, and the Administrator of the Corporation for National and Community Service.

(e) SECRETARY.—The Secretary of Housing and Urban Development is the Secretary of the Council.

(f) SENIOR.—The term "senior" means any individual 65 years of age or older.

SEC. 4. INTERAGENCY COUNCIL ON MEETING THE HOUSING AND SERVICE NEEDS OF SENIORS.

(a) ESTABLISHMENT.—There is established in the executive branch an independent council to be known as the Interagency Council on Meeting the Housing and Service Needs of Seniors.

(b) OBJECTIVES.—The objectives of the Council are as follows:

(1) To promote coordination among the Federal departments and agencies involved with housing, health care, and financial needs of seniors in order to better meet the needs of senior citizens.

(2) To identify the unique housing and service needs faced by seniors around the country, and to recommend ways that the Federal Government, States, and local governments, and others can better meet those needs, including expanding programs and plans that seniors can find and afford housing that allows them to access health care, transportation, nursing assistance, and assistance with daily activities where they live or in their communities.

(3) To facilitate the aging in place of seniors, by identifying and making available information related to the programs and services necessary to enable seniors to remain in their homes as they age.

(4) To improve coordination among the housing and service related programs and services of Federal agencies for seniors and to make recommendations about needed changes with an emphasis on—

(A) maximizing the impact of existing programs and services;

(B) reducing or eliminating areas of overlap and duplication in the provision and accessibility of such programs and services; and

(C) making access to programs and services easier for seniors around the country.

(5) To increase the efficiency and effectiveness of such housing and service related programs and services which serve seniors.

(6) To establish an ongoing system of coordination among and within such agencies or organizations so that the housing and service needs of seniors are met in a more efficient manner.

(c) MEMBERS.—The Council shall be composed of the following:

(1) The Secretary of Housing and Urban Development.

(2) The Secretary of Health and Human Services.

(3) The Secretary of Agriculture or a designee of the Secretary.

(4) The Secretary of Transportation or a designee of the Secretary.

(5) The Secretary of Labor or a designee of the Secretary.

(6) The Secretary of Veterans Affairs or a designee of the Secretary.

(7) The Secretary of the Treasury or a designee of the Secretary.

(8) The Commissioner of the Social Security Administration or a designee of the Commissioner.

(9) The Administrator of the Centers for Medicare and Medicaid Services or a designee of the Administrator.

(10) The Administrator of the Administration on Aging or a designee of the Administrator.

(11) The head (or designee) of any other Federal agency as the Council considers appropriate.

(d) ADMINISTRATIVE SUPPORT.—The Secretary of Housing Urban Development and the Secretary of Health and Human Services shall provide the Council with such administrative and supportive services as are necessary to ensure that the Council can carry out its functions.

SEC. 5. FUNCTIONS OF THE COUNCIL.

(a) RELEVANT ACTIVITIES.—In carrying out its objectives, the Council shall—

(1) review all Federal programs and services related to the housing and service needs of seniors;
supportive services, and assistance with daily activities, where or close to where seniors live; (2) monitor, evaluate, and recommend improvements in existing programs and services administered, contracted, or financed by Federal, State, and local agencies to assist in meeting their housing and service needs and make any recommendations about how agencies can better work to serve seniors; and (3) recommend ways to—
(A) reduce duplication among programs and services that assist seniors in meeting their housing and service needs;
(B) ensure collaboration among and within agencies in the provision and availability of programs and services that are able to easily access needed programs and services; (C) work with States to better provide housing and services to seniors by—
(1) holding individual meetings with State representatives;
(ii) providing ongoing technical assistance to States in better meeting the needs of seniors; and
(iii) working with States to designate State liaisons to the Council;
(D) establish best practices for programs and services that assist seniors in meeting their housing and service needs, including—
(i) special housing and support services;
(ii) financing products offered by government, quasi-government, and private sector entities;
(iii) land use, zoning, and regulatory practices;
(iv) innovations in technology applications that give seniors access to information on available services or that help in providing services to seniors;
(E) collect and disseminate information about seniors and the programs and services available to them to ensure that seniors can access comprehensive information;
(F) hold biannual meetings with stakeholders and other interested parties (or to hold open Council meetings) for the input and ideas about how to best meet the housing and service needs of seniors;
(G) maintain an updated website of policies, meetings, best practices, programs, services, and any other helpful information to keep people informed of the Council’s activities; and
(H) work with the Federal Interagency Forum on Aging-Related Statistics, the Census Bureau, and member agencies to collect and maintain data relating to the housing and service needs of seniors so that all data can be accessed in one place and to identify and address unmet data needs.
(b) REPORTS.—(1) BY MEMBERS.—Each year, the head of each member or the senior official of the Council shall prepare and transmit to the Council a report that describes—
(A) each program and service administered by the agency that serves a substantial number of seniors and the number of seniors served by each program or service, the resources available in each, as well as a breakdown of where each program and service can be accessed;
(B) the barriers and impediments, including statutory or regulatory, to the access and use of such programs and services by seniors;
(C) any action taken by each agency to increase opportunities for seniors to find and afford housing that meet their needs, including how they are working with other agencies to better coordinate programs and services; and
(D) any new data collected by each agency relating to the housing and service needs of seniors.
(2) BY THE COUNCIL.—Each year, the Council shall prepare and transmit to the President, the Commissioner of the Census Bureau, the Secretary of Education, Labor, and the Chair of the Committee on Aging of the Senate, the Commissioner of the Census Bureau, the Secretary of Housing and Urban Development, the Secretary of Health and Human Services, the Assistant Secretary for Planning and Evaluation of the Department of Health and Human Services, the Commissioner of the Bureau of the Census, the Commissioner of the Bureau of Labor Statistics, the Commissioner of the Bureau of the Economic Analysis, and the Director of the Office of Management and Budget, a report that—
(A) summarizes the reports required in paragraph (1);
(B) utilizes recent data to assess the nature of the problems faced by seniors in meeting their unique housing and service needs;
(C) provides a comprehensive and detailed description of the programs and services of the Federal Government in meeting the needs and problems described in paragraph (B); and
(D) describes the activities and accomplishments of the Federal Government in meeting the needs and problems described in paragraph (B).
(c) INFORMATION FROM AGENCIES.—(1) STATEMENTS.—Each Federal Government agency shall provide the Council, through the Chair, with information about operations and activities relating to the Council’s purposes. Each Federal agency shall report—
(A) a summary of the programs and services of the agency and the resources available to meet those needs;
(B) the level of Federal assistance required to meet the needs described in subparagraph (A) and
(C) the purposes for which Federal assistance was provided.
(2) REPORTS.—Each Federal agency shall report to the Council on the nature of the programs and services that assist seniors in meeting their housing and service needs and the number of seniors served by each program or service, the resources available to meet those needs; and
(D) recommendations for appropriate legislative and administrative actions to meet the needs described in subparagraph (B) and
(E) makes recommendations for appropriate legislative and administrative actions to meet the needs described in subparagraph (B) and
(F) makes recommendations for appropriate legislative and administrative actions to meet the needs described in subparagraph (B) and
Sec. 6. POWERS OF THE COUNCIL.
(a) HEARINGS.—The Council shall hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence as the Council considers advisable to carry out the purposes of this Act.
(b) INFORMATION FROM AGENCIES.—The Council shall receive all information, including testimony, reports, and data on the housing and service needs of seniors, from Federal, State, and local governments, and private agencies to the extent of such information and data as are accessible to such agencies.
(c) POSTAL SERVICES.—The Council may use the United States mails in the same manner and under the same conditions as other Federal agencies.
(d) GIFTS.—
(1) IN GENERAL.—The Council may accept, use, and dispose of gifts or donations of services or property.
(2) REGULATIONS REQUIRED.—The Council shall adopt internal regulations governing the receipt of gifts or donations of services or property, in accordance with section 6 of the Federal Gift Act (5 U.S.C. 403).
Sec. 7. COUNCIL PERSONNEL MATTERS.
(a) COMPENSATION OF MEMBERS.—
(1) NON-FEDERAL EMPLOYEES.—A member of the Council who is an officer or employee of the Federal Government shall serve without compensation.
(2) FEDERAL EMPLOYEES.—A member of the Council who is an officer or employee of the United States shall serve without compensation in addition to the compensation received for the position of Federal Government employee by the employee of the Federal Government.
(b) TRAVEL EXPENSES.—The members of the Council shall be entitled to travel expenses, including office space, supportive services, and technical supports as necessary to ensure that the Council can carry out its functions.
Sec. 8. AUTHORIZATION OF APPROPRIATIONS.
There are authorized to be appropriated to carry out this Act, $1,500,000 for each of fiscal years 2005 through 2010.
Mr. SARBANES. Mr. President, I rise today to urge my colleagues to support passage of S. 765, legislation to establish an Interagency Council on Meeting the Housing and Service Needs of Seniors. This legislation will help the Federal Government work with its partners to meet the growing housing and related needs of seniors throughout the country. The Interagency Council will work to better coordinate Federal programs so that seniors and their families can access the programs and services necessary to allow them to stay independent and in place or find suitable housing alternatives.

The challenges that confront us are growing more urgent as our population ages. Data from the 2000 census show that the population over 65 years of age was 34.7 million. This number is expected to grow to over 50 million by 2030. It is projected that by 2030 nearly 20 percent of our population will be over 65. That is, almost one American in every five will be elderly.

As our senior population continues to increase, so will the demand for affordable housing and service options. This is a matter of concern not only for those who will need the services but for families—children along with spouses. It concerns communities all around the country, as productive and responsible citizens grow older and need help. It is a matter of deep concern for us all, because it will affect the well-being of our entire society.

In order for seniors to age in place, or find alternative housing arrangements, services must be linked with housing. Seniors must be able to access needed health supports, transportation, meal and chore services, and assistance with daily tasks in or close to their homes. Without needed support, seniors and their families face difficult and even daunting decisions.

The Commission on Affordable Housing and Health Facility Needs for Seniors—‘Seniors’ Commission’—established by Congress in 1999 found that too often, seniors face premature institutionalization because housing and services are not linked. According to the Commission’s report, ‘the very
heart’ of its work ‘is the recognition that the housing and service needs of seniors traditionally have been ad-
dressed in different ‘worlds’ that often fail to recognize or communicate with each other. The Commission con-
cluded that: ‘the most striking char-
acteristic of [these] disconnected health care in this country is the dis-
connection of one field from another.’

If left unattended, the problem of lack of coordination will increasingly undermine all of our efforts to assure that as they age, have access to the services they need. The Interagency Council on the Housing and Service Needs of Seniors will increase coordination and will serve as a permanent national platform to ad-
dress the needs and issues of our aging population.

The Interagency Council will help to improve collaboration and coordina-
tion among the Federal agencies and our State and local partners, to ensure that we have the ability to serve our in-
habitants of subsidized housing. This Council will work to find new ways to link housing programs and needed supportive ser-
vice to increase their efficiency, to make them more accessible, and to strengthen them.

The decisions that our seniors and their families must make are difficult enough. They should not be made more painful and burdensome by having to negotiate a confusing maze of pro-
gress and a multiplicity of administrative procedures. I am hopeful that the Interagency Council on Meeting the Housing and Service Needs of Seniors will be able to focus attention on this problem, while work-
ing towards solutions.

This bill has wide support from a di-
verse array of groups, ranging from senior advocates to faith-based organi-
izations and direct service providers. The diversity of groups that have work-
ded, in support of this legislation is indicative of the great need for such coordination. If we are to suc-
cessfully address the growing needs of seniors, it is clear that much work must be done. The establishment of an Interagency Council on Meeting the Housing and Service Needs of Seniors is a critical first step in this endeavor.

I urge my colleagues to vote in favor of this important legislation. I ask unani-
mous consent that the legislation as reported from Committee be printed immediately following this statement. I also ask unanimous consent that the attach-
ed letters of support, section-by-
section analysis of the bill, and rel-
vant fact sheet be printed in the Record.

The PRESIDING OFFICER. Without objection it is so ordered. (See exhibit 1.)

Mr. SARBANES. Finally, I want to thank Chairwoman SHELBY for his leader-
ship and assistance in moving this leg-
islation. I also want to acknowledge the excellent work of the staff on this bill, especially that of Jennifer Fogel-
Bublick, as well as Sarah Garrett, Mark Calabria, and Tewanna Wilkerson. In addition, we could not have done this without the active support of Kathy Casey, Chairman SHELBY’S Staff Di-
rector.

EXHIBIT 1

AARP, Washington, DC, April 15, 2005.

HON. PAUL SARBANES,
Dirksen Senate Office Building
Washington, DC.

DEAR SENATOR SARBANES: On behalf of AARP, thank you for introducing S. 705, the ‘Meeting the Housing and Service Needs of Seniors Act of 2005,’ a bill to establish an Interagency Council on Meeting the Housing and Service Needs of Seniors. As proposed, the Inter-
agency Council would not only coordinate, but also monitor, evaluate, and recommend improvements in existing programs and serv-
ices that assist seniors in meeting their housing and service needs at the federal, state, and local level. And, the Council would collect and disseminate information about seniors along with these programs and serv-
ices.

Better coordination of housing programs is needed for a variety of reasons. In many in-
stances, multiple program requirements and paperwork may become duplicative and bur-
densome. Housing program qualifications may also be slightly different across programs. And, different methods of establishing rent levels and defining market areas for compliance by the programs. Lastly, different housing sponsors and agencies may have different waiting lists that can overlap for a population at need.

The need for greater coordination is par-
ticularly apparent when trying to put to-
gether the housing, health, and social services programs that are critical to successfully serving per-
sions with disabilities of all ages. Research has shown that federal housing programs have very efficiently, if inadvertently, tar-
geted those who are at high risk of needing supportive services to remain independent. Analysis by AARP’s Public Policy Institute of data from the 2002 American Communities Survey found that, compared to older home-
owners, older renters in subsidized housing were:

• Much older—half of the older renters in subsidized housing were 75 or older compared to just over a third of older homeowners;

• Twice as likely to be challenged by physical and cognitive limitations that threaten their ability to live independently;

• More than three times as likely to live alone and have weak informal supports from family; and

• Roughly three times as likely to be at high

risk of needing Medicaid assistance due to low incomes and disability.

Better coordination of housing, health, and social services programs would serve a vari-
ety of purposes: make it easier for reli-
able partners from health and social services agencies to serve the large and growing num-
ber of frail older people in their buildings. Social services agencies could benefit from the greater efficiencies of serving conver-
trations of older people with supportive services needs. But the most compelling case for bet-
ter coordination comes from the lives of the older people who need assistance—the older woman who is desperately clinging to inde-
pendence in her apartment; the older man who is told he must move to a nursing home to get needed services; or the older resident in a nursing home who might have been able to leave if suitable housing and services were available.

AARP actively participated in the Seniors Housing Commission whose 2002 report called attention to many of these issues. We have supported efforts to expand the mission of housing programs and to provide the needed tools for serving older persons with disabilities through building features that accommodate service needs, staffing that includes trained service coordinators, and retrofitting dollars to convert buildings to assisted liv-
ing. AARP is co-chairing along with the National Cooperative Bank Develop-
ment Corporation, Fannie Mae, and the National Council of State Housing Finance Agencies, to develop recommendations on how housing finance programs could be bet-
ter structured to promote affordable assisted living. While these efforts have been impor-
tant, they do not yet tackle the scale of what is needed to serve the frail older people who need help. Only a concerted effort by all agencies at all levels of government can ade-
quately address these needs.

We urge Congress and the Administration to work together to expedite the passage of legislation and subsequent establish-
ment of the Interagency Council. AARP again thanks you for your attention to the needs of American seniors, and stands ready to assist you to enact this important legisla-
tion. If you have any further questions, feel free to contact me, or have your staff con-
tact Tim Gearan of our Federal Affairs staff.

Sincerely,

DAVID CRETHER,
Director, Federal Affairs.

ELDERLY HOUSING COALITION,
April 5, 2005.

Re support for Interagency Council on Hous-
ing and Service Needs of Seniors.

HON. PAUL SARBANES,
Committee on Banking, Housing and Urban Af-
airs Committee, U.S. Senate, Dirksen Sen-
ate Office Building, Washington, DC.

DEAR SENATOR SARBANES, The Elderly Housing Coalition (EHC) is comprised of or-
ganizations that represent providers of af-
ordable housing and supportive service for the elderly. We are writing in enthusiastic sup-
port of your legislation that would estab-
lish the Interagency Council on Housing and Service Needs of Seniors. This Council is de-
perately needed and will help federal, state and local governments better serve the hous-
ing and service needs of our elderly popu-
lation.

According to the Congressional Commis-
sion on Access to Affordable Housing and Facili-
ty Needs for Seniors in the 21st Century, we must integrate our current fragmented sys-
tem of programs that seniors rely on to find the housing and services they need. As the number of seniors grows exponentially and will, in fact, have doubled by 2030, we must find a way to use our resources more effec-
tively.

Your bill will be a great first step to bring-
ing the key governmental agencies together to identify how they can best work to maxi-
mize program efficiency and streamline ac-
cess. Again, we are pleased to offer our sup-
port for this legislation establishing an interagency council and thank you for your leadership on this issue.

If there is anything that is the Elderly Hous-
ing Coalition can do to help or if you have any questions about the EHC please contact Nanci Lobrey or Aiyama Waldrum.

Sincerely,

Alliance for Retired Americans, Amer-
ican Association of Homes and Services for the Aging, American Association of Serv-
Ice Coordinators, Association of Jewish Aging Services of North Amer-
ica, B’nai B’rith International, Catho-
lic Charities USA, The National Asso-
ciation of the United States, Council of Large Public Housing Authorities,
AMERICAN ASSOCIATION OF SERVICE COORDINATORS,
Columbus, OH, April 5, 2005.
Hon. Paul Sarbanes,
Washington, DC.

DEAR SENATOR SARBNES: On behalf of the 1,600 members of the American Association of Service Coordinators (AASC), I want to express our support for your proposed legislation to establish an Interagency Council on Housing and Service Needs of Seniors. AASC believes that this bill is urgently needed to assist service coordinators and others seeking to bring together the various federal and other programs needed by older persons and other special populations.

In my testimony, before the Commission on Affordable Housing and Health Facility describing the present fragmented system, I stated that ‘even for long-time professionals, the current ‘crazy-quilt’ tapestry of services and shelter options make it difficult to fully grasp their complexities, let alone try to access them. The results are confusion among consumers, duplication of service delivery, government agencies not knowing who supplies what service or that some services exist at all. AASC believes that this is a major problem that needs to be addressed.’

One of AASC’s recommendations to the Commission was the establishment of a cabinet-level department that would encompass one entity housing, health care and other federal programs serving the elderly to better focus federal policy and regulatory efforts, in conjunction with states and communities. AASC believes that your bill is an important step to establish a permanent national platform that will address many of the crosscutting needs and issues confronting increasing numbers of frail and vulnerable older persons.

As you may know, AASC is a national, nonprofit organization representing professional service coordinators who serve low-income older persons and other special populations living in federally assisted and public housing facilities nationwide, their caregivers, and others in their local community. Our dedicated membership consists of service coordinators, case managers and social workers, housing managers and administration, housing management companies, public housing authorities, state housing finance agencies, state and local agencies on aging and a broad range of national and state associations and professionals involved in affordable, service-enhanced housing. Background information on AASC is available on our website: www.servicecoordinators.org.

We are grateful for your leadership on the vital issue. Please let me know how AASC can assist you to expedite enactment of this important legislation.

Sincerely,

Janice Monks,
President.

AMERICAN ASSOCIATION OF HOMES AND SERVICES FOR THE AGING,
Washington, DC, April 5, 2005.
Re Interagency Council on Housing and Service Needs of Seniors legislation.
Hon. Paul Sarbanes,
Committee on Banking, Housing and Urban Affairs, U.S. Senate, Dirksen Senate Office Building, Washington, DC.

DEAR SENATOR SARBNES: On behalf of AAHSA, I am writing to thank you for introducing legislation to establish an Interagency Council on Housing and Service Needs of Seniors. AAHSA members serve two million people every day through mission-driven, non-profit organizations dedicated to providing people need when they need them, in the place they call home. Our members offer the continuum of aging services: assisted living residences, nursing homes, senior housing facilities, and outreach services. AAHSA’s mission is to create the future of aging services through quality, safety, and efficiency.

Half of our members own or operate federally subsidized senior apartment buildings and work closely with local home and community based service providers that operate programs governed by a maze of departmental regulations. This unique perspective gives AAHSA a broad’s eye view of how important it is for the various federal agencies to work together to ensure the best care in the most responsive and efficient manner possible.

In 2002 the Commission on Affordable Housing and Health Facility Needs for Seniors in the 21st Century supported to Congress that a top priority for the federal government should be integrating the existing fragmented system of programs that seniors rely on to piece together the housing and services they need. Specifically, the United States is facing exponential growth in our senior population, which will double by 2030. AAHSA members have created a number of successful models for combining services and senior housing. Unfortunately these are limited and difficult to replicate because of the barriers and opportunities that exist in our federal programs and how to make them work.

We know that this can be done. AAHSA strongly supports your bill, which will help the Executive branch and Federal agencies better coordinate aging programs, as an important first step. Thank you for your leadership. If there is anything that AAHSA or my staff can do to support you, please do not hesitate to let me know.

Sincerely,

Larry Minnix,
President and CEO.

UNITED JEWISH COMMUNITIES,
Washington, DC, May 12, 2005.
Hon. Paul Sarbanes,
U.S. Senate, Dirksen Senate Office Building, Washington, DC.

DEAR SENATOR SARBNES: On behalf of United Jewish Communities, I am pleased to offer our support for your efforts to establish an Interagency Council on Housing and Service Needs for Seniors through your introduction of S. 705, the Meeting the Housing and Service Needs of Seniors Act of 2005. As proposed, the executive level Interagency Council will provide crucial coordination of housing and service needs for seniors. The Interagency Council will also make possible greater cooperation between the federal agencies involved with these programs, including HUD, AHC, Social Security and the Veterans Administration.

As you may know, UJC represents and serves 155 Jewish Federations and 400 independent Jewish communities across North America—one of the world’s largest and most effective networks of social service providers and programs, serving the needs of all Jews and for whom dignity and loving-kindness is critical. It is critical that we maximize program efficiency and streamline access.

United Jewish Communities strongly supports your bill, which will better help key governmental agencies coordinate programs. We urge Congress and the Administration to work together to pass this legislation. Thank you for your leadership on this initiative. If there is anything that UJC can do to be of further assistance, please do not hesitate to let us know.

Sincerely,

Stephen O. Kline,
Director, Government Affairs.

THE ENTERPRISE FOUNDATION,
Hon. Paul Sarbanes
Ranking Member, Senate Committee on Banking, Housing and Urban Affairs, Hart Senate Office Building, Washington, DC.

DEAR SENATOR SARBNES: The Enterprise Foundation strongly supports your effort to establish an Interagency Council on Housing and Service Needs of Seniors (S. 705). Developing effective and efficient coordination among the various federal agencies that are involved in providing housing, health care and supportive services to seniors is critical to meeting the needs of elderly low-income Americans and their families.

The Enterprise Foundation and our subsidiary organization, the Enterprise Social Investment Corporation, certainly recognize that providing decent, affordable housing for low-income seniors requires effective linkages between housing and services to enable seniors to remain in their homes and communities. To date, ESIC has completed 212 elderly housing projects, representing an investment of more than $729 million. Of the 68,727 affordable housing units ESIC has produced, 25,005 include support services for elderly and disabled residents as well as families.

In recognition of the need for collaboration, The Foundation, ESIC and the Corporation for Supportive Housing have recently embarked on a new Supportive Housing Investment Partnership that is the nation’s largest, most ambitious initiative focused on leveraging private capital investments to significantly increase the production of supportive housing across the country. This partnership will enable nonprofit developers to leverage more than $12 billion in affordable housing units over the next two years. This partnership is designed to expand the impact of all of the partners, to be flexible in adapting local needs and also to support the established relationships and the significant efforts to date of each partner.

Similar collaboration at the federal level among and within governmental programs and services for seniors would maximize the impact of . . . seniors receive the assistance they need.

The Enterprise Foundation commends you for your leadership on this issue and urges Congress to expedite the passage of this critical legislation. Please
call upon us if we can provide additional information or assistance.

Sincerely,

F. RASTON HARVEY III
Chairman of the Board
and Chief Executive Officer.

ELDERLY HOUSING DEVELOPMENT
& OPERATIONS CORPORATION
Fort Lauderdale, FL, April 15, 2005.

Hon. PAUL SARBANES
U.S. Senate,
Washington, DC.

DEAR SENATOR SARBANES: I am pleased that Elderly Housing Development and Operations Corporation (EHDOC) representing over 40 senior housing facilities in 14 states, is joining with other non-profit organizations involved with federally assisted senior housing to strongly support your bill to establish an Interagency Council on Housing and Service Needs of Seniors. We believe that the establishment of this Interagency Council will provide a cost-effective and efficient means to promote coordination between the various federal agencies involved with senior housing and services, particularly HUD and HHS.

EHDOC is well aware of the need to improve collaboration between the various federal agencies based on our efforts to assist low-income, frail elderly in Council House in Suitland, MD. Unfortunately, it is often difficult to link the various services needed to enable many frail elderly to remain in their homes as they age due to the existing fragmentation of federal housing, services and health care policies and programs.

The difficulty experienced by EHDOC with linking housing and services is repeated by many nonprofit developers of federally assisted senior housing throughout the country. As you know, we have worked to support the appointment to the recent Commission on Affordable Housing and Health Care Facilities for Older Persons. We repeatedly testified in front of policymakers that greater coordination is needed in the community, between federal agencies and departments which serve seniors; that housing and health care services are coordinated at state and local levels, to ensure that seniors can access government housing, programs, services, and benefits in an effective and efficient manner.

Section 3. Definitions

This section provides definitions of the following terms: "housing," "service," "program," "Council," and "senior.

Section 4. Interagency Council on Meeting the Housing and Service Needs of Seniors

This section establishes a high-level executive branch Interagency Council on Meeting the Housing and Service Needs of Seniors. This section also lays out the objectives of the Council, including promoting coordination and collaboration among the federal agencies and departments which serve seniors; identifying housing and service needs of seniors; facilitating the aging in place of seniors; and making recommendations about needed changes to maximize the impact of existing programs, reduce duplication and increase access to programs and services.

This section details the Council membership—HUD, HHS, and the Department of Agriculture, Labor, Transportation, Veterans Affairs, and the Treasury. Also serving on the Council will be the following (or their designees): the Commissioner of the Social Security Administration, the Administrator of the Centers for Medicare and Medicaid Services and the Administrator of the Administration on Aging. The Council will also have three additional members— a Governor, a Mayor and a local official, appointed by the President. This section establishes that the Secretaries of HUD and HHS will chair the Council in rotating 2-year terms. Under this section, the Council is required to meet quarterly, and must hold at least 2 meetings a year with stakeholders and interested parties. This requirement can be met by opening at least two of the quarterly meetings to the public.

Section 5. Functions of the council

This section lists the activities that the Council will undertake in meeting its objectives. In meeting its activities, the Council will seek to coordinate the various programs that assist seniors; monitor, evaluate and recommend improvements in existing programs, and how programs can be better coordinated and funded; reduce duplication and ensure greater collaboration; work to facilitate the aging in place of seniors; work with states to ensure programs and services are coordinated at state and local levels; identify best practices for meeting the needs of seniors; ensure seniors have access to comprehensive information and services, including the establishment of a website; and maintain updated data sources on seniors and their needs.

This section also requires that each agency or department that is a member of the Council provide a report to the Council that describes each program or department that serves a substantial number of seniors; any barriers to the access and use of such programs; the efforts made by the agency to coordinate housing opportunities for seniors; and any new data relating to housing and service needs of seniors. Based on the information provided by each member agency, the Council is required to prepare and transmit a report to Congress and the President that summarizes the agency information; assesses the needs of seniors; provides a comprehensive description of the programs and services that exist for seniors; describe how they are working with state and local governments and private organizations to better coordinate senior programs; and makes recommendations for legislative changes needed to better meet the needs of seniors.

Section 6. Powers of the council

This section details how the Council will work. The legislation authorizes the Council the power to hold hearings and take testimony as needed. In addition, this section provides that member agencies must provide the Council with all requested information. This section also requires the Council to adopt internal ethics guidelines.

Section 7. Council personnel matters

This section clarifies that Council members shall not be compensated for their service on the Council. Under this section, the Council must appoint an Executive Director at its initial meeting, and the Executive Director, with the approval of the Council may hire staff.

This section also requires the Secretaries of the U.S. Department of Housing and Urban Development and the U.S. Department of Health and Human Services to provide all necessary administrative support including office space and computer/internet access.

Section 8. Authorization of appropriations

This section authorizes $1.5 million per year for 5 years for the Council.

S. 705

November 17, 2007

S. 705—SECTION-BY-SECTION ANALYSIS

Section 1. Short title

This section establishes the title of the bill, the “Meeting the Housing and Service Needs of Seniors Act of 2005.”

Section 2. Congressional findings

This section states Congressional Findings, including:

(1) The senior population (persons 65 or older) in this country is rapidly growing, and is expected to increase from 46,708,000 in the year 2000 to nearly 50,000,000 by 2020, thereby dramatically increasing to over 50,000,000 by 2020. (2) Seniors need access to a wide array of housing options, each support needed for care, such as assisted living, in-home care, supportive or service-enriched housing, and retrofitted homes and apartments to allow seniors to age in place and to avoid premature placement in institutional settings.

(3) While there are many programs in place to assist seniors in finding and affording suitable housing and accessing needed services, these programs are fragmented and spread across many agencies, making it difficult for seniors to access assistance or to receive comprehensive information.

(4) Better coordination among Federal agencies is needed, as is better coordination at State and local levels, to ensure that seniors can access government housing, services, and benefits in an effective and efficient manner.

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This section provides definitions of the following terms: "housing," "service," "program," "Council," and "senior.

Section 4. Interagency Council on Meeting the Housing and Service Needs of Seniors

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This section details the Council membership—HUD, HHS, and the Department of Agriculture, Labor, Transportation, Veterans Affairs, and the Treasury. Also serving on the Council will be the following (or their designees): the Commissioner of the Social Security Administration, the Administrator of the Centers for Medicare and Medicaid Services and the Administrator of the Administration on Aging. The Council will also have three additional members— a Governor, a Mayor and a local official, appointed by the President. This section establishes that the Secretaries of HUD and HHS will chair the Council in rotating 2-year terms. Under this section, the Council is required to meet quarterly, and must hold at least 2 meetings a year with stakeholders and interested parties. This requirement can be met by opening at least two of the quarterly meetings to the public.

Section 5. Functions of the council

This section lists the activities that the Council will undertake in meeting its objectives. In meeting its objectives, the Council will seek to coordinate the various programs that assist seniors; monitor, evaluate and recommend improvements in existing programs, and how programs can be better coordinated and funded; reduce duplication and ensure greater collaboration; work to facilitate the aging in place of seniors; work with states to ensure programs and services are coordinated at state and local levels; identify best practices for meeting the needs of seniors; ensure seniors have access to comprehensive information and services, including the establishment of a website; and maintain updated data sources on seniors and their needs.

This section also requires that each agency or department that is a member of the Council provide a report to the Council that describes each program or department that serves a substantial number of seniors; any barriers to the access and use of such programs; the efforts made by the agency to coordinate housing opportunities for seniors; and any new data relating to housing and service needs of seniors. Based on the information provided by each member agency, the Council is required to prepare and transmit a report to Congress and the President that summarizes the agency information; assesses the needs of seniors; provides a comprehensive description of the programs and services that exist for seniors; describe how they are working with state and local governments and private organizations to better coordinate senior programs; and makes recommendations for legislative changes needed to better meet the needs of seniors.

Section 6. Powers of the council

This section details how the Council will work. The legislation authorizes the Council the power to hold hearings and take testimony as needed. In addition, this section provides that member agencies must provide the Council with all requested information. This section also requires the Council to adopt internal ethics guidelines.

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This section clarifies that Council members shall not be compensated for their service on the Council. Under this section, the Council must appoint an Executive Director at its initial meeting, and the Executive Director, with the approval of the Council may hire staff.

This section also requires the Secretaries of the U.S. Department of Housing and Urban Development and the U.S. Department of Health and Human Services to provide all necessary administrative support including office space and computer/internet access.

Section 8. Authorization of appropriations

This section authorizes $1.5 million per year for 5 years for the Council.

S. 705

This legislation will create an executive level Interagency Council to better coordinate housing programs and related services so that senior citizens can age in place and access needed services. Unfortunately, the current programs and services that assist the elderly in meeting these needs are spread across numerous federal agencies, making it difficult for seniors to understand and access needed services.

The senior population (persons 65 or older) in this country is rapidly growing, and is expected to increase from 46,708,000 in 2000 to nearly 50,000,000 by 2020, thereby dramatically increasing to over 50,000,000 by 2020. By the year 2030, nearly one-fifth of the United States population will be 65 or older. As the senior population increases, so does the need for additional safe, decent, affordable, and suitable housing that meets their unique needs.

The Council will need to take a number of activities to help coordinate housing programs and services for seniors:
CONGRESSIONAL RECORD — SENATE
November 17, 2005

To pay for long-term care, many seniors rely on government funding—Medicaid (93%) and Medicare (20%), while 36% of seniors pay out-of-pocket expenses. Medicare, spending $60 billion for long-term care, making Medicaid our Nation’s largest source of payment for such services and supports. Medicaid covers $3.6 billion for long-term care services in 2003. Of those over age 85, roughly 55% are impaired and require long-term care. A Florida study showed that more than 34% of seniors in government-assisted housing have no family to turn to if sick or disabled. Many Seniors Are Not in a Financial Position to Pay for the Housing and/or Services They Need. There are nearly six times as many seniors in need of affordable housing as are currently served in rent-assisted housing. 41% of seniors are homeowners, but 44% of those have incomes of less than 50% of Area Median Income; 40% have no savings; 26% have less than $25,000 saved. 85% of seniors who enter a nursing home are eligible for Medicaid upon admission; another third depleted their assets paying for care and then turn to Medicaid to pay for the port of care that exceeds their income. Nursing Homes: Without services, seniors find it difficult to remain outside of nursing homes or other institutional settings. One third of seniors leave their homes to go to nursing homes. Nursing home costs average $60,000 per year; these costs are expected to rise at least 5% annually. Almost 102,000 elderly Medicaid beneficiaries go to nursing homes each year. Roughly 65% of nursing home admissions are directly from hospitals, giving families little time to explore other options. The Congressionally established Seniors Commission found in their 2002 report that 65% of nursing home admissions are due to hospitalization. Alzheimer’s disease or other cognitive impairment. Assisted Living Facilities: Many seniors could be well served in assisted living facilities, an intermediate step between aging in place and nursing homes. Assisted living is the fastest growing type of senior housing in the United States, accounting for roughly 75% of all new senior housing produced in recent years. The typical assisted living resident is a widowed woman, age 85. Roughly 50% of assisted living residents have Alzheimer’s disease or other cognitive impairment. In 2002, over 36,000 assisted living facilities served approximately 900,000 residents. Assisted living costs between $2,100 and $2,900 a month, and is primarily private pay. Few people have private insurance coverage, and public subsidies are limited. In 2002, 41 states provided at least some Medicaid coverage for assisted living (serving about 102,000 elderly Medicaid beneficiaries), but this covered personal care services not assisted living services. Programs and Services for Seniors are Fragmented: Regardless of where seniors live, it is clear that housing and services must be linked. The 1999 Congressionally established Seniors Commission found that “the most striking characteristic of seniors’ housing and health care in this country is the disconnection of one field from another.” The Senators Commission also found that “the time has come for Federal and State agencies and administrators...”

What these facts illustrate is that there is tremendous stress on seniors and on their families to find, maintain and afford housing; to acquire and pay for personal care assistance or long term care; and to access other needed services that can keep them independent and enable them to stay connected to their communities and age in place.

Senator Sarbanes has introduced an Interagency Council on Meeting the Housing and Service Needs of Seniors, to better coordinate funding programs and related services so that seniors can age in place and access needed services.

Mr. GRASSLEY. I ask unanimous consent that the committee-reported amendment be agreed to, the bill as amended be read a third time and passed, the motion to reconsider be laid on the table, and any statements be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The committee amendment in the nature of a substitute was agreed to. The bill (S. 705), as amended, was read the third time and passed.

UNANIMOUS CONSENT AGREEMENT—H.J. RES. 72
Mr. FRIST. Mr. President, I ask unanimous consent that when the Senate proceeds to H.J. Res. 72 on Friday, that Senator HARKIN be recognized in order to offer an amendment related to CSBG, which is at the desk. I further ask consent that there be 20 minutes for debate in relation to the amendment, no other amendments be in order, and that following that debate the Senate proceed to a vote in relation to the Harkin amendment; further, that following that vote, that joint resolution be read a third time and the Senate proceed to a vote on the joint resolution, with no intervening action or debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

WIDED FOR HEALTH CARE QUALITY ACT
Mr. FRIST. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 178, S. 1418.

The PRESIDING OFFICER. The clerk will report the bill by title. The legislative clerk read as follows:

A bill (S. 1418) to enhance the adoption of a nationwide interoperable health information technology system and to improve the quality and reduce the costs of health care in the United States. There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Health, Education, Labor, and Pensions, with an amendment. (Strike the part shown in black brackets and insert the part shown in italic.)
(A) not interrupt or otherwise affect the civil service status or privileges of the Federal employee; and

(b) in addition to any other staff of the Department employed by the National Coordinator.

(3) ACCEPTANCE OF DETAILED.—Notwithstanding any other provision of law, the Office may accept detailed personnel from other Federal agencies without regard to whether the agency described under paragraph (1) is reimbursed.

(4) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to require the duplication of Federal efforts with respect to the establishment of the Office, regardless of whether such efforts were carried out prior to the enactment of this title.

(5) AUTHORIZATION OF APPROPRIATIONS.—

There are authorized to be appropriated such sums as may be necessary to carry out the activities of the Office under this section for each of fiscal years 2006 through 2010.

[ ]

SEC. 2903. AMERICAN HEALTH INFORMATION COLLABORATIVE.

(a) PURPOSE.—The Secretary shall establish the public-private American Health Information Collaborative (referred to in this section as the ‘‘Collaborative’’) to—

(1) advise the Secretary and recommend specific actions to achieve a nationwide interoperable health information technology infrastructure;

(2) serve as a forum for the participation of a broad range of stakeholders to provide input on achieving the interoperability of health information technology; and

(3) recommend standards (including content, communication, and security standards) for the electronic exchange of health information for adoption by the Federal Government and voluntary adoption by private entities.

(b) COMPOSITION.—

(1) IN GENERAL.—The Collaborative shall be composed of—

(A) the Secretary, who shall serve as the chairperson of the Collaborative;

(B) the Secretary of Defense, or his or her designee;

(C) the Secretary of Veterans Affairs, or his or her designee;

(D) the Secretary of Commerce, or his or her designee;

(E) the National Coordinator for Health Information Technology, or his or her designee;

(F) representatives of other relevant Federal agencies, as determined appropriate by the Secretary; and

(G) representatives from each of the following categories to be appointed by the Secretary from nominations submitted by the public—

(i) consumer and patient organizations;

(ii) experts in health information privacy and security;

(iii) health care providers;

(iv) health insurance plans or other third party payors;

(v) standards development organizations;

(vi) information technology vendors;

(vii) purchasers or providers of health care services; and

(viii) State or local government agencies or Indian tribe or tribal organizations.

(2) CONSIDERATIONS.—In appointing members under paragraph (1)(G), the Secretary shall select individuals with expertise in—

(A) health information privacy;

(B) health information technology; and

(C) health care quality and patient safety, including those individuals with experience in utilizing health information technology to improve health care quality and patient safety.

(d) DATA EXCHANGE; AND
(E) developing health information technology standards and new health information technology.

(5) TERMS. — Members appointed under paragraph (4)(A) shall serve for 2-year terms, except that any member appointed to fill a vacancy for an unexpired term shall be appointed for the remainder of such term. A member appointed to fill such a vacancy shall not be eligible to serve for more than 2 full terms after the expiration of such member’s term or until a successor has been appointed.

(c) RESPONSIBILITIES AND POLICIES. — The Collaborative shall make recommendations to identify uniform national policies for adoption by the Federal Government and voluntary adoption by private entities to assist and support the widespread adoption of health information technology, including—

(1) protection of health information through the use of security practices;

(2) measures to prevent unauthorized access to health information;

(3) methods to facilitate secure patient access to health information;

(4) the ongoing harmonization of industry-wide health information technology standards;

(5) recommendations for a nationwide interoperable health information technology infrastructure;

(6) the identification and prioritization of specific use cases for which health information technology is valuable, beneficial, and feasible;

(7) recommendations for the establishment of an entity to ensure the continuation of the functions of the Collaborative; and

(8) other policies determined to be necessary by the Collaborative.

(2) STAFF. —

(a) EXISTING STANDARDS. — The standards adopted by the Consolidated Health Information Initiative shall be deemed to have been recommended by the Collaborative under this section.

(b) FIRST YEAR REVIEW. — Not later than 1 year after the date of enactment of this title, the Collaborative shall—

(A) review existing standards (including content, communication, and security standards) for the electronic exchange of health information, including such standards adopted by the Secretary under paragraph (2)(A);

(B) identify deficiencies and omissions in such existing standards;

(C) identify duplication and overlap in such existing standards; and

recommend modifications to such standards and recommend modifications to such standards as necessary.

(d) FEDERAL ACTION. — Not later than 60 days after the issuance of a recommendation from the Collaborative under subsection (d)(2), the Secretary of Health and Human Services, the Secretary of Veterans Affairs, and the Secretary of Defense, in collaboration with other relevant Federal agencies, as determined appropriate by the Secretary, shall jointly review such recommendations. The Secretary shall provide for the adoption by the Federal Government of any standard or standards contained in such recommendation.

(e) IMPLEMENTATION AND CERTIFICATION OF HEALTH INFORMATION TECHNOLOGY. —

(1) IN GENERAL. — The Secretary, based upon the recommendations of the Collaborative, shall develop criteria to ensure uniform and consistent adoption of any standards for the electronic exchange of health information voluntarily adopted by private entities in technical conformance with such standards, and shall certify that hardware, software, and support services that claim to be in compliance with any standard for the electronic exchange of health information adopted under this title meet such criteria.

(2) IMPLEMENTATION ASSISTANCE. — The Secretary, through consultation with the Collaborative, may provide assistance to the private sector and public and private entities to facilitate the adoption of health information technology under section 2908 and to improve the utilization of qualified health information technology systems to improve the quality and efficiency of health care.

(3) ELIGIBILITY. — To be eligible to receive a grant under paragraph (1) an entity shall—

(A) submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require;

(B) submit to the Secretary a strategic plan for the implementation of data sharing and interoperability measures;

(C) be a—

(i) not for profit hospital;

(ii) group practice (including a single physician); or

(iii) another health care provider not described in clause (i) or (ii);

(D) adopt the standards adopted by the Federal Government under section 2908; and

(E) require that health care providers receiving such grants implement the measurement system adopted under section 2908 and report to the Secretary on such measures;

(F) demonstrate significant financial need; and

(G) provide matching funds in accordance with paragraph (4).

(4) USE OF FUNDS. — Amounts received under a grant under this subsection shall be used to facilitate the purchase and enhance the utilization of qualified health information technology systems.

(5) MATCHING REQUIREMENT.— To be eligible for a grant under this subsection an entity shall contribute non-Federal contributions to the costs of carrying out the activities for which the grant is awarded in an amount equal to $1 for each $3 of Federal funds provided under the grant.

(6) PREFERENCE IN AWARDING GRANTS. — In awarding grants under this subsection the Secretary shall give preference to—

(A) eligible entities that are located in rural, frontier, and other underserved areas as determined by the Secretary; and

(B) eligible entities that will link, to the extent practicable, to an electronic health information system to local or regional health information networks.

(c) COORDINATION OF FEDERAL SPENDING. —

(1) ON GOING. —

The Secretary, after consultation with the Committees on Appropriations of the House of Representatives and the Senate, and the Energy and Commerce and the Committee on Finance of the House of Representatives and the Committee on Finance of the Senate and the Committee on Energy and Commerce of the Senate, shall develop criteria to ensure uniform and consistent adoption of any standards for the electronic exchange of health information technology or health information technology system for clinical care or for the electronic retrieval, storage, or exchange of health information which are established under section 2908 and in compliance with chapter 113 of title 40, United States Code, no Federal agency shall expend Federal funds for the purchase of services or products which fail to comply with such standards established under the Federal Government under subsection (e).

(2) VOLUNTARY ADOPTION. — Any standards adopted by the Federal Government under subsection (e) shall be voluntary with respect to private entities.

(3) CERTIFICATION. — The Secretary shall submit to the Committees on Appropriations of the House of Representatives and the Senate, and the Energy and Commerce and the Committee on Finance of the House of Representatives and the Committee on Finance of the Senate, a report that—

(A) describes the specific actions that have been taken by the Federal Government and private entities to facilitate the adoption of an interoperable nationwide system for the electronic exchange of health information;

(B) describes barriers to the adoption of such a nationwide system;

(C) contains recommendations to achieve full implementation of such a nationwide system; and

(D) contains a plan and progress toward the establishment of an entity to ensure the continuation of the functions of the Collaborative.

(4) COORDINATION OF FEDERAL DATA COLLECTION. — Not later than 3 years after the adoption by the Federal Government of a recommendation as provided for in subsection (e), all Federal agencies collecting health data for the purposes of surveillance, epidemiology, adverse event reporting, research, or for other purposes determined appropriate by the Secretary shall comply with such standards adopted under subsection (e).

(5) REQUIREMENTS FOR A NATIONAL INTELLECTUAL PROPERTY DATABASE. —

The Secretary shall certify that hardware, software, and support services that claim to be in compliance with any standard for the electronic exchange of health information adopted under this title meet such criteria.

(6) C OORDINATION OF FEDERAL DATA COLLECTION. — Not later than 1 year after the adoption of the Federal Government of a recommendation as provided for in subsection (e), the Federal Government shall annually thereafter, the Collaborative through the Secretary, shall develop criteria to ensure uniform and consistent adoption of any standards for the electronic exchange of health information technology or health information technology system for clinical care or for the electronic retrieval, storage, or exchange of health information which are established under section 2908 and in compliance with chapter 113 of title 40, United States Code, no Federal agency shall expend Federal funds for the purchase of services or products which fail to comply with such standards established under the Federal Government under subsection (e).

(7) REPORTS. — The Secretary shall report to the Committees on Appropriations of the House of Representatives and the Senate, and the Energy and Commerce and the Committee on Finance of the House of Representatives and the Committee on Finance of the Senate, upon the recommendations of the Collaborative under subsection (a) or (b) to a private entity.

(d) AUTHORIZATION OF APPROPRIATIONS. —

(1) IN GENERAL.—The Secretary, based upon the recommendations of the Collaborative, shall develop criteria to ensure uniform and consistent adoption of any standards for the electronic exchange of health information voluntarily adopted by private entities in technical conformance with such standards, and shall certify that hardware, software, and support services that claim to be in compliance with any standard for the electronic exchange of health information adopted under this title meet such criteria.

(2) ELIGIBILITY.— To be eligible to receive a grant under paragraph (1) an entity shall—

(A) submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require;

(B) submit to the Secretary a strategic plan for the implementation of data sharing and interoperability measures;

(C) be a—

(i) not for profit hospital;

(ii) group practice (including a single physician); or

(iii) another health care provider not described in clause (i) or (ii);

(D) adopt the standards adopted by the Federal Government under section 2908; and

(E) require that health care providers receiving such grants implement the measurement system adopted under section 2908 and report to the Secretary on such measures;

(F) demonstrate significant financial need; and

(G) provide matching funds in accordance with paragraph (4).

(3) USE OF FUNDS. — Amounts received under a grant under this subsection shall be used to facilitate the purchase and enhance the utilization of qualified health information technology systems.

(4) MATCHING REQUIREMENT.—To be eligible for a grant under this subsection an entity shall contribute non-Federal contributions to the costs of carrying out the activities for which the grant is awarded in an amount equal to $1 for each $3 of Federal funds provided under the grant.

(5) PREFERENCE IN AWARDING GRANTS. — In awarding grants under this subsection the Secretary shall give preference to—

(A) eligible entities that are located in rural, frontier, and other underserved areas as determined by the Secretary; and

(B) eligible entities that will link, to the extent practicable, to an electronic health information system to local or regional health information networks.

(e) IMPLEMENTATION OF HEALTH INFORMATION TECHNOLOGY. —

(1) IN GENERAL.—The Secretary, based upon the recommendations of the Collaborative, shall develop criteria to ensure uniform and consistent adoption of any standards for the electronic exchange of health information voluntarily adopted by private entities in technical conformance with such standards, and shall certify that hardware, software, and support services that claim to be in compliance with any standard for the electronic exchange of health information adopted under this title meet such criteria.
health care providers to facilitate the purchase and enhance the utilization of qualified health information technology.

(2) ESTABLISHMENT OF FUND.—To be eligible to receive a competitive grant under this subsection, a State shall establish a qualified health information technology loan fund (referred to in this subsection as a 'State loan fund') that meets with the other requirements contained in this section. A grant to a State under this subsection shall be deposited in the State loan fund established by the State.

(3) ELIGIBILITY.—To be eligible to receive a grant under paragraph (1) a State shall—

(A) submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require;

(B) establish a State loan fund which are incurred by multiple stakeholders within a community, including—

(i) a list of the projects to be assisted through the State loan fund in the first fiscal year that begins after the date on which the plan is submitted;

(ii) a description of the criteria and methods established for the distribution of funds from the State loan fund; and

(iii) the conclusion of the financial status of the State loan fund and the short-term and long-term goals of the State loan fund.

(5) USE OF FUNDS.—

(A) IN GENERAL.—Amounts deposited in a State loan fund, including loan repayments and interest earned on such amounts, shall be used only for awarding loans or loan guarantees, or as a source of reserve and security for leveraged loans, the proceeds of which are deposited in the State loan fund established under paragraph (1). Loans under this section may be used by a health care provider to facilitate the purchase and enhance the utilization of qualified health information technology.

(B) ADMINISTRATION.—Amounts received by a State under this subsection may not be used—

(i) for the purchase or other acquisition of any information technology system that is not a qualified health information technology system;

(ii) to conduct activities for which Federal funds are expended under this title, or the amendments made by the Wired for Health Care Quality Act;

(iii) for federal purposes beyond those authorized under this section.

(6) TYPES OF ASSISTANCE.—Except as otherwise limited by applicable State law, amounts deposited in a State loan fund under this subsection may only be used for the following:

(A) To award loans that comply with the following:

(i) The interest rate for each loan shall be less than or equal to the market interest rate.

(ii) The principal and interest payments on each loan shall commence not later than 1 year after the loan was awarded, and each loan shall be fully amortized not later than 10 years after the date of the loan.

(B) To guarantee, or purchase insurance for, a local obligation (all of the proceeds of which finance a project eligible for assistance under this subsection) if the guarantee or purchase would improve credit market access or reduce the interest rate applicable to the obligation involved.

(C) As a source of revenue or security for the payment of claims or as interest on revenue or general obligation bonds issued by the State if the proceeds of the sale of the bonds will be deposited into the State loan fund.

(D) To earn interest on the amounts deposited into the State loan fund.

(7) ADMINISTRATION OF STATE LOAN FUNDS.—

(A) COMBINED FINANCIAL ADMINISTRATION.—A State may (as a convenience and to avoid unnecessary administrative costs) combine an amount of money from a loan fund with an amount of money from the financial administration of a State loan fund established under this subsection with the financial administration of any other revolving fund established by the State if otherwise not prohibited by the law under which the State loan fund was established.

(B) COST OF ADMINISTERING FUND.—Each State may make, at a percentage not to exceed 4 per cent of the funds provided to the State under a grant under this subsection to pay the reasonable costs of the administration of the programs to improve health care quality, including the recovery of reasonable costs expended to establish a State loan fund which are incurred after the date of enactment of this title.

(C) GUIDANCE AND REGULATIONS.—The Secretary shall publish guidance and promulgate regulations as may be necessary to carry out the provisions of this subsection, including—

(i) provisions to ensure that each State commits and expends funds allotted to the State under this subsection as efficiently as possible in accordance with this title and applicable State laws;

(ii) guidance to prevent waste, fraud, and abuse.

(8) MATCHING REQUIREMENTS.—
(F) require that health care providers receiving such loans implement the measurement system adopted under section 2908 and report to the Secretary on such measures;

(G) facilitate the electronic exchange of health information within the local or regional area and among local and regional areas;

(H) prepare and submit to the Secretary an application in accordance with paragraph (S); and

(I) agree to provide matching funds in accordance with paragraph (5).

(3) APPLICATION.—

(A) IN GENERAL.—To be eligible to receive a grant under paragraph (1), an entity shall submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require.

(B) REQUIRED INFORMATION.—At a minimum, an application submitted under this paragraph shall include—

(i) a plan that describes provisions to encourage the implementation of the electronic exchange of health information by all physicians, including single physician practices and medical practices and the use of medical information technology systems in the clinical education of health professionals.

(ii) a technology plan that complies with the standards under section 2903 and that includes a descriptive and reasoned estimate of the costs of the hardware, software, training, and consulting services necessary to implement the regional or local health information plan;

(iii) a strategy that includes initiatives to improve the quality and efficiency, including the use and reporting of health care quality measures adopted under section 2908;

(iv) a plan that describes provisions to improve the sustainability of the plan;

(v) the financial costs and benefits of the plan; and

(vi) the entities to which such costs and benefits will accrue.

(4) MATCHING FUNDS.—Amounts received under a grant under paragraph (1) shall be used to establish and implement a regional or local health information plan in accordance with this subsection.

(5) MATCHING REQUIREMENT.—

(A) IN GENERAL.—The Secretary may make a grant under this subsection to an entity if the entity agrees that, with respect to the costs to be incurred by the entity in carrying out the infrastructure program for which the grant is awarded, the entity shall provide non-Federal contributions toward such costs in an amount equal to not less than 50 percent of such costs ($1 for each $2 of Federal funds provided under the grant).

(B) DETERMINATION OF AMOUNT CONTRIBUTED.—Non-Federal contributions required under subparagraph (A) may be in cash or in kind, fairly evaluated, including equipment, technology, or services. Amounts provided by the entity under subparagraph (A) are non-Federal funds provided under the grant.

(6) REPORTS.—Not later than 1 year after the date on which the first grant is awarded under this section, and annually thereafter during the grant period, an entity that receives a grant under this section shall submit to the Secretary a report on the activities carried out with grant funds involved. Each such report shall include—

(1) a description of the financial costs and benefits of the project involved and of the entities to which such costs and benefits accrue;

(2) an analysis of the impact of the project on health care quality and safety;

(3) the impact in duplicative or unnecessary care as a result of the project involved;

(4) a description of the efforts of recipients under this section to facilitate secure patient access to health information; and

(5) other information as required by the Secretary.

(7) AUTHORIZATION OF APPROPRIATIONS.—

(A) IN GENERAL.—For the purpose of carrying out this section, there is authorized to be appropriated $150,000,000 for fiscal year 2007, and such sums as may be necessary for each of fiscal years 2008 through 2010.

(B) ELLIBILITY.—Amounts appropriated under paragraph (1) shall remain available through fiscal year 2010.

SEC. 2906. DEMONSTRATION PROGRAM TO INTEGRATE INFORMATION TECHNOLOGY INTO CLINICAL EDUCATION.

(a) In General.—The Secretary may award grants under this section to carry out demonstration projects to develop academic curricula integrating qualified health information technology systems in the clinical education of health professionals. Such awards shall be made on a competitive basis and pursuant to peer review.

(b) Eligibility.—To be eligible to receive a grant under subsection (a), an entity shall—

(1) submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require;

(2) submit to the Secretary a strategic plan for integrating qualified health information technology systems in the clinical education of health professionals and for ensuring the consistent utilization of decision support software to reduce medical errors and enhance health care quality;

(3) be—

(A) a health professional school; or

(B) a school of nursing;

(4) provide for the collection of data regarding the effectiveness of the demonstration project to be funded under the grant in improving the safety of patients, the efficiency of health care delivery, and in improving the quality of care, and that identifies the extent to which the grantee will adopt and incorporate health information technology in the delivery of health care services; and

(5) match the funds in accordance with subsection (c).

(c) USE OF FUNDS.—

(1) IN GENERAL.—With respect to a grant under subsection (a), an eligible entity shall—

(A) use grant funds in collaboration with 2 or more disciplines; and

(B) use grant funds to integrate qualified health information technology into community-based clinical education.

(2) ELIGIBLE ENTITY.—An eligible entity shall not use amounts received under a grant under subsection (a) to purchase hardware, software, or services.

(3) MATCHING FUNDS.—

(A) IN GENERAL.—The Secretary may award a grant to an entity under this section only if the entity agrees to make available non-Federal contributions toward the costs of the program to be funded under the grant in an amount that is not less than $1 for each $2 of Federal funds provided under the grant.

(B) DETERMINATION OF AMOUNT CONTRIBUTED.—Non-Federal contributions under paragraph (1) may be in cash or in kind, fairly evaluated, including equipment, technology, or services. Amounts provided by the Federal Government, or services assisted or subsidized to any significant extent by the Federal Government, may not be determined as part of any Federal contribution under this paragraph.

(C) EVALUATION.—The Secretary shall take such actions as may be necessary to evaluate the projects funded under this section and publish, make available, and disseminate the results of such evaluations on a basis as practicable.

(D) REPORTS.—Not later than 1 year after the date of enactment of this title, and annually thereafter, the Secretary shall submit to the Committee on Health, Education, Labor, and Pensions and the Committee on Finance of the Senate, and the Committee on Energy and Commerce and the Committee on Ways and Means of the House of Representatives a report that—

(1) describes the specific projects established under this section to facilitate secure electronic exchange of health information;

(2) contains recommendations for Congress based on the evaluation conducted under subsection (e);

(3) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section, $5,000,000 for fiscal year 2007, and such sums as may be necessary for each of fiscal years 2008 through 2010.

(b) Sunset.—This section shall not apply after September 30, 2010.

SEC. 2907. LICENSING AND THE ELECTRONIC EXCHANGE OF HEALTH INFORMATION.

(a) In General.—The Secretary shall carry out, or contract with a private entity to carry out, a study that examines—

(1) the variation among State laws that relate to the licensure, registration, and certification of medical professionals; and

(2) how such variation among State laws impacts the secure electronic exchange of health information.

(b) Study.—The Secretary shall (A) among the States; and

(B) between the States and the Federal Government.

(c) REPORT AND RECOMMENDATIONS.—Not later than 1 year after the date of enactment of this title, the Secretary shall publish a report that—

(1) describes the results of the study carried out under subsection (a); and

(2) makes recommendations to States regarding the harmonization of State laws based on the results of such study.

SEC. 2908. QUALITY MEASUREMENT SYSTEMS.

(a) In General.—The Secretary of Health and Human Services, the Secretary of Veterans Affairs, the Secretary of Defense, and representatives of other relevant Federal agencies, as determined appropriate by the Secretary (referred to in this section as the ‘‘Secretaries’’) shall jointly develop a quality measurement system for the purpose of measuring the quality of care patients receive.

(b) REQUIREMENTS.—The Secretaries shall ensure that the quality measurement system developed under subsection (a) comply with the following:

(1) MEASURES.—

(A) IN GENERAL.—Subject to subparagraph (B), the Secretaries shall select measures of quality to be used by the Secretaries under the systems.

(B) REQUIREMENTS.—In selecting the measures to be used under a system pursuant to subparagraph (A), the Secretaries shall, to the extent feasible, ensure that—
‘(1) such measures are evidence based, reliable and valid;
‘(ii) such measures include measures of process, structure, patient experience, efficiency, and outcomes of care;
‘(iii) such measures include measures of variation in clinical practice, including variation in the use of recommended practices and variation in adverse outcomes amongst providers and regions, and other individuals and groups that are interested in the quality of health care;

‘ARRANGEMENT WITH AN ENTITY TO PROVIDE ADVICE AND RECOMMENDATIONS.—

‘ARRANGEMENT.—On and after July 1, 2006, the Secretaries shall have in place an arrangement with an entity that meets the requirements described in paragraph (2) under which such entity provides the Secretaries with advice on, and recommendations concerning, the establishment and updating of the quality measurement systems under this section, including the assigning of weights to the measures under subsection (b)(2).

‘REQUIREMENTS DESCRIBED.—The requirements described in this paragraph are the following:

‘(A) The entity is a private nonprofit entity governed by an executive director and a board.

‘(B) The members of the entity include representatives of—

‘(i) health insurance plans and providers with experience in the care of individuals with multiple complex chronic conditions or groups representing such health insurance plans and providers;

‘(ii) groups representing patients and consumers;

‘(iii) purchasers and employers or groups representing purchasers or employers;

‘(iv) organizations that focus on quality improvement as well as the measurement and reporting of quality measures; and

‘(v) State government health programs;

‘(vi) individuals or entities skilled in the conduct and interpretation of biomedical, health services, and health economics research and with expertise in outcomes and effectiveness research and technology assessment; and

‘(vii) individuals or entities involved in the development and establishment of standards and certification for health information technology systems and clinical data.

‘The membership of the entity is representative of individuals with experience in urban health care issues and individuals with experience with rural and frontier health care issues.

‘(D) If the entity requires a fee for membership, the entity shall provide assurances to the Secretaries that such fees are not a substantial barrier to participation in the entity’s activities related to the arrangement with the Secretaries.

‘The entity—

‘(i) permits any member described in subparagraph (B) to vote on matters of the entity related to the arrangement with the Secretaries under paragraph (1); and

‘(ii) ensures that the voting provides a balance among disparate stakeholders, so that no member organization described in subparagraph (B) unduly influences the outcome.

‘(F) With respect to matters related to the arrangement with the Secretaries under paragraph (1), the entity conducts its business in an open and transparent manner and provides the opportunity for public comment.

‘The entity operates as a voluntary consensus standards setting organization as defined for purposes of section 12(d) of the National Technology Transfer and Advancement Act of 1995 (Public Law 104-113) and Office of Management and Budget Revised Circular A-119 (published in the Federal Register on February 10, 1998).

‘USE OF QUALITY MEASUREMENT SYSTEMS.—

‘(1) In general.—For purposes of activities conducted or supported by the Secretary under this Act, the Secretary shall, to the extent practicable, adopt and utilize the measurement system developed under this section.

‘(2) COLLABORATIVE AGREEMENTS.—With respect to activities conducted or supported by the Secretary under this Act, the Secretary may establish collaborative agreements with private entities to develop and operate group health plans and health insurance issuers, providers, purchasers, consumer organizations, and entities receiving a grant under section 2006, to—

‘(A) encourage the use of the health care quality measures adopted by the Secretary under this section; and

‘(B) foster uniformity between the health care quality measures utilized by private entities.

‘DISSEMINATION OF INFORMATION.—Beginning on January 1, 2008, in order to make comparative quality information available to health care consumers, health professionals, public health researchers, and other appropriate individuals and entities, the Secretary shall provide for the aggregation and analysis of quality measures collected under section 2005 and the dissemination of recommendations and best practices derived in part from such analysis.

‘(1) TECHNICAL ASSISTANCE.—The Secretary shall provide technical assistance to public and private entities to enable such entities to—

‘(i) implement and use evidence-based guidelines with the greatest potential to improve health care quality, efficiency, and patient safety; and

‘(ii) establish mechanisms for the rapid dissemination of information regarding evidence-based guidelines with the greatest potential to improve health care quality, efficiency, and patient safety.

‘SEC. 2909. APPLICABILITY OF PRIVACY AND SECURITY REGULATIONS.

‘(1) The regulations promulgated by the Secretary under part C of title XI of the Social Security Act and sections 261, 262, 263, and 264 of the Health Insurance Portability and Accountability Act of 1996 apply to any health information stored or transmitted in an electronic format on or after the date of enactment of this title; and

‘(2) apply to the implementation of standards, programs, and activities under this title.

‘SEC. 2910. STUDY OF REIMBURSEMENT INCENTIVES

‘(1) The Secretary shall carry out, or contract with a private entity to carry out, a study that examines methods to create effective reimbursement incentives for improving health care quality in Federally qualified health centers, rural health clinics, and free clinics.

‘SEC. 3. HEALTH INFORMATION TECHNOLOGY RESOURCE CENTER.

‘Section 914 of the Public Health Service Act (42 U.S.C. 290b–3) is amended by adding at the end the following:

‘(d) CENTER FOR BEST PRACTICES.—

‘(1) IN GENERAL.—The Secretary, acting through the Director, shall establish a Center for Best Practices to provide technical assistance and develop best practices to support and accelerate electronic health information, and effectively use interoperable health information technology in compliance with section 2003 and 2008.

‘(2) TECHNICAL ASSISTANCE.

‘(A) IN GENERAL.—The Center shall support activities to meet goals, including—

‘(i) providing for the widespread adoption of interoperable health information technology;

‘(ii) providing for the establishment of regional and local health information networks that facilitate the interoperability across health care settings and improve the quality of health care;
(iii) the development of solutions to barriers to the exchange of electronic health information; or
(iv) other activities identified by the States as needed to achieve their health information networks, or health care stakeholders as a focus for developing and sharing best practices.

(B) PURPOSE.—The purpose of the Center is to—
(i) provide a forum for the exchange of knowledge and experience;
(ii) accelerate the transfer of lessons learned from existing public and private sector initiatives, including those currently receiving Federal financial support;
(iii) analyze, and widely disseminate evidence and experience related to the adoption, implementation, and effective use of interoperable health information technology; and
(iv) assure the timely provision of technical and expert assistance from the Agency and its contractors.

Support for Activities.—To provide support for the activities of the Center, the Director shall modify the requirements, if necessary, that apply to the National Health Information Center to provide health information technology to support the Center and facilitate information exchange to support the duties and activities of the Center.

(3) TECHNICAL ASSISTANCE TELEPHONE NUMBER OR WEBSITE.—The Secretary shall establish a toll-free telephone number or Internet website to provide health care providers and patients with a single point of contact to—
(A) learn about Federal grants and technical assistance services related to interoperable health information technology;
(B) learn about qualified health information technology and the quality measurement programs under section 2903 and 2908;
(C) learn about regional and local health information networks for assistance with health information technology; and
(D) disseminate additional information determined by the Secretary.

(4) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subsection, such sums as may be necessary for each of fiscal years 2006 through 2010.

SEC. 3. REAUTHORIZATION OF INCENTIVE GRANTS REGARDING TELEMEDICINE.

SECTION 301(a) of the Public Health Service Act (42 U.S.C. 254e–18(b)) is amended by striking “2002 through 2006” and inserting “2006 through 2010.”

SEC. 4. IMPROVING HEALTH CARE QUALITY, SAFETY, AND EFFICIENCY.

The Public Health Service Act (42 U.S.C. 201 et seq.) is amended by adding at the end the following:

THE XXIX—HEALTH INFORMATION TECHNOLOGY AND QUALITY

SEC. 2901. DEFINITIONS.

"In this title:

(1) HEALTH CARE PROVIDER.—The term ‘health care provider’ means a hospital, skilled nursing facility, home health entity, health care clinic, federally qualified health center, group practice (as defined in section 1861(h)(4) of the Social Security Act), a pharmacist, a pharmacy, a laboratory, a physician (as defined in section 1861(r) of the Social Security Act), a health facility operated by or pursuant to a contract with the Commissioner, a rural health clinic, and any other category of facility or clinician determined appropriate by the Secretary.

(2) HEALTH INFORMATION.—The term ‘health information’ has the meaning given such term in section 1171(4) of the Social Security Act.

(3) HEALTH INSURANCE PLAN.—The term ‘health insurance plan’ means a health maintenance organization (as defined in section 2791(b)(2)(A)), a health plan (as defined in section 2791(a)(1)); and

(4) LABORATORIES, PATHOLOGY, OR ‘LABORATORY’ has the meaning given that term in section 353.

(5) PHARMACIST.—The term ‘pharmacist’ has the meaning given that term in section 802 of the Federal Food, Drug, and Cosmetic Act.

QUALIFIED HEALTH INFORMATION TECHNOLOGY.—The term ‘qualified health information technology’ means a computerized system (including hardware and software) that—
(A) protects the privacy and security of health information;
(B) maintains and provides permitted access to health information in an electronic format;
(C) incorporates decision support to reduce medical errors and enhance health care quality;
(D) carries out the standards adopted by the Federal Government under section 2903; and
(E) allows for the reporting of quality measures under section 2902.

STATE.—The term ‘State’ means each of the several States, the District of Columbia, Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands.

Section 2902. OFFICE OF THE NATIONAL COORDINATOR OF HEALTH INFORMATION TECHNOLOGY.

OFFICE OF THE NATIONAL COORDINATOR OF HEALTH INFORMATION TECHNOLOGY.—There is established within the Office of the Secretary an Office of the National Coordinator of Health Information Technology referred to in this section as the ‘Office’. The Office shall be headed by a National Coordinator who shall be appointed by the President, in consultation with the Secretary, and shall report directly to the Secretary.

PURPOSE.—It shall be the purpose of the Office to coordinate and oversee programs and activities to develop a nationwide interoperable health information technology infrastructure that—
(1) ensures that patients’ health information is secure and protected;
(2) improves health care quality, reduces medical errors, and advances the delivery of patient-centered medical care;
(3) reduces the costs resulting from inefficiency, medical errors, inappropriate care, and incomplete information;
(4) ensures that appropriate information to help guide treatment decisions is available at the time and place of care;
(5) promotes a more effective marketplace, greater competition, and increased choice through the wider availability of accurate information on health care costs, quality, and outcomes;
(6) improves the coordination of care and information among hospitals, laboratories, physician offices, and other entities through an effective infrastructure for the secure and authorized exchange of health information;
(7) improves public health reporting and facilitates the early identification and rapid response to public health threats and emergencies, including bioterror events and infectious disease outbreaks;
(8) facilitates health research; and
(9) promotes prevention of chronic diseases.

DUTIES OF THE NATIONAL COORDINATOR.—The National Coordinator shall—
(1) serve as a member of the public-private American Health Information Collaborative established under section 2903;
(2) serve as the principal advisor to the Secretary concerning the development, application, and adoption of health information technology, and shall coordinate and oversee the health information technology programs of the Department;
(3) facilitate the adoption of a nationwide, interoperable system for the electronic exchange of health information;
(4) ensure the adoption and implementation of standards for the electronic exchange of health information to reduce cost and improve health care quality;
(5) ensure that the health information technology policy and programs of the Department are coordinated with those of relevant executive branch agencies (including Federal commissions) with a goal of avoiding duplication of efforts and of helping to ensure that each agency undertakes health information technology activities primarily within the areas of its greatest expertise and technical capability;
(6) to the extent permitted by law, coordinate outreach and consultation by the relevant executive branch agencies (including Federal commissions) with public and private parties of interest, including consumers, payers, employers, hospitals and other health care providers, physicians, community health centers, laboratories, agencies, and other stakeholders;
(7) advise the President regarding specific Federal health information technology programs; and
(8) submit the reports described under section 2903(i) (excluding paragraph (4) of such section).

DETAIL OF FEDERAL EMPLOYEES.—
(1) IN GENERAL.—Upon the request of the National Coordinator, the head of any Federal agency is authorized to detail, with or without reassurance from the Office, any of the personnel of such agency to the Office to assist it in carrying out its duties under this section.

(2) PURPOSE.—Any detail of personnel under paragraph (1) shall—
(A) not interrupt or otherwise affect the civil service status or privileges of the Federal employee;
(B) be in addition to any other staff of the Department employed by the National Coordinator.

ACCEPTANCE OF DETAILERS.—Notwithstanding any other provision of law, the Office may accept detailed personnel from other Federal agencies without regard to whether the personnel described under paragraph (1) is reimbursed.

(3) BULK OF CONSTRUCTION.—Nothing in this section shall be construed to require the duplication of Federal efforts with respect to the establishment of the Office, regardless of whether such efforts were carried out prior to or after the enactment of this title.

(4) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, $5,000,000 for fiscal year 2006, $50,000,000 for fiscal year 2007, and such sums as may be necessary for each of fiscal years 2008 through 2010.

Section 2903. AMERICAN HEALTH INFORMATION COLLABORATIVE.

PURPOSE.—The Secretary shall establish the public-private American Health Information Collaborative referred to in this section as the ‘Collaborative’ to—
(1) advise the Secretary and recommend specific actions to achieve a nationwide interoperable health information technology infrastructure;
(2) serve as a forum for the participation of a broad range of stakeholders to provide input on achieving the interoperability of health information technology; and
(3) recommend standards (including content, communication, and security standards) for the electronic exchange of health information (including for the reporting of quality data under section 2908) for adoption by the Federal Government and voluntary adoption by private entities.

COMPOSITION.—
(1) IN GENERAL.—The Collaborative shall be composed of—
(A) the Secretary, who shall serve as the chairperson of the Collaborative;
“(B) the Secretary of Defense, or his or her designee; 
(C) the Secretary of Veterans Affairs, or his or her designee; 
(D) the Secretary of Commerce, or his or her designee; 
(E) the National Coordinator for Health Information Technology; 
(F) representatives of other relevant Federal agencies as determined appropriate by the Secretary; and 
(G) representatives from each of the following categories to be appointed by the Secretary from nominations submitted by the public— 
(i) consumer and patient organizations; 
(ii) experts in health information privacy and security; 
(iii) health care providers; 
(iv) health insurance plans or other third party payors; 
(v) standards development organizations; 
(vi) information technology vendors; 
(vii) purchasers or employers; and 
(viii) State or local government agencies or Indian tribe or tribal organizations.

(2) CONSIDERATIONS.—In appointing members under paragraph (1)(G), the Secretary shall select individuals with expertise in— 
(A) health information privacy; 
(B) health information security; 
(C) health care quality and patient safety, including those individuals with expertise in utilizing health information technology to improve health care quality and patient safety; 
(D) data exchange; and 
(E) developing health information technology standards and new health information technology.

(3) PARTICIPATION.—Membership and procedures of the Collaborative shall ensure a balance among various sectors of the healthcare system so that no single sector unduly influences the recommendations of the Collaborative.

(4) TERMS.—Members appointed under paragraph (1)(G) shall serve for 2 year terms, except that any member appointed to fill a vacancy for an unexpired term shall be appointed for the remainder of such term. A member may serve for not to exceed 180 days after the expiration of such member’s term or until a successor has been appointed.

(5) RECOMMENDATIONS AND POLICIES.—Not later than 1 year after the date of enactment of this title, the Collaborative shall establish, and recommend to the Secretary uniform standards for the electronic exchange of health information, including— 
(I) protection of health information through privacy and security practices; 
(II) measures to prevent unauthorized access to health information; 
(III) methods to facilitate secure patient access to health information; 
(IV) fostering the public understanding of health information technology; 
(V) the ongoing harmonization of industrywide health information technology standards; 
(VI) recommendations for a nationwide interoperable health information technology infrastructure; 
(VII) the identification and prioritization of specific use cases for which health information technology is valuable, beneficial, and feasible; 
(VIII) recommendations for the establishment of an entity to ensure the continuation of the functions of the Collaborative; and

(9) other policies (including recommendations for incorporating health information technology into the provisions of care coordination and organization of the health care workplace) determined to be necessary by the Collaborative.

(6) STANDARDS.— 
(1) EXISTING STANDARDS.—The standards adopted by the Consolidated Health Informatics Initiative shall be deemed to have been recommended by the Collaborative under this section.

(2) FIRST YEAR REVIEW.—Not later than 1 year after the date of enactment of this title, the Collaborative shall— 
(A) review existing standards (including content, communication, and security standards) for the electronic exchange of health information, including standards adopted by the Secretary under paragraph (2)(A); 
(B) identify deficiencies and omissions in such existing standards; and 
(C) identify duplication and overlap in such existing standards; 
and recommend new standards and modifications to such existing standards as necessary.

(3) ONGOING REVIEW.—Beginning 1 year after the date of enactment of this title, and annually thereafter, the Collaborative shall— 
(A) review existing standards (including content, communication, and security standards) for the electronic exchange of health information, including standards adopted by the Secretary under paragraph (2)(A); 
(B) identify deficiencies and omissions in such existing standards; and 
(C) identify duplication and overlap in such existing standards; 
and recommend new standards and modifications to such existing standards as necessary.

(4) LIMITATION.—The standards and timeframe for adoption described in this section shall be consistent with any standards developed pursuant to the Health Insurance Portability and Accountability Act of 1996.

(e) FEDERAL ACTION.—Not later than 60 days after the issuance of a recommendation from the Collaborative under subsection (d)(2), the Secretary, the Secretary of Veterans Affairs, and the Secretary of Defense, in collaboration with representatives of other relevant Federal agencies, as determined appropriate by the Secretary, shall jointly review such recommendations. The Secretary shall provide for the adoption by the Federal Government of any standard or standards contained in such recommendation.

(f) COORDINATION OF FEDERAL SPENDING.—Not later than 1 year after the adoption by the Federal Government of a recommendation as provided for in subsection (e), all Federal agencies collecting health data for the purposes of quality reporting, surveillance, epidemiology, adverse event reporting, research, or for other purposes determined appropriate by the Secretary, shall comply with standards adopted under subsection (e).

(g) COORDINATION OF FEDERAL DATA COLLECTION.—Not later than 3 years after the adoption by the Federal Government of a recommendation as provided for in subsection (e), all Federal agencies collecting health data for the purposes of quality reporting, surveillance, epidemiology, adverse event reporting, research, or for other purposes determined appropriate by the Secretary, shall comply with standards adopted under subsection (e).

(h) VOLUNTARY ADOPTION.—(1) IN GENERAL.—Any standards adopted by the Federal Government under subsection (e) shall be voluntary with respect to private entities.

(2) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to require that a private entity that enters into a contract with the Federal Government shall adopt the standards adopted by the Federal Government under section 2903 with respect to activities not related to the contract.

(3) LIMITATION.—Private entities that enter into a contract with the Federal Government shall adopt the standards adopted by the Federal Government under section 2903 for the purposes of quality reporting, surveillance, and research.

(4) REPORTS.—The Secretary shall submit to the Committee on Health, Education, Labor, and Pensions and the Committee on Finance of the Senate and the Committee on Energy and Commerce and the Committee on Ways and Means of the House of Representatives, on an annual basis, a report that— 
(1) describes the specific actions that have been taken by the Federal Government and private entities to facilitate the adoption of an interoperable nationwide system for the electronic exchange of health information; 
(2) describes barriers to the adoption of such a nationwide system; 
(3) contains recommendations to achieve full implementation of such a nationwide system; and

(4) contains a plan and progress toward the establishment of an entity to ensure the continuation of the functions of the Collaborative.

(j) APPLICATION OF FACA.—The Federal Advisory Committee Act (5 U.S.C. App.) shall apply to the Collaborative, except that the term provided for under section 14(a)(2) shall be 5 years.

(k) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to require the duplication of Federal efforts with respect to the establishment of the Collaborative, regardless of whether such efforts were carried out prior to or after the enactment of this title.

(l) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, $4,000,000 for fiscal year 2006, $4,000,000 for fiscal year 2007, and such sums as may be necessary for each of fiscal years 2008 through 2010.

SEC. 2904. IMPLEMENTATION AND CERTIFICATION OF HEALTH INFORMATION STANDARDS.

(a) IMPLEMENTATION.—

(1) IN GENERAL.—The Secretary, based upon the recommendations of the Collaborative, shall develop criteria to ensure uniform and consistent implementation of any standards for the electronic exchange of health information voluntarily adopted by private entities in technical conformance with such standards adopted under this title.

(2) IMPLEMENTATION ASSISTANCE.—The Secretary may recognize a private entity or entities to assist private entities in the implementation of the standards adopted under this title using the criteria developed by the Secretary under this section.

(b) CERTIFICATION.—

(1) IN GENERAL.—The Secretary, based upon the recommendations of the Collaborative, shall develop criteria to ensure and certify that hardware and software that claim to be in compliance with any standard for the electronic exchange of health information adopted under this title have established and maintained such compliance in technical conformance with such standards.

(2) CERTIFICATION ASSISTANCE.—The Secretary may recognize a private entity or entities to assist private entities in the implementation of the standards adopted under this title using the criteria developed by the Secretary under this section.

(c) DELEGATION AUTHORITY.—The Secretary, through consultation with the Collaborative, may delegate to such a private entity the development of the criteria under subsections (a) and (b) from a Federal agency or private entity.
SEC. 2905. GRANTS TO FACILITATE THE WIDESPREAD ADOPTION OF INTEROPERABLE HEALTH INFORMATION TECHNOLOGY.

(a) Competitive Grants to Facilitate the Widespread Adoption of Health Information Technology.—

(1) In general.—The Secretary may award competitive grants to eligible entities to facilitate the purchase and enhance the utilization of qualified health information technology systems to improve the quality and efficiency of health care.

(2) Eligibility.—To be eligible to receive a grant under paragraph (1) an entity shall—

(A) submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require;

(B) submit to the Secretary a strategic plan for the implementation of data sharing and interoperability measures;

(C) be a—

(i) not for profit hospital;

(ii) individual or group practice; or

(iii) another health care provider not described in clause (i) or (ii);

(D) adopt the standards adopted by the Federal Government under section 2903;

(E) implement the measurement system adopted under section 2908 and report to the Secretary on such measures;

(F) demonstrate significant financial need; and

(G) provide matching funds in accordance with paragraph (4).

(3) Use of Funds.—Amounts received under a grant shall be used to facilitate the purchase and enhance the utilization of qualified health information technology systems and training personnel in the use of such technology.

(4) Matching Requirement.—To be eligible for a grant under this subsection an entity shall contribute non-Federal contributions to the costs of carrying out the activities for which the grant is awarded in an amount equal to not less than $1 for each $3 of Federal funds provided under the grant.

(5) Preference in awarding Grants.—In awarding grants under this subsection the Secretary shall give preference to—

(A) eligible entities that are located in rural, frontier, and other underserved areas as determined by the Secretary;

(B) eligible entities that will link, to the extent practicable, the qualified health information system of a local or regional health information network; and

(C) with respect to an entity described in subsection (a)(2)(C)(iii), a nonprofit health care provider.

(b) Competitive Grants to States for the Development of State Loan Programs to Facilitate the Widespread Adoption of Health Information Technology.—

(1) In general.—The Secretary may award competitive grants to States for the establishment of State programs for loans to health care providers to facilitate the purchase and enhance the utilization of qualified health information technology.

(2) Establishment of Fund.—To be eligible to receive a competitive grant under this subsection, a State shall—

(A) establish a qualified health information technology loan fund (referred to in this subsection as a ‘‘State loan fund’’) and comply with the other requirements contained in this section. A grant to a State under this subsection shall be deposited into the State loan fund established by the State. No funds authorized by other provisions of this title may be used for other purposes specified in this title that are not otherwise limited by applicable State law, amounts deposited into a State loan fund under this subsection may only be used for the following:

(i) to conduct activities for which Federal funds are expended under this title, or the amendments made by the Wired for Health Care Quality Act; or

(ii) for any purpose other than making loans to eligible entities under this section.

(6) Types of Assistance.—Except as otherwise provided under this subsection, amounts deposited into a State loan fund under this subsection may only be used for the following:

(A) To award loans that comply with the following:

(i) the interest rate for each loan shall be less than or equal to the market interest rate.

(ii) the principal and interest payments on each loan shall commence not later than 1 year after the date of the loan. Each loan shall be fully amortized not later than 10 years after the date of the loan.

(B) To guarantee, or purchase insurance for, a local obligation (all of the proceeds of which finance a project eligible for assistance under the subsection) if the guarantee or purchase would improve credit market access or reduce the interest rate applicable to the obligation involved.

(C) As a source of revenue for security for the payment of principal and interest on revenue or general obligation bonds issued by the State if the proceeds of the sale of the bonds will be deposited into the State loan fund.

(D) To earn interest on the amounts deposited into the State loan fund.

(7) Administration of State Loan Funds.—

(A) Combined Financial Administration.—A State may (as a convenience and to avoid unnecessary administrative costs) combine, in accordance with State law, the financial administration of a State loan fund established under this subsection with the financial administration of any other revolving fund established by the State if otherwise not prohibited by the law under which the State loan fund was established.

(B) Cost of Administering Fund.—Each State may annually use not to exceed 4 percent of the funds provided to the State under a grant to this subsection to pay the reasonable costs of the administration of the programs under this section, including the recovery of reasonable costs expended to establish a State loan fund which are incurred after the date of enactment of this title.

(C) Guidance and Regulations.—The Secretary shall publish guidance and promulgate regulations as may be necessary to carry out the provisions of this subsection, including—

(i) provisions to ensure that each State commits and expends funds allotted to the State under this subsection as efficiently as possible in accordance with this title and applicable State laws; and

(ii) guidance to prevent waste, fraud, and abuse.

(D) Private Sector Contributions.—

(i) In general.—A State loan fund established under this subsection may accept contributions from private sector entities, except that each entity may not be the recipient or a recipient of any loan issued under this subsection.

(ii) Availability of Information.—A State shall make publicly available the identity of any amount contributed by, any private sector entity under clause (i) and may issue letters of commendation or make other awards (that have no financial value) to any such entity.

(E) Matching Requirements.—

(A) In general.—The Secretary may not make a grant under paragraph (1) to a State unless the State agrees to make available (directly or through donations from public or private entities) non-Federal contributions in cash toward the costs of the State program to be implemented under the grant in an amount equal to not less than $1 for each $1 of Federal funds provided under the grant.

(B) Determination of Amount of Non-Federal Contribution.—In determining the amount of non-Federal contributions that a State has provided pursuant to subparagraph (A), the Secretary may not include any amounts provided to the State by the Federal Government.
“(9) PREference IN aWardINg GRANTS.—The Secretary may give a preference in awarding grants under this subsection to States that adopt value-based purchasing programs to improve health care quality.

“(10) REPORTS.—The Secretary shall annually submit to the Committee on Health, Education, Labor, and Pensions and the Committee on Energy and Commerce and the Committee on Ways and Means of the House of Representatives, a report summarizing the reports received by the Secretary from each State that receives a grant under this subsection.

“(c) COMPETITIVE GRANTS FOR THE IMPLEMENTATION OF REGIONAL OR LOCAL HEALTH INFORMATION TECHNOLOGY PLANS.—

“(1) IN GENERAL.—The Secretary may award competitive grants to eligible entities to implement regional or local health information plans to improve health care quality and efficiency through the electronic exchange of health information pursuant to the standards, protocols, and other requirements adopted by the Secretary under sections 2903 and 2908.

“(2) ELIGIBILITY.—To be eligible to receive a grant under paragraph (1) an entity shall—

“(A) demonstrate financial need to the Secretary;

“(B) demonstrate that one of its principal missions or purposes is to use information technology to improve health care quality and efficiency;

“(C) adopt bylaws, memoranda of understanding, or other charter documents that demonstrate that the governance structure and decisionmaking processes of such entity allow for participation on an ongoing basis by multiple stakeholders within a community, including—

“(i) physicians (as defined in section 1861(r) of the Social Security Act), including physicians that provide services to low income and underserved populations;

“(ii) hospitals (including hospitals that provide services to low income and underserved populations);

“(iii) pharmacists or pharmacies;

“(iv) health insurance plans;

“(v) health centers (as defined in section 330(b) of the Public Health Service Act); (vi) rural health clinics (as defined in section 1861(aa) of the Social Security Act); (vii) patient or consumer organizations; and

“(viii) employers; and

“(ix) any other health care providers or other entities, as determined appropriate by the Secretary;

“(D) demonstrate the participation, to the extent practicable, of stakeholders in the electronic exchange of health information within the local or regional plan pursuant to paragraph (2)(C);

“(E) adopt nondiscrimination and conflict of interest policies that demonstrate a commitment to open, fair, and nondiscriminatory participation in the health information plan by all stakeholders; and

“(F) adopt the standards adopted by the Secretary under section 2903.

“(G) require that health care providers receiving such grants implement the measurement systems adopted under section 2908 and report to the Secretary on such measures;

“(H) facilitate the electronic exchange of health information within the local or regional area and among local and regional areas;

“(I) prepare and submit to the Secretary an application in accordance with paragraph (3); and

“(J) agree to provide matching funds in accordance with paragraph (5).

“(3) APPLICATION.—

“(A) IN GENERAL.—To be eligible to receive a grant under paragraph (1), an entity shall submit to the Secretary an application at such time, and in such manner, and containing such information as the Secretary may require.

“(B) REQUIRED INFORMATION.—At a minimum, an application submitted under this paragraph shall include—

“(i) clearly identified short-term and long-term objectives of the regional or local health information plan;

“(ii) a technology plan that complies with the standards adopted under section 2903 and that includes a description and reason for estimate of costs of the hardware, software, training, and consulting services necessary to implement the regional or local health information plan;

“(iii) a statement identifying initiatives to improve health care quality and efficiency, including the use and reporting of health care quality measures adopted under section 2906;

“(iv) a plan that describes provisions to encourage the implementation of the electronic exchange of health information by all physicians, including single physician practices and small physician groups participating in the health information plan

“(v) a plan to ensure the privacy and security of personal health information that is consistent with Federal and State laws;

“(vi) a governance plan that defines the manner in which the stakeholders shall jointly make policy and operational decisions on an ongoing basis;

“(vii) a financial or business plan that describes—

“(I) the sustainability of the plan;

“(II) the financial costs and benefits of the plan;

“(III) the entities to which such costs and benefits will accrue; and

“(viii) if the case of an applicant entity that is unable to demonstrate the participation of all stakeholders pursuant to paragraph (2)(C), the justification from the entity for any such non-participation.

“(4) USE OF FUNDS.—Amounts received under a grant under paragraph (1) shall be used to establish and implement a regional or local health information plan in accordance with this subsection.

“(5) MATCHING REQUIREMENT.—

“(A) IN GENERAL.—The Secretary may not make a grant under this subsection to an entity unless the entity agrees that, with respect to the costs to be incurred by the entity in carrying out the information exchange activities pursuant to the grant, $1 in additional funds will be available (directly or through contributions from public or private entities) non-Federal contributions toward such costs in an amount equal to not less than 50 percent of such costs ($1 for each $2 of Federal funds provided under the grant).

“(B) DETERMINATION OF AMOUNT CONTRIBUTED.—Non-Federal contributions required under subparagraph (A) may be in cash or in kind, fairly evaluated, including equipment, technology, or services. Amounts provided by the Federal Government, or services assisted or subsidized to any significant extent by the Federal Government, may not be included in determining the amount of such non-Federal contributions.

“(d) REPORTS.—Not later than 1 year after the date on which the first grant is awarded under this section, and annually thereafter during the grant period, an entity that receives a grant under this subsection shall submit to the Secretary at least 1 report on the activities carried out under the grant involved. Each such report shall include—

“(1) a description of the financial costs and benefits of the project involved and of the entities to which such costs and benefits accrue;

“(2) an analysis of the impact of the project on health care quality and safety; and

“(3) a description of any reduction in duplicative or unnecessary care as a result of the project involved;

“(4) a description of the efforts of recipients under this section to facilitate secure patient access to health information; and

“(5) other information as required by the Secretary.

“(e) REQUIREMENT TO ACHIEVE QUALITY IMPROVEMENT.—The Secretary shall annually evaluate the activities conducted under this section and shall, in awarding grants, implement the lessons learned from such evaluation in a manner so that awards made subsequent to each such evaluation are made in a manner that, in the determination of the Secretary, will result in the best improvement in quality measurement systems under section 2908.

“(f) LIMITATION.—An eligible entity may only receive one non-renewable grant under subsection (a), one non-renewal grant under subsection (b), and one non-renewable grant under subsection (c).

“(g) AUTHORIZATION OF Appropriations.—

“(1) IN GENERAL.—For the purpose of carrying out this section, there is authorized to be appropriated $116,000,000 for fiscal year 2006, $141,000,000 for fiscal year 2007, and such sums as may be necessary for each of fiscal years 2008 through 2010.

“(2) Availability.—Amounts appropriated under paragraph (1) shall remain available through fiscal year 2010.

“SEC. 2906. DEMONSTRATION PROGRAM TO INTEGRATE INFORMATION TECHNOLOGY INTO CLINICAL EDUCATION.

“(a) IN GENERAL.—The Secretary may award grants under this section to carry out demonstration projects to develop academic curricula integrating qualified health information technology systems in the clinical education of health professionals. Such awards shall be made on a competitive basis and pursuant to peer review.

“(b) Eligibility.—To be eligible to receive a grant under subsection (a), an entity shall—

“(1) submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require;

“(2) submit to the Secretary a strategic plan for integrating qualified health information technology in the clinical education of health professionals and for ensuring the consistent utilization of decision support software to reduce medical errors and enhance health care quality;

“(3) be—

“(A) a health professions school;

“(B) a school of nursing; or

“(C) an institution with a graduate medical education program;

“(4) provide for the collection of data regarding the effectiveness of the demonstration project to be funded under the grant in improving the safety of patients, the efficiency of health care delivery, and in increasing the likelihood that graduates of the grantee will adopt and incorporate health information technology, and implement the quality measurement system adopted under section 2908, in the delivery of health care services; and

“(5) provide matching funds in accordance with subsection (c).

“(c) USE OF FUNDS.—

“(1) IN GENERAL.—With respect to a grant under subsection (a), an eligible entity shall—

“(A) use grant funds in collaboration with 2 or more disciplines; and

“(B) use the funds to integrate information technology into the clinical education of health professionals, by—

“(i) selecting, developing, and implementing an academic curriculum that includes the training of health professionals in the application of health information technology and the management of health information systems.

“(ii) ensure that the curriculum either incorporates or is closely tied to the clinical education of health professionals;

“(iii) involve health information technology education in—

“(I) clinical rotations of health care professionals, including residency programs, or

“(II) educational programs that will educate health care professionals in an area of health information technology; and

“(iv) report annually on the progress of the grantee, including—

“(I) a description of the activities conducted under this section;

“(II) a description of the number of health professionals who have been trained by the project; and

“(III) a budget for the project.

“(2) RECORDS.—All records of the amounts received under this section shall be maintained for a period of 3 years.
“(B) use grant funds to integrate qualified health information technology into community-based clinical education.

“(2) LIMITATION.—An eligible entity shall not use an amount received under a grant under subsection (a) to purchase hardware, software, or services.

“(d) MATCHING FUNDS.—

“(1) GENERAL.—The Secretary may award a grant to an entity under this section only if the entity agrees to make available non-Federal contributions toward the costs of the program to be funded under the grant in an amount that is not less than $1 for each $2 of Federal funds provided under the grant.

“(2) DETERMINATION OF AMOUNT CONTRIBUTED.—Non-Federal contributions under paragraph (1) shall be determined, or in kind, fairly evaluated, including equipment or services. Amounts provided by the Federal Government, or services assisted or subsidized to any significant extent by the Federal Government, may not be included in determining the amount of such contributions.

“(e) EVALUATION.—The Secretary shall take such action as may be necessary to evaluate the projects funded under this section and publish, make available, and disseminate the results of such evaluations on a wide basis as is practicable.

“(f) REPORTS.—Not later than 1 year after the date of enactment of this title, and annually thereafter, the Secretary shall submit to the Committee on Health, Education, Labor, and Pensions and the Committee on Finance of the Senate, and the Committee on Energy and Commerce and the Committee on Ways and Means of the House of Representatives a report that—

“(1) describes the specific projects established under this section; and

“(2) contains recommendations for Congress based on the evaluation conducted under subsection (o).

“(g) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section, $5,000,000 for fiscal year 2007, and such sums as may be necessary for each of fiscal years 2008 through 2010.

“(h) SUNSET.—This section shall not apply after September 30, 2010.

SEC. 2907. LICENSURE AND THE ELECTRONIC EXCHANGE OF HEALTH INFORMATION.

“(a) IN GENERAL.—The Secretary shall carry out, or contract with a private entity to carry out, a study that examines—

“(1) the variation among State laws that relate to the licensure, registration, and certification of medical professionals; and

“(2) how such variation among State laws impacts the secure electronic exchange of health information—

“(A) among the States; and

“(B) between the States and the Federal Government.

“(b) REPORT AND RECOMMENDATIONS.—Not later than 1 year after the date of enactment of this title, the Secretary shall publish a report that—

“(1) describes the results of the study carried out under subsection (a); and

“(2) makes recommendations to States regarding the harmonization of State laws based on the results of such study.

SEC. 2908. QUALITY MEASUREMENT SYSTEM.

“(a) IN GENERAL.—The Secretary, in consultation with the Secretary of Veterans Affairs, the Secretary of Defense, and representatives of other relevant Federal agencies, as determined appropriate by the Secretary, shall develop or adopt a quality measurement system, including measures to assess that effectiveness, timeliness, patient safety, patient centeredness, efficiency, and safety, for the purpose of measuring the quality of care patients receive.

“(b) REQUIREMENTS.—The Secretary shall ensure that the quality measurement system developed under subsection (a) comply with the following:

“(1) MEASURES.—

“(A) IN GENERAL.—Subject to subparagraph (B), the Secretary shall select measures of quality to be used by the Secretary under the systems.

“(B) REQUIREMENTS.—In selecting the measures to be used under each system pursuant to subparagraph (A), the Secretary shall, to the extent feasible, ensure that—

“(i) such measures are evidence based, reliable and valid;

“(ii) such measures include measures of clinical processes and outcomes, patient experience, efficiency, and safety;

“(iii) such measures include measures of use and underuse of health care items and services;

“(2) PRIORITIES.—In developing the system under subsection (a), the Secretary shall ensure that priority is given to—

“(A) measures with the greatest potential impact for improving the quality and efficiency of care provided under Federal programs;

“(B) measures that may be rapidly implemented by group health plans, health insurance issuers, physicians, hospitals, nursing homes, long-term care providers, and other providers; and

“(C) measures which may inform health care decisions made by consumers and patients.

“(c) IMPLEMENTATION.—The Secretary shall implement the quality measurement systems under this section, the Secretary shall—

“(1) the variation among State laws that relate to the licensure, registration, and certification of health care providers (including physicians, pharmacists, nurses, and other health care professionals), consumers, employers, and other individuals and groups that are interested in quality of care.

“(e) ARRANGEMENT WITH AN ENTITY TO PROVIDE ADVICE AND RECOMMENDATIONS.—

“(a) ARRANGEMENT.—On and after July 1, 2006, the Secretary shall have in place an arrangement with an entity that meets the requirements described in paragraph (2) under which such entity provides the Secretary with advice on, and recommendations with respect to, the development and updating of the quality measurement systems under this section, including the assigning of weights to the measures under subsection (b)(2).

“(b) REQUIREMENTS DESCRIBED.—The requirements described in this paragraph are the following:

“(1) The entity is a private nonprofit entity governed by an executive director and a board.

“(2) The members of the entity include representatives of—

“(A) health insurance plans and health care providers with experience in the care of individuals with multiple complex chronic conditions or groups representing such health insurance plans and providers;

“(iii) purchasers and employers or groups representing purchasers or employers;

“(iv) organizations that focus on quality improvement as well as the measurement and reporting of quality measures;

“(c) State government health programs;

“(d) individuals or entities skilled in the conduct and interpretation of biomedical, health services, and health economics research and with expertise in outcomes and effectiveness research and technology assessment; and

“(e) individuals or entities involved in the development and maintenance of standards and certification for health information technology systems and clinical data.

“(f) The membership of the entity is representative of individuals with experience with urban health care issues and individuals with experience with rural and frontier health care issues.

“(g) The entity—

“(1) permits any member described in subparagraph (B) to vote on matters of the entity related to the arrangement with the Secretary;

“(E) THE ENTITY—

“(i) permits any member described in subparagraph (B) to vote on matters of the entity related to the arrangement with the Secretary under paragraph (1); and

“(iii) ensures that member voting provides a balance among disparate stakeholders, so that no member organization described in subparagraph (B) unduly influences the outcome.

“(F) With respect to matters related to the arrangement with the Secretary under paragraph (1), the entity conducts its business in an open and transparent manner and provides the opportunity for public comment.
“(G) The entity operates as a voluntary consensus standards setting organization as defined for purposes of section 12(d) of the National Technology Transfer and Advancement Act of 1995 (Public Law 104-135) and Office of Management and Budget Revised Circular A-119 (published in the Federal Register on February 10, 1998).

(f) USE OF QUALITY MEASUREMENT SYSTEMS.—

“(1) IN GENERAL.—For purposes of activities conducted or supported by the Secretary under this Act, the Secretary shall, to the extent practicable, adopt and utilize the measurement system developed under this section.

“(2) COLLABORATIVE AGREEMENTS.—With respect to activities conducted or supported by the Secretary under this Act, the Secretary may establish collaborative agreements with private entities, including group health plans and health insurance issuers, providers, purchasers, consumer organizations, and entities receiving a grant under section 2905, to—

“(A) encourage the use of the health care quality measures adopted by the Secretary under this section; and

“(B) foster uniformity between the health care quality measures utilized by private entities.

“(3) REPORTING.—The Secretary shall implement procedures to enable the Department of Health and Human Services to accept the electronic submission of data for purposes of quality measurement using the quality measurement system adopted under this section and using the standards adopted by the Federal Government under section 2903.

“(g) DISSEMINATION OF INFORMATION.—Beginning on January 1, 2008, in order to make comparative quality information available to health care consumers, health professionals, public health officials, researchers, and other appropriate individuals and entities, the Secretary shall provide for the dissemination, aggregation, and analysis of quality measures collected under section 2905 and the dissemination of recommendations and best practices derived in part from such analysis.

“(h) TECHNICAL ASSISTANCE.—The Secretary shall provide technical assistance to public and private entities to enable such entities to—

“(1) implement and use evidence-based guidelines with the greatest potential to improve health care quality, efficiency, and patient safety; and

“(2) establish mechanisms for the rapid dissemination of information regarding evidence-based guidelines with the greatest potential to improve health care quality, efficiency, and patient safety.

“SEC. 2909. ENSURING PRIVACY AND SECURITY.

“Nothing in this title shall be construed to affect the scope or substance of—

“(1) section 264 of the Health Insurance Portability and Accountability Act of 1996;

“(2) sections 1171 through 1179 of the Social Security Act; and

“(3) any regulation issued pursuant to any such section; and such sections shall remain in effect.

“SEC. 2910. STUDY OF REIMBURSEMENT INCENTIVES.

“The Secretary shall carry out, or contract with a private entity to carry out, a study that examines methods to create efficient reimbursement incentives for improving health care quality in Federally qualified health centers, rural health clinics, and health centers for the medically indigent.

“SEC. 3. HEALTH INFORMATION TECHNOLOGY RESOURCE CENTER.

Section 914 of the Public Health Service Act (42 U.S.C. 259b–3) is amended by adding at the end the following:

“(d) HEALTH INFORMATION TECHNOLOGY RESOURCE CENTER.—

“(1) IN GENERAL.—The Secretary, acting through the Director, shall develop a Health Information Technology Resource Center to provide technical assistance and develop best practices to promote the rapid implementation, and effectively use interoperable health information technology in compliance with section 2903 and 2906.

“(2) HEALTH INFORMATION TECHNOLOGY RESOURCE CENTER.—

“(A) IN GENERAL.—The Center shall support activities to meet goals, including—

“(i) providing for the widespread adoption of interoperable health information technology;

“(ii) providing for the establishment of regional and local health information networks to facilitate the development of interoperability across health care settings and improve the quality of health care;

“(iii) the development of solutions to barriers to the exchange of electronic health information; or

“(iv) other activities identified by the States, local or regional health information networks, or health care stakeholders as a focus for developing and sharing best practices.

“(B) PURPOSES.—The purpose of the Center is to—

“(i) provide a forum for the exchange of knowledge and experience;

“(ii) accelerate the transfer of lessons learned from existing public and private sector initiatives, including those currently receiving Federal financial support; and

“(iii) assemble, analyze, and widely disseminate evidence and experience related to the adoption, implementation, and effective use of interoperable health information technology.

“(C) SUPPORT FOR ACTIVITIES.—To provide support for the activities of the Center, the Director shall modify the requirements, if necessary, that apply to the National Resource Center for Health Information Technology to allow the Secretary to support the duties and activities of the Center and facilitate information exchange across the public and private sectors.

“(D) TECHNICAL ASSISTANCE TELEPHONE NUMBER OR WEBSITE.—The Secretary shall establish a toll-free telephone number or Internet website to provide health care providers and patients with a single point of contact to—

“(A) learn about Federal grants and technical assistance services related to interoperable health information technology;

“(B) learn about qualified health information technology adoption in the quality measurement system adopted by the Federal Government under sections 2903 and 2906;

“(C) learn about regional and local health information networks for assistance with health information technology; and

“(D) disseminate additional information determined by the Secretary.

“(4) RULE OF CONSTRUCTION.—Nothing in this subsection shall be construed to require the duplication of Federal efforts with respect to the establishment of the Center, regardless of whether such efforts were carried out prior to or after the enactment of this subsection.

“SEC. 4. REAUTHORIZATION OF INCENTIVE GRANTS REGARDING TELEMEDI CINE.

Section 2302(b) of the Public Health Service Act (42 U.S.C. 254e–18(b)) is amended by striking “2002 through 2006” and inserting “2006 through 2010”.

Mr. FRIST. Mr. President, I ask unanimous consent that the Enzi substitute amendment be agreed to, the committee-reported amendment, as amended, be agreed to, the bill, as amended, be read a third time and passed, the motion to reconsider be laid upon the table, and that any statements relating to the bill be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 2671) was agreed to.

(The amendment is printed in today’s RECORD under “Text of Amendments.”)

The committee amendment in the nature of a substitute, as amended, was agreed to.

The bill (S. 1418), as amended, was read the third time and passed.

Mr. FRIST. Mr. President, the Senate just passed a bill that takes a major step—major step—to bringing health care into the information age, finally. This bill, the Wired for Health Care Quality Act, reflects the hard work by Senator Enzi, to whom I will turn the floor over shortly, myself, Senator Kennedy, Senator Clinton, and many others.

This bill will do as much as anything we have done in this Congress and the last Congress and the Congress before that to cut waste and inefficiency out of our health care system. What the bill does is encourage the secure and interoperable health care records, electronic records, electronic medical records.

This has a huge benefit for every American. It reduces waste and inefficiency on both sides of the ledger. It improves the quality of health care. It reduces health care costs throughout the system, raising quality. When you lower costs and you raise quality, by definition, you improve access as well.

This bill will help empower patients to become full partners in what we all have as a vision; and that is a patient-centered, provider-friendly, consumer-driven system that will be driven by information, and be driven by choice, and be driven by control.

Patient privacy is protected. This secure exchange of lifesaving information proves effective throughout the system. It will allow, for the first time, because there are interoperable standards that are set, the exchange of information, which will seamlessly help integrate health care delivery from the time a patient first presents to see a physician or a nurse to ultimate discharge and treatment.

So this really is a pivotal moment. I encourage the House to act quickly on the legislation.

Again, I thank Senator Enzi for his leadership. Without it, this moment simply would not be possible. I thank Senator CLINTON who has stressed, from day one, the importance of having quality injected into this bill, and Senator KENNEDY. I thank them all for their commitment to this effort.

I thank the staff who have worked marvelously. And to the work by Barr, Steve Northrup, and David Bowen, and many others.

Mr. President, I do want to at least turn to my colleague to thank him and
so he can make a few comments because this is truly historic legislation. And although it is mighty early in the morning now—late at night or early in the morning—this really is a historic time for health care and health care delivery.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. ENZI. Mr. President, I thank the leader for his kind comments but much more so for his diligent work and leadership on this issue. As the heart doctor of the Senate, and the doctor with a lot of heart, he understands the need for health information technology and worked in a very bipartisan way with Senator CLINTON to come up with some of the precepts we have in this bill. Senator KENNEDY and I were working on some other aspects of it. And we merged those two to come up with a much more comprehensive health IT bill.

This will make a huge difference in the country. A RAND study that was recently released said this will save about $162 billion a year in medical costs. In my opinion, that is not even going to be the biggest benefit. The biggest benefit is that it is going to allow the Senate to work with the people as they move.

When they go to the doctor's office, they will not have to take that little clipboard and fill out whatever it is they can remember about their health. And it will not matter because a lot more information will be available to the doctor so he can make the right kinds of decisions and choices.

It will also benefit travelers. If a tourist is out on the road and has a wreck and has to see a doctor, they will have their information with them. They will have access to it so the doctor will know what medications they are on, even if they are in a coma, and can make sure they are taken care of properly. It will reduce medical errors and eliminate some adverse reactions from medications or even missed medications.

So this will make a huge difference to the people of this country. The difficulty with doing something by unanimous consent is that a lot of times people think there is not much to it, or if there wasn't much controversy, that nothing really happened. But there has been controversy that has been taken care of behind the scenes, where people got to have a real and actually realized how important this was. So they worked together to come up with solutions, and came up with a truly bipartisan solution in this instance.

So it is almost too bad that it has to go through unanimous consent, that we cannot have some very heated debates on the floor so people will realize the intensity and the interest in the bill.

But there is not anything bad about the bill. This was a teamwork effort from both sides of the aisle. I appreciate the leader mentioning a number of the people who were involved in this bill. This is a truly monumental piece of legislation we just passed, and I add the encouragement to have the House act on it quickly.

Mr. President, I rise today to applaud the Senate passage of S. 1418, the Wired for Health Care Quality Act. As chairmen of the Health, Education, Labor, and Pensions, I have been working to improve the quality and reduce the cost of health care in this Nation.

Some of the most serious challenges facing health care today—medical errors, inconsistent quality, and rising costs—can be addressed through the effective application of available health information technology linking all elements of the health care system. Information-sharing networks have the potential to enable decision support anywhere at any time, thus improving the quality of health care and reducing costs.

Health IT allows medical data to move with people as they move. When they go to the doctor's office they won't have to take the clipboard and write down everything they can remember about themselves. This system also benefits travelers. If a tourist were to get in a car wreck or hurt in some other way a doctor could be able to find out everything he or she needs to know.

If in a coma this technology could save a person's life and if they happen to be on medications, it could prevent adverse drug reactions. This system could also cut down on medical errors with prescriptions—instead of deciphering the doctor's handwriting, the information could be given to the pharmacist electronically.

A RAND study recently released suggested that health IT has the potential to save $162 billion a year. In order for these savings to be realized, we must create an infrastructure for interoperability. S. 1418 is the first step in building that infrastructure.

Most people are aware that there are significant barriers to widespread adoption of interoperable health information technology. One of the primary barriers is the current lack of agreed-upon standards and common implementation guidelines and certification processes. This bill addresses those factors in a way that appropriately incorporates involvement of both the public and private sectors.

This legislation brings the government and the private sector together to make health care better, safer and more efficient by accelerating the widespread adoption of interoperable health information technology and quality measurement across our health care system. The legislation formalizes the involvement of private entities in the standards and policy-setting process by directing the Secretary to establish and chair the public-private American Health Information Collaborative, which shall be composed of representa- tives from the private and public sectors.

S. 1418 also codifies the Office of the National Coordinator for Health Information Technology. President Bush, Secretary Leavitt, and Dr. Brailer have done a lot to advance the health IT infrastructure, and I am glad that Congress is finally stepping up to the plate.

In order to address the health information technology "adoption gap" in the United States, S. 1418 authorizes three grant programs that will carefully target financial support to health care providers and consortia for the purpose of facilitation of interoperable health information technology. To maximize the Secretary of Health and Human Services' flexibility, the bill leaves to the discretion of the Secretary the allocation of the authorization among the three programs.

In addition, the greatest improvements in quality of health care and cost savings will be realized when all elements of the health care system are electronically connected and speak a common technical language—that is they are interoperable. For this reason, each grant program requires that each grant recipient acquire only qualified health information systems that are capable of supporting common technical standards adopted by the Federal Government.

Another barrier to widespread adoption of interoperable health information technology is cultural. I recognize that many physicians and hospitals are hesitant to move from paper-based systems to electronic systems. Some physicians have been writing prescriptions by hand for many years and may resist changing to electronic prescribing. One way to address this cultural barrier to the widespread adoption of health information technology is to support teaching hospitals and continuing education programs that integrate health information technology into clinical education of health care professionals. Exposing students and residents to effective everyday uses of health IT will lead to a greater adoption by these students and residents when they graduate and begin practice on their own.

The bill authorizes the Secretary to award demonstration grants to health professions centers and academic health centers to integrate health IT into clinical education in community settings.

The issue of health IT is also critical for effective response in public health emergencies. Interoperable health IT systems will help to track infectious disease outbreaks and increase the Federal Government's rapid response in emergency situations.

I thank all of my Senate colleagues for their support of this very important legislation, which will help facilitate the widespread adoption of electronic health records to ultimately result in fewer mistakes, lower costs, better care, and greater patient participation in their health and well-being. This is a great stride forward in the journey to integrate our nation's technology care system. I look forward to seeing meaningful health information technology legislation signed into law this Congress.
I would like to commend various staff for the hard work they did to bring this bill to fruition. First, I want to recognize my fine staff from the Senate HELP Committee, who have doggedly worked with many interested parties for many months. One of your constituent members supposed Northrup and Kathy Barr. I would also like to recognize David Bowen from Senator Kennedy’s office for his dedication to this legislation. Elizabeth Hall of Senator Frist’s office did a good job as part of her mentorship support. I should also mention Andrea Palm from Senator Clinton’s office and Michelle Spence with Senator Ensign’s office for ensuring that the health care quality provisions stayed strong. Secondly, I want to recognize the work of the Senate Finance Committee and the complementary bill supporting improvements in health care quality in the Medicaid and Medicare programs that has contributed to our success today. Mark Hayes and Tom Hoyer from the Senate Finance Committee were very dedicated to seeing this bill pass. And finally, without the dedication and patience of Bill Baird of Senate Legislative Counsel, we would not have the bill that will pass the test.

Mr. Kennedy, Mr. President, today the Senate has passed legislation that can help transform our health care system and save lives. The Wired for Health Care Quality Act will improve the ways we provide care by sharing health information technology in hospitals and doctors’ offices across the country. In so doing, we will improve the quality of care, lower administrative costs, and reduce medical errors.

This legislation is being considered by the Senate because of the leadership and commitment of the chairman of our Health Committee, Senator Enzi. He made health information technology a priority for our committee, and he shepherded this legislation to the Senate floor. Successful legislation takes creative thinking and hard work—and Senator Enzi has supplied an abundance of both to this measure.

I also thank our partners in this legislation, Senator Frist and Senator Clinton. As a surgeon, Senator Frist knows firsthand the importance of making sure that doctors have the information they need to provide the best possible care for patients—and that the information in the insurance records is fit for it to be of value. It is inconceivable that in the 21st century, doctors are asked to treat patients in life or death situations without knowing their medical histories or even the medications they are taking—but that happens every hour of every day in hospitals and emergency rooms around the country. Senator Frist has been tireless in his commitment to correcting this unacceptable situation.

Senator Clinton has done an excellent job as well. She has championed better studies of the comparative effectiveness of medications, she is dedicated to improving the quality of care for every patient, and this legislation owes much to her ability and commitment.

This legislation is urgently needed, because we live in a new era of medical miracles and rapid changes in medicine. Modern technology has unlocked the secrets of the human body, giving doctors access to extraordinary opportunities for new cures and better treatments. But there is another medical miracle to add to the list.

Modern information technology can transform health care more profoundly as any of these discoveries.

We have a moral responsibility to make the miracles of modern medicine available to every American—but we have failed to meet that responsibility. Despite the wonders of modern medicine, millions of patients are needlessly put at risk, and billions of dollars have been squandered every year. Too many doctors only guess at the right course of treatment, because they don’t know a patient’s medical history. Millions of patients are needlessly put at risk, and billions of dollars are wasted.

When so many Americans are already struggling to afford health care for their families, it is profoundly wrong to squander more than half a trillion dollars each year on administrative expenses.

The Department of Health and Human Services estimates that better use of information technology will save $140 billion every year. Such savings would produce a technology dividend worth over $700 on the cost of an average family’s insurance policy. That is like getting 1 month free every year.

Other nations are already using this extraordinary technology to cut costs and save lives—but America lags behind. We can’t continue to allow the high cost of health care to price American goods and services out of the global marketplace.

The need to invest in this technology is urgent. In the words of Secretary Leavitt, “Every day that we delay, lives are lost.” The time to act is now.

The bill before us will improve care, save lives and make health care more affordable for every American.

The need to reduce medical errors is especially urgent. It is already 6 years since the Institute of Medicine reported that medical errors cause 98,000 deaths every year. According to the National Patient Safety Foundation, 42 percent of American adults think they are affected by a medical error, either personally or through a friend or relative.

One out of every three of those affected said that the error had a permanent negative effect on the patient’s health. These figures may be the tip of the iceberg, but it is undeniable that preventable deaths occur in our health care system all too often. For even one patient to die needlessly in our health care system ought to be unacceptable.

New technology, new ideas, and new ways of practicing medicine all have a role in improving the quality of care and saving lives. We no longer expect plane pilots to take a liking at the stars or local landmarks. Engineers no longer rely on slide rules to design strong buildings. In virtually every field except medicine, professionals use computers to expand their skills. Yet in medicine, we expect doctors to keep in their heads the possible interactions of the many medications that a patient may be receiving. Under these circumstances, the wonder is that errors occur, but that they don’t occur even more frequently.

The evidence that information technology can save lives is undeniable. In terms of drug safety alone, a recent analysis by the RAND Corporation estimated that by using computerized records, the nation could prevent 7.2 million adverse drug events, and 1 million additional days in the hospital.

What we have today, in the words of the Institute of Medicine, is a "quality chain." Doctors repeat by thinking at the stars or local landmarks. Engineers no longer rely on slide rules to design strong buildings. In virtually every field except medicine, professionals use computers to expand their skills. Yet in medicine, we expect doctors to keep in their heads the possible interactions of the many medications that a patient may be receiving. Under these circumstances, the wonder is that errors occur, but that they don’t occur even more frequently.

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compounded because most hospitals kept their records on paper. As a result, medical histories of tens of thousands of hurricane survivors were irretrievably lost. It would be inexcusable if we didn’t make the investments needed for the nation to benefit from these advances.

Information technology doesn’t simply improve the quality of care—it reduces costs as well. According to the Institute of Medicine, each prescription that is filled by computer cost $4.25, while one filled by hand cost $8.50. Since 1996, when the Veterans Administration began investing significantly in information technology, its costs per patient have actually decreased by 7 percent while private sector costs per patient have increased by 62 percent.

Excessive administrative costs are weighing down our health care system. We are spending over $500 billion a year on such costs—nearly 33 cents out of every dollar. These astronomical costs are also growing. The long-term savings from its use tend to come over the longer run, but the largest share of the savings goes to payers, not providers. If a diabetic is kept out of the hospital by a computerized system, the savings to the patient could be lost. The technology we use today can save lives and cut costs, its use is already scandalously low. Our health care system is still very much in its infancy.

Austria, Finland and many other nations from Australia to Scandinavia are outpacing us in this technology. In Sweden and Holland, nine out of ten primary care physicians use electronic medical records. In Britain, Austria, and many other nations, it is over half. But in the United States, less than a quarter of all doctors use electronic medical records.

Obviously, there are significant barriers to the adoption of health information technology that Congress should address. Many providers don’t have the financial ability to absorb the costs of buying the equipment, making the transition to computer systems, and training staff. It costs a physician about $30,000 and significant aggravation to install the system. The savings from its use tend to come over the longer term, while the costs are immediate, which is a major financial barrier to hospitals, physicians, and nursing homes already drowning in red ink. Providers get savings over the long run, but the largest share of the savings goes to payers, not providers. If a diabetic is kept out of the hospital by better management of his condition as the result of information technology, that’s a loss of revenue to the hospital.

This bipartisan legislation will help overcome these barriers. It requires the development of standards on interoperability and other technical measures for health information technology, and it establishes a public-private consultation to develop those standards. But standards without Federal resources are not enough to achieve the goal of a modern health care system that improves the quality of care.

That is why the legislation includes financial assistance to hard pressed providers to meet the technical standards. It provides this assistance in three ways in recognizing the fact that different health care providers and different communities will have different needs. It authorizes direct grants to needy providers. It authorizes financial assistance to establish regional networks. And it creates an innovative Federal-State, public-private partnership to modernize health care by enabling states to fund low interest loans to help health professionals in financial need to acquire the technology to improve the quality and efficiency of health care.

To assist doctors in sorting through the confusing array of options for this technology, the legislation establishes a certification program, so that providers can quickly determine whether particular systems meet the applicable technical standards.

There are many Senate colleagues who deserve great credit for their thoughtful contributions to this legislation and for their leadership in getting to this moment. Again, I thank these and all our Senate colleagues, for their leadership on this issue of health information technology.

I also commend Steve Northrup and Katy Barr of Senator Enzi’s staff, Andrea Palm of Senator Clinton’s staff, Liz Hall of Senator Frist’s staff, and my own health staff, for their effective work on this issue for so many months.

I thank these and all our Senate colleagues who contributed to the legislation we consider today. I look forward to working with all of you and with our colleagues in the House to see this needed measure signed into law as soon as possible.

Mr. Enzi, Mr. President, I rise today to speak about the passage of S 13274, the Wired for Health Care Quality Act. As chairman of the Committee on Health, Education, Labor, and Pensions, I have been working to improve the quality and reduce the cost of health care in this Nation. I commend the ranking member of my committee for his dedication to this great cause.

I want to commends my colleague from Maine, Senator Snowe, and my colleague from Michigan, Senator Stabenow, for their leadership on the issue of health information technology. They have made a major contribution to the debate, and I look forward to working with them as we continue to consider this important issue.

I see the legislation we consider today as the first step toward more effective use of information technology in health care. This proposal will provide the framework to improve the use of health IT. Senator Snowe and Senator Stabenow have several thoughtful proposals on providing additional financial incentives through Medicare for the use of health information technology.

Providing adequate funding for health IT is a critically important issue, and I believe that it should be carefully considered in our committee and by the Senate. I look forward to working with my colleagues on the committee and with Senator Snowe and Senator Stabenow to see that health IT receives an appropriate level of funding.
I also believe it is important to examine carefully the privacy protections that apply to individually identifiable health information maintained in electronic databases. The manager's amendment to S. 1418 contains several important provisions relating to the protection of health information. I will also examine the report of the GAO investigation on methods to enhance privacy protections for electronically stored and transmitted health information.

I believe it is important to examine the issues surrounding implementation and funding of health IT systems carefully. To that end, I intend to hold a hearing by the Memorial Day recess next year on the essential issue of funding to promote wide adoption of health information technology. We will also examine the report of the GAO investigation on methods to enhance privacy protections for electronically stored and transmitted health information.

I will also work with the Finance Committee, the committee with jurisdiction over Medicare, and with Senators STABENOW and SNOWE on legislation to spread adoption of interoperable health information technology through such innovative financing mechanisms, and we will work to achieve passage of that legislation before the end of this Congress.

I have been the original sponsor of legislation in the Finance Committee to reward high-quality health care through value based purchasing under Medicare. By rewarding doctors and hospitals for the quality of care they provide, not just the quantity of care, we can improve health care quality in a fiscally responsible way.

I look forward to working with Senators KENNEDY, GRASSLEY, BAUCUS, SNOWE, STABENOW, FRIST, and CLINTON on this critical proposal. I will work closely with them, as well as with the ranking member on this hearing.

A second reason for our work is that information technology, IT, will help us reduce the cost of health care. As health care costs increase far more rapidly than inflation, care becomes less affordable and the burden of the uninsured grow. Each of us appreciates that technology will help us reduce that unsustainable trend. Recent reports demonstrate that the cost of implementing health IT is exceeded by a single year’s savings. That is a remarkable return on investment, but since an estimated 89 percent of savings accrues to payers, not providers, standards alone will not spur adoption.

Since the rewards for adoption primarily accrue to payers and patients, it is wholly appropriate that payers—acting in their best interest to reduce costs. That means we must ensure adoption not just by those providers for whom investment is relatively low, but by those with lesser resources, such as the many who provide care for our Medicare, Medicaid, and SCHIP beneficiaries. I look forward to working with my colleagues to see that we implement financing—including grants and tax incentives—to allow all providers to adopt this promising technology. Otherwise we will see a two-tiered system develop.

If some patients do not receive the benefits of health IT, the health record the President has set as a goal, their care will suffer. In fact, if their providers cannot adopt technology, their clinical data may not be properly integrated in pay-for-performance methodology. If the resulting criteria don’t account for such patients, they then pose the risk of inadequate compensation to providers, and many may decline to serve them. So it is critical that we assure all providers can adopt health IT.

I thank Chairman ENZI and the Senator KENNEDY for their commitment to a hearing next spring on the adoption and financing issue. I also thank the majority leader for his assistance. The issue of adoption certainly multiple committees, and we appreciate his efforts in helping the full Senate to consider promising financing proposals to assure broad adoption.

As we move forward together, we should also remember to follow the physician’s adage—certainly one the leader knows so well—to “first do no harm.” We are all agreed that genetic information, which may indicate the probability of disease, must be protected. One’s medical record includes even more than probability—it is indisputable evidence of the presence of disease, the drugs one uses, your full physical and mental health history. Consequently, Americans are worried about their health records. A recent survey demonstrates that two-thirds of all consumers have substantial concerns about the privacy of their medical information. The survey says that recent reports of privacy breaches have actually increased these concerns. So it comes as no surprise that consumers engage in behaviors to avoid such data from even being created—such as paying out-of-pocket medical expenses, using a different physician on occasion, or simply asking that vital information not be included in their chart. Patients even forgo treatment altogether in fear of disclosure. This compromises health, so we simply must provide Americans with confidence in the security of their health record.

We simply must have the highest level of data security. So first we must see procedures established to assure that inappropriate disclosure does not occur. Next, if a data breach does occur, the patient must be informed. To do otherwise is unconscionable.

I am pleased to see that the managers’ amendment requires such notification for those handling data under the programs established by this legislation, and the bill also establishes a process to address concerns on medical data privacy by bringing an entity to guide us in providing the assurance all Americans must have that their medical data is protected. I thank my colleagues for including these essential provisions.

Today marks the beginning of a process to offer all Americans a safer, more affordable system of health care. I look forward with Senator STABENOW to working with the majority leader and Senators ENZI, KENNEDY, and FRIST, as well as Senators GRASSLEY and BAUCUS, as we move forward to realizing the full potential of health IT become reality for our constituents. The rewards in lives and dollars saved could be great act of progress.

Ms. STABENOW. Mr. President, I want to commend the leadership of Senators ENZI, KENNEDY, FRIST, and CLINTON in this critically important area. Their diligence in introducing and passing S. 1418 establishes the groundwork necessary to begin to realize the promises of health information technology.
The evidence showing the ability of health IT to reduce costs and improve quality of care is simply overwhelming. Dr. David Brailer's office attributes savings from widespread adoption of electronic health records in the range of 7.5 percent to 30 percent of annual spending that is between $135 and $540 billion annually.

Manufacturers in Michigan and across the country are struggling to remain competitive in a global market with skyrocketing health care costs. Health care providers are struggling to keep up with their daily needs at the same time they are anticipating cuts in their rates. A major barrier to widespread use of IT is the initial investment cost; the costs of procuring and implementing health IT can be staggering.

Every day we delay providing Federal seed money through a grant program and accelerated depreciation of health information technology expenses, we delay getting health information technology systems in place, and businesses, taxpayers and patients pay in both dollars and lives. I appreciate the majority leader's commitment to encourage the chairman and ranking member of the Finance Committee and the chairman and ranking member of the HELP Committee to schedule, at the earliest opportunity, consideration of legislative proposals to ensure federal funding to accelerate adoption of health IT.

A meaningful federal investment must be robust, funded with mandatory, rather than discretionary, dollars, and available to individual providers and health care systems. This is not the place to skimp on dollars; we know every dollar we spend will come back to us many times over. Federal investments, through grants and tax incentives, in health information technology systems in place, and businesses, taxpayers and patients pay in both dollars and lives. I appreciate the majority leader's commitment to encourage the chairman and ranking member of the Finance Committee and the chairman and ranking member of the HELP Committee to schedule, at the earliest opportunity, consideration of legislative proposals to ensure federal funding to accelerate adoption of health IT.

Mr. Frist. Mr. President, I am pleased to speak in support of S. 1418. I share an important goal with Senators Enzi, Kennedy, Snowe, Stabenow, and Clinton—to improve health care quality and dramatically reduce health information technology tools. I spent 20 years as a physician and heart surgeon before coming to the Senate. Like most physicians, I wanted the latest and best medical technology, anything that could make my patients healthier or more comfortable, while reducing health care costs and increasing efficiency.

But amidst the artificial heart assist devices, laser surgery machines, endoscopes, digital X-Rays, and digital thermometers, doctors today keep patient records the same way I did and the way my father did 50 years ago: on paper, in Manila folders in file cabinets, in the basements of clinics and hospitals. Yet computers, and computer technology, is everywhere, both inside and outside the hospitals and clinics. From bedside monitors to massive MRI machines, computers power all of the diagnostic devices we rely on.

S. 1418 represents an important and crucial first step towards recognizing the importance of computers and the electronic medical record in contemporary health care. Establishing interoperability of the electronic medical record, an essential hurdle towards effective use of health information technology, is a priority. Proposals for providing Federal financial incentives for physicians, community health centers, community mental health centers, hospitals and skilled nursing facilities like that introduced by Senator Snowe and Senator Stabenow need to be considered.

A meaningful Federal investment in health IT is an issue of major importance for the Senate to consider in the coming congressional session. I will work with the chairman and ranking member of the Finance Committee and the chairman and ranking member of the HELP Committee as well as Senators Snowe and Stabenow to encourage these committees to schedule, at the earliest opportunity, consideration of legislative proposals to ensure creative and reasonable additional Federal funding for such an important and relevant mission. I will also work with relevant committees to encourage consideration of legislation that would enable providers to connect to a secure, interoperable network for the electronic exchange of health information.

Mrs. Clinton. I would like to commend Chairman Enzi and Senator Kennedy for all of their work on this legislation. I would also like to recognize Senator Snowe and Senator Stabenow, both of whom are majority leaders who have been working closely with us on this issue. Today's passage of S. 1418, the Wired for Health Care Quality Act, is a fundamental first step in establishing a nationwide, interoperable health IT infrastructure. Our legislation provides the framework and authorizes several grant programs to begin the process of funding health IT projects that are compliant with the framework established in the legislation. In cooperation with the Finance Committee, Senators Snowe and Stabenow and their work more broadly on this issue will be critical as we work on additional financing mechanisms. I am anxious to begin that work and am committed to working closely with them, and my colleagues on the HELP and Finance committees to ensure that physicians and hospitals are able to afford to participate in a 21st century health care system.

Mr. Enzi. I see this bill as the first step of many in improving the health care in the United States. I look forward to working with my friends on the Finance Committee as well as
working with Senators Snowe and Stabenow to look at creative financing mechanisms to help doctors and hospitals go on line.

Mr. FRIST. Mr. President, in closing our comments on this bill, I also thank my staff who have been shepherding this for me for the last 3 years, Liz Hall, Jennifer Romans, and many others. The real significance is that patient care will be improved. It will get the waste and abuse out of the system. It makes the health care system more efficient. I am excited about it. Having interoperable standards that people begin to agree with means you will have an influx of private capital which will help with the spreading of this information technology infrastructure over time.

TERRORISM RISK INSURANCE EXTENSION ACT OF 2005

Mr. FRIST. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 287, S. 467.

The PRESIDING OFFICER. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (S. 467) to extend the applicability of the Terrorism Risk Insurance Act of 2002.

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Banking, Housing, and Urban Affairs with an amendment, as follows:

Strike out part of amendment and insert part shown in black brackets and insert part shown in italics.

S. 467

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

[SECTION 1. SHORT TITLE.]

This Act may be cited as the “Terrorism Risk Insurance Extension Act of 2005.”

[SECTION 2. EXTENSION OF TERRORISM RISK INSURANCE PROGRAM.]


(b) CONTINUING AUTHORITY OF THE SECRETARY.—Section 108(b) of the Terrorism Risk Insurance Act of 2002 (15 U.S.C. 6701 note, 116 Stat. 2336) is amended by striking “arising out of and all that follows through this title.”

[SECTION 3. CONFORMING AMENDMENTS.]

(a) DEFINITIONS.—

(1) PROGRAM YEARS.—Section 102(11) of the Terrorism Risk Insurance Act of 2002 (15 U.S.C. 6701 note, 116 Stat. 2336) is amended by adding at the end the following:

“(E) PROGRAM YEAR 4.—The term ‘Program Year 4’ means the period beginning on January 1, 2006 and ending on December 31, 2006.

(F) PROGRAM YEAR 5.—The term ‘Program Year 5’ means the period beginning on January 1, 2007 and ending on December 31, 2007.

(G) OTHER PROGRAM YEARS.—Except as used in provided subparagraphs (B) through (F), the term ‘Program Year’ means, as the context requires, any of Program Year 1, Program Year 2, Program Year 3, Program Year 4, or Program Year 5.”


(A) by inserting “on or before December 31, 2007, in any such title.”

(B) by striking “(A) occurs within” and inserting the following:

“(A) the lesser of (i) the amount, for all insurers, of losses incurred during such Program Year; and (ii) the aggregate amount, for all insurers, of insured losses during such Program Year;”.

(C) by adding at the end the following:

“(D) for Program Year 4, the lesser of—

(i) $17,500,000,000; and

(ii) the aggregate amount, for all insurers, of insured losses during such Program Year;”.


(A) by adding at the end of subsection (c) the following:

“(g) DURATION OF POLICIES.—

(1) IN GENERAL.—The insurer shall offer policies with a duration of not less than 1 year following the date of issuance of the policy; except that no policy shall remain in effect for not less than 1 year following the date of issuance of the policy, that no policy request by the insurer shall be denied; and (ii) the aggregate amount, for all insurers, of insured losses during such Program Year;”.

(B) by striking “(d) APPLICABLE INSURER DEDUCTIBLES.—”.

(C) by striking “the Secretary shall, by rule, apply the provisions of this title to provide for the extension of such insurance coverage, in the manner determined by the Secretary, in a manner consistent with the purposes of this title.”

(D) CONSISTENT APPLICATION.—The rules of the Secretary under this subsection shall, to the extent practicable, be consistent with the provisions of this title to provide for group life insurance in a manner similar to those provisions apply to an insurer otherwise under this Act.

(E) CONSTRUCTION.—In determining the applicability of this title to providers of group life insurance, the Secretary shall consider the total group life insurance market size, and shall establish the establishment of separate retention amounts for such providers.

(F) RULEMAKING.—Not later than 90 days after the enactment of the Terrorism Risk Insurance Extension Act of 2005, the Secretary shall issue final regulations to carry out this subsection.

(G) RULE OF CONSTRUCTION.—Nothing in this subsection may be construed to affect or otherwise alter the applicability of this title to any insurer, as defined in section 102.

(H) DEFINITION.—As used in this subsection, the term ‘group life insurance’ means an insurance contract that provides term life insurance coverage, accidental death coverage, or a combination thereof, for a number of persons under a single contract, on the basis of a group selection of risks.

[SECTION 5. RECOMMENDATIONS FOR LONG-TERM SOLUTIONS.]

Section 108 of the Terrorism Risk Insurance Act of 2002 (15 U.S.C. 6701 note, 116 Stat. 2336) is amended by adding at the end the following:

“(e) RECOMMENDATIONS FOR LONG-TERM SOLUTIONS.—The Presidential Working Group on Financial Markets shall, in consultation with the NAIC, representatives of the insurance industry, and representatives of policyholder, not later than June 30, 2007, submit a report to Congress containing recommendations for legislation to address the long-term affordability and affordability of insurance for terrorism risk.”

This Act may be cited as the “Terrorism Risk Insurance Extension Act of 2005.”

SEC. 2. EXTENSION OF TERRORISM RISK INSURANCE PROGRAM.

(a) PROGRAM EXTENSION.—Section 108(a) of the Terrorism Risk Insurance Act of 2002 (15 U.S.C. 6701 note, 116 Stat. 2336) is amended by striking “January 31, 2008; and

(B) for Program Year 5, the lesser of—

(i) $20,000,000,000; and

(ii) the aggregate amount, for all insurers, of insured losses during such Program Year;”.|

2005
“AVAILABILITY.—During each Program Year, each entity; and
(3) by redesigning subparagraphs (A) and (B) as paragraphs (1) and (2), respectively, and moving the matter to the left.

SEC. 3. AMENDMENTS TO DEFINED TERMS.

(a) COVERED ACTS OF TERRORISM.—Section 101(1)(B)(ii) of the Terrorism Risk Insurance Act of 2002 (15 U.S.C. 6701 note; 116 Stat. 2324) is amended by inserting before the period ‘‘, with respect to an act occurring before Program Year 4, $50,000,000 with respect to an act occurring in Program Year 5, $100,000,000 with respect to an act occurring in Program Year 6’’. (b) PROGRAM YEARS.—Section 102(11) of the Terrorism Risk Insurance Act of 2002 (15 U.S.C. 6701 note; 116 Stat. 2324) is amended by adding at the end the following:

‘‘(E) PROGRAM YEAR 4.—The term ‘Program Year 4’ means the period beginning on January 1, 2006 and ending on December 31, 2006. ‘‘(F) PROGRAM YEAR 5.—The term ‘Program Year 5’ means the period beginning on January 1, 2007 and ending on December 31, 2007."

(c) EXCLUSIONS FROM COVERED LINES.—(1) IN GENERAL.—Section 102(12)(B) of the Terrorism Risk Insurance Act of 2002 (15 U.S.C. 6701 note; 116 Stat. 2324) is amended—
(A) in clause (iii), by striking ‘‘or’’ at the end; (B) in clause (vii), by striking the period at the end and inserting a semicolon; and (C) by adding the following:

‘‘(viii) commercial automobile insurance; ‘‘(ix) burglary and theft insurance; ‘‘(x) surety insurance; ‘‘(xi) insurance of goods in transit; ‘‘(xii) farm owners multiple peril insurance.’’ (2) CONFORMING AMENDMENTS.—Section 102(12)(A) of the Terrorism Risk Insurance Act of 2002 (15 U.S.C. 6701 note; 116 Stat. 2324) is amended—
(A) by striking ‘‘, and surety insurance’’; and (B) by striking ‘‘, worker’s’’ and inserting ‘‘and worker’s’’.

(d) INSURER DEDUCTIBLES.—Section 107(2) of the Terrorism Risk Insurance Act of 2002 (15 U.S.C. 6701 note; 116 Stat. 2324) is amended by adding at the end the following:

‘‘(C) INSURER DEDUCTIBLES.—(1) In Program Year 5, $100,000,000 with respect to an act occurring in Program Year 5;’’.

SEC. 4. INSURED LOSS SHARED COMPENSATION.

Section 103(e) of the Terrorism Risk Insurance Act of 2002 (15 U.S.C. 6701 note; 116 Stat. 2328) is amended—
(1) in paragraph (1)—
(A) by inserting ‘‘through Program Year 4’’ before ‘‘shall be equal’’; and (B) by inserting ‘‘and during Program Year 5 shall be equal to 85 percent. after ‘‘90 percent’’; and
(2) in each of paragraphs (2) and (3), by striking ‘‘Program Year 2 or Program Year 3’’ each place that term appears and inserting ‘‘any of Program Years 2 through 5’’. 7

SEC. 5. AGGREGATE RETENTION AMOUNTS AND PROGRAM AVAILABILITY OF FEDERAL SHARE.

(a) AGGREGATE RETENTION AMOUNTS.—Section 103(e)(6) of the Terrorism Risk Insurance Act of 2002 (15 U.S.C. 6701 note; 116 Stat. 2329) is amended—
(1) in subparagraph (B), by striking ‘‘and at the end; 8

(2) in subparagraph (C), by striking the period at the end and inserting a semicolon; and
(3) by adding at the end the following:

‘‘(D) for Program Year 4, the lesser of— (i) $17,500,000,000; or (ii) $25,000,000,000, whichever is greater; ‘‘(E) for Program Year 5, the lesser of— (i) $30,000,000,000; or (ii) $50,000,000,000, whichever is greater; ‘‘(F) for Program Year 6, the lesser of— (i) $40,000,000,000; or (ii) $60,000,000,000, whichever is greater.’’

Mr. SHELBY. Mr. President, I rise today in support of S. 467, the Terrorism Risk Insurance Extension Act of 2005, introduced by my colleagues on the Banking Committee, Senators DODD and BENNETT and reported out unanimously by the Banking Committee.

In the wake of the events of September 11, Congress passed the Terrorism Risk Insurance Act, also known as ‘‘TRIA.’’ The law was intended to ensure the continued availability and affordability of property and casualty insurance for terrorism risk, and to provide for a transitional period to allow private markets to stabilize.

At this point in time, it seems that this program has largely achieved both of its stated objectives. Over the last 3 years, the private insurance market has rebounded and is now far more profitable and competitive. Indeed, despite the enormous losses incurred as a result of the hurricanes, insurer capital has grown tremendously and now greatly exceeds pre-September 11 levels.

While the private insurance markets have made tremendous strides during the course of the TRIA program, however, the private insurance marketplace has not yet entirely stabilized. As a result, without some form of backstop, it is very likely that there would be gaps in some terrorism insurance coverage.

S. 467 extends the TRIA program and addresses this market dysfunction. Additionally and importantly, it also recognizes the positive developments in the insurance markets and contains reforms to the original law intended to require more private sector responsibility and to facilitate further recovery in the insurance markets. It strikes the proper balance between ensuring that terrorism insurance remains available and affordable, while also protecting the American taxpayer.

I note that I did not support enactment of TRIA when it was first considered 4 years ago. My reservations were based on concerns about the Government intruding into private markets. However, concerns have since diminished. I believe that the Banking Committee has produced a responsible, targeted product that will help the marketplace smoothly transition to effective functioning.

This bill, this bipartisan compromise package, could never have been achieved without the cooperation and commitment of the members of the Banking Committee. Specifically, I commend Senators DODD and BENNETT, the original co-sponsors of this bill, for their leadership, their effort and their willingness to work together. I also thank Senator SARBANES, who, in his usual manner, was extremely helpful to achieving this result.

Additionally, I thank the various staffers whose hard work behind the scenes helped get this bill done. Particularly, I want to commend the efforts of Alex Sternhell from Senator DODD’s staff, Sarah Kline and Steve Harris from Senator SARBANES’s staff, Mike Nielsen from Senator BENNETT’s staff, and Jim Johnson, Andrew Olmert, Mark Oesterle and Kathy Casey from my staff.

Mr. SARBANES. Mr. President, I join my colleagues in support of the Terrorism Risk Insurance Extension Act of 2005. Three years ago, we passed the Terrorism Risk Insurance Extension Act to stabilize the insurance marketplace after the shock of the September 11 attacks. TRIA, as that Act became known, established a partnership between the insurance industry and the Federal Government to share the risk of significant losses from terrorism. TRIA is scheduled to expire at the end of this year. The bill that is now pending before the Senate would extend TRIA for an additional 2 years while requiring the insurance industry to take on progressively more of the terrorism risk.
This bill is the product of a great deal of effort by the Banking Committee to accommodate the widely differing views of many members on the structure of a TRIA extension. I thank the chairman of the Committee, Senator SHELBY, for his willingness to reach an agreement in developing this bill. Under his skillful guidance, we have been able to develop a product that has won unanimous support in the Banking Committee. I also want to recognize Senator DODD for his dedication to this issue. He was instrumental in 2002 in the development and passage of the original TRIA legislation, and he has been a strong and effective leader this year as well.

The original TRIA was designed to address the adverse impact on the terrorism insurance marketplace of the sudden lack of terrorism reinsurance after the September 11 attacks. Reinsurance is a mechanism by which insurers spread their own risks, allowing them to write more policies. Without it, insurers’ capacity to offer coverage for losses due to terrorism shrank considerably. By all accounts, the Federal backstop provided by TRIA achieved its goal of making terrorism coverage available and affordable once again. The Treasury Department reported this summer, "TRIA was effective in terms of the purposes it was designed to achieve. TRIA provided a transitional period during which insurers had enhanced their financial capacity to write terrorism risk insurance coverage. . . . More generally, TRIA provided an adjustment period allowing both insurers and policyholders to adjust to the post-September 11th view of terrorism risk."

As discussions began over a possible extension of TRIA, it became clear that there are serious disagreements as to what would be the most efficient, effective, and equitable way to assure the continued availability of terrorism insurance. A number of studies have concluded that the reinsurance market has not rebounded to any great extent since the attacks of 2001. These studies conclude that if the backstop provided by the Federal Government does not continue, insurers will write fewer terrorism policies or charge much higher prices for them, creating a drag on our economic well-being. These studies also concluded that the reinsurance market is highly concentrated and others argue that the insurance industry is now better prepared to handle the risk of terrorism than it was three years ago, and that any extension of TRIA should therefore be significantly narrower than the current program to avoid crowding out additional private sector activity.

These are issues that deserve careful analysis, which is why this extension bill contains a requirement for a study by the President’s Working Group on Financial Markets on the long-term availability and affordability of terrorism risk insurance. I hope that this requirement will result in a thorough examination of the issues which will help us answer the question of how to insur against terrorism over the longterm.

To allow time for that examination to take place, the pending legislation contains a TRIA program for two additional years with limited modifications, which I will briefly summarize.

This bill narrows the scope of the TRIA program, further targeting the types of terrorism insurance that are the most difficult to provide. Under the terms of the extension, the Federal backstop will no longer be available for insurance policies covering commercial automobiles, professional liability, burglary and theft, farmowners’ multiple peril, and surety.

Just as the original TRIA did, this extension places more of the risk on the insurance industry, and correspondingly less on the federal government, in each year. For example, in 2005, under the current program, the amount of terrorism losses that an insurer must cover before Federal assistance becomes available is 15 percent of the premiums collected by that insurer in lines covered by the TRIA program. Under this extension, this "insurance company deductible" will rise to 17.5 percent of premiums in 2006, and 20 percent of premiums in 2007. Moreover, the amount that insurers must pay above their deductible also increases, rising from 10 percent of losses in 2006, to 15 percent of losses in 2007.

In addition to the individual insurance companies’ deductible, the insurance industry as a whole must cover a certain amount of losses before federal assistance becomes available. In 2005, the last year of the current TRIA program, that amount is $15 billion. Under this legislation, that will rise to $17.5 billion in 2006, and $20 billion in 2007.

An extension places more of the risk on the insurance industry, and correspondingly less on the Federal Government, in each year. For example, in 2002 I cosponsored, and Congress passed, the Terrorism Risk Insurance Extension Act of 2005, and I look forward to the full Senate passing this legislation that is so vital to the economic well-being of this country.

In 2002 I cosponsored, and Congress passed the Terrorism Risk Insurance Act, commonly referred to as TRIA. This important legislation provided a Government backstop for the terrorism insurance market that disappeared after the attacks of September 11.

The primary purpose behind TRIA, and the reason it needs to be extended, is to make sure that the American economy and markets function in the face of a terrorist threat. September 11 proved that there needs to be a mechanism in place to allow the economy to recover more quickly and to protect American jobs in the unfortunate event of another terrorist attack here in the United States. Since it became law, TRIA has proven to be an effective program that has made terrorism risk insurance available and provided businesses meaningful access to coverage in a post-9/11 world.

TRIA is a temporary program set to expire at the end of this year, which created significant uncertainty in the terrorism insurance market and threatened to stall construction and building projects across the country. Most lenders who finance these projects require borrowers to have terrorism risk coverage, but in the face of TRIA’s looming expiration, that coverage became more difficult and expensive to get, making those projects infeasible. Recognizing these problems early in the year, Senator DODD and Senator BENNETT drafted TRIA extension legislation, which I cosponsored.

Mr. President, although slightly different from the bill Senator DODD introduced earlier this Congress, and that I and other Democrats cosponsored, the legislation that passed out of the committee yesterday essentially maintains the structure of TRIA and extends the program through the end of 2009. I am disappointed that the group life insurance will not be covered under the program and that other lines originally covered have been excluded. But my colleagues, Senators DODD, SARBANES, SHEELBY, and BENNETT, worked closely with others on the Banking Committee to construct a product that all of us in the Senate should be able to support. I am hopeful the Senate action on this bill today will break the logjam over this legislation so it can be signed into law before the Congress adjourns this year.

Mr. DODD. Mr President, I rise to lend my strong support for S. 467, the Terrorism Risk Insurance Extension
Act of 2005, which I originally introduced with Senator BENNETT and 34 co-sponsors earlier this year. Our legislation was amended in committee with the hard work and leadership of Banking Committee Chairman SHELY and Ranking Member SARBANES to develop the product before the Senate last May.

I would like to commend the members on the Banking Committee: Senators JOHNSON, REED, SCHUMER, BAYH, CARPER, STABENOW, CORZINE, HAGEDORN, BINNSWORTH and DOLE as well as the other co-sponsors of the legislation for recognizing—very early on—how important extending the Terrorism Risk Insurance Act, TRIA, was to our Nation’s economy and for their efforts on this legislation.

I would especially like to commend Chairman SHELY for his work on this legislation. This is not the bill I would have written, nor is it the bill that he would have written. For example, it was my hope that we could have included group life as a covered line in this legislation. However, I am acutely aware that the chairman has had concerns about the TRIA program and what the role of the Federal Government is in this area. I would like to thank him and his staff for helping to craft a compromise that not only adheres to his principles but also satisfies the concerns of so many Members of this body who believe it is imperative to pass an extension of TRIA.

Like many bills, this legislation is a document of compromise. We have carefully taken into consideration the recommendations of policyholders, insurers, consumers, academics, think tanks, the Treasury Department and others to craft this important extension legislation.

And I think that this product is very good one.

Let me take a few brief moments to provide my colleagues with a little background on TRIA and why it needs to be extended today.

As a result of the tragic terrorist acts of 9/11, we repeatedly heard from businesses, large and small, from labor unions and manufacturers, from hospitals to hotels, from professional sports teams to utility companies, from insurers and the insured about the need for the Federal Government to act to help them receive financial protection from future terrorist attacks.

Congress listened, and we acted—creating the Terrorism Risk Insurance Act—TRIA.

In November 2002, TRIA was passed by both the House and Senate by significant margins and was signed into law. The three-year program establishing a Federal backstop against catastrophic losses in the property and casualty insurance marketplace.

We have heard an overwhelming response from policyholders across the country. TRIA has worked. It has achieved its primary goal—continued availability and affordability of insurance against future terrorist attacks.

Industries as diverse as commercial real estate, shipping, construction, manufacturing, and even “mom and pop” retailers require insurance to obtain credit, loans, and investments necessary for their normal business operations. TRIA was designed to do just that—business as usual—in every State across our Nation.

I believe that the greatest indicator of the success of TRIA is what we have not heard over the last 3 years since the enactment of TRIA public outcry from those whose livelihoods are threatened by their inability to purchase coverage against acts of terror.

Construction projects are no longer stalled, mortgages are no longer in doubt, and jobs are no longer in jeopardy as a result of the inability to receive terrorism insurance.

Insurance isn’t something we think about every day, yet it is vital to the overall health of our economy. By providing needed and essential services in every sector of America’s $10 trillion-plus economy, insurance provides the stability and certainty required to keep our economic engine humming. Every prospective homeowner needs insurance to obtain a mortgage from a bank. Insurance of all types is a critical component of our capital markets.

Not only has TRIA been effective in ensuring that terrorism is available and affordable, where the economy remains vibrant, it is also an incredibly important taxpayer protection law. With relatively little money necessary to fund the administration of the TRIA program, we have ensured that insurers and policyholders take the first $30 to $40 billion of losses of a potential terrorist attack.

According to a recent study conducted by the RAND Institute, “Based on our analysis of (TRIA), the role of taxpayers is expected to be minimal, unless there is before several large events in a single year.”

TRIA has essentially provided that in the unfortunate event of a future terrorist attack a $30 to $40 billion check is written to U.S. taxpayers. TRIA has not only worked to help provide available and affordable terrorism risk insurance, it has also protected our Nation’s taxpayers.

With the expiration of TRIA in less than 45 days, and this session near completion, it is essential that Congress extend TRIA immediately.

I would like to bring to your attention a letter from 28 Governors across the Nation urging us to extend the TRIA program.

There is one provision in this legislation that I believe is an important component—the mandate for the President’s Working Group—our Nation’s Federal financial regulators—to do an analysis of the long-term availability and affordability of terrorism risk insurance.

This legislation provides for a 2-year extension of TRIA—and in these next 2 years we need to find a long-term solution to this issue. It may be determined that this is an unwritable risk for the private sector, and that a continued Federal role is needed or we may find that insurers are able to return to underwriting this risk without additional Federal support and extend the statute beyond TRIA’s sunset date. As a result, there has been increasing uncertainty about the availability of adequate terrorism insurance.

Since the enactment of TRIA, our Nation has been fortunate enough not to experience the tremendous loss of life or destruction of property that we endured on September 11, 2001. But by no means has the political climate, either domestically or abroad, returned to a sense of normalcy. We are engaged in a violent conflict in Iraq and we have seen despicable terrorist attacks abroad in Europe and elsewhere.

We have heard repeated dire warnings that terrorism will return to U.S. soil. We must be prepared against this threat and in the wake of this terrorist attacks, which allows our economy to function, is a critical part of our preparedness.

But we cannot fail to extend TRIA. We cannot afford—and we should do everything in our power to forestall the enduring uncertainty and instability to businesses and workers and our economy as a whole.

The enactment of this legislation will ensure that our Nation and its economy are best prepared to deal with a future terrorist attack. I urge my colleagues to support this legislation.

Mr. REED. Mr. President, the Senate is undertaking a long awaited debate on S. 467, Terrorism Risk Insurance Extension Act of 2005. This bill extends the important program that allows for the Federal Government to share the risk of loss from future terrorist attacks with the insurance industry for 2 more years, to 2007.

All will agree, terrorism remains a clear and present danger. The need for terrorism insurance is real, pressing, and a long-term issue. In the post-9/11 world, it is important to keep the existing TRIA program in place, while continuing to work with the private sector—both policyholders and insurers—to craft a longer term program that addresses all the needs of policyholders.

I want to particularly commend Majority Leader REID, Chairman SHELY, Senators SARBANES, DODD, BENNETT, and their staffs for their tireless efforts in bringing this issue to the forefront of the Senate’s legislative agenda.

The need for terrorism insurance coverage has been widely established as an economic issue, rather than just simply an insurance issue. In the past year, we have heard that many American businesses—policyholders—are already receiving exclusion notices from insurers informing them that they will no longer provide coverage beyond TRIA’s sunset date. As a result, there has been increasing uncertainty about the availability of adequate terrorism insurance.
coverage beyond 2005. Clearly, a Federal backstop is vital to ensuring the ongoing availability of terrorism risk coverage.

The other key reason to act on this issue is the fact that should another catastrophic event occur, the Federal Government will likely be on the hook for the total amount of the damage. An important aspect of this debate is making certain that terrorism insurance coverage is available in the workers’ compensation market. Workers’ compensation is unique insurance coverage in that law requires that it cover acts of terrorism and war. For close to a century now, workers’ compensation has been a safety net available to all workers and their families, replacing lost wages, and paying for medical needs and death benefits regardless of the cause of the workplace injury or death. A strong workers’ compensation system is integral to helping victims and their families rebuild their lives.

In addition to Rhode Island, the burden of providing workers’ compensation falls to one mutual insurance company, Beacon Mutual, which was created by the State to ensure that there will always be workers’ compensation to compensate to the State. With less availability of reinsurance, the concern for one company conceivably underwriting the entire market for workers’ compensation was significant and would have created a very tenuous situation for the company, the State, and its residents. Extending TRIA will address the various problems that employers, insurance companies, and State workers compensation pools alike have had to endure in the absence of a Federal backstop.

I would note, however, that although S. 467 is an improvement on the administration’s proposal for the trigger for a terrorist incident—$50 million in the first year of the extension and $250 million in the last, down from $500 million—remaining concern that because of the concentration of risk and their small capitalization, a higher trigger level for State fund companies puts these funds uniquely at risk. A number of terrorist targets could create a result where workers’ compensation losses could exceed property losses, but still not reach the proposed higher trigger.

As we move forward in finding a long-term solution to terrorism insurance coverage, I hope we can work to better address this issue.

There remains a great need to do something because, as it has been stated very plainly during this debate, the situation without a Federal terrorism risk insurance program could be very dire. Extending TRIA is absolutely the right thing to do to protect the economic security of our country. I urge my colleagues to support this bill, and I look forward to its speedy adoption and signature into law.

Mr. SCHUMER. Mr. President, I rise today to express my unwavering support for S. 467, the Terrorism Risk Insurance Extension Act of 2005, introduced by my friend, Senator DODD of Connecticut.

I would like to commend Senators DODD, BENNETT, SHELBY and SARBANES for getting a bill done that we can all stand behind and be proud to support. A bill that is good for our country and good for the State of New York.

We still live in America, and particularly in my city of New York, in the shadow of 9/11, of the terrorism that occurs in our communities, day after day. Women and families who have had a loved one taken from their midst live with it every moment of their remaining lives, but the rest of us live with it, too, not only in empathy for them but also in terms of the economic consequences of terrorism.

The bottom line is very simple, and that is, because of terrorism, the insurance industry, in terms of insuring risk of large structures in America—whether it be large buildings that make us so proud of our city and our country and our history—of the football stadiums that dot America or larger facilities such as Disneyland, Disney World, and amusement parks—all have difficulty getting insurance.

Insurance companies are worried that if, God forbid, another terrorist act occurs, it will be so devastating that it will put them out of business.

So 2 years ago, the Senate, House, and the President got together at sort of the end of the day, just like today, and passed terrorism risk insurance.

It has been a large success. That, no one can dispute.

Insurance rates have come down, terrorism insurance is available, and in insurance companies know, if, God forbid, the worst happens, there will be a backstop, and they are willing to issue policies.

In turn, that meant developers, builders who wanted to build new large structures on whatever lot of land they wanted to build on, could do so employing thousands and thousands of people, creating profits and new businesses as well.

Well, today we are all here to do the right thing: Yesterday, the Banking Committee, of which I am a member, passed unanimously a bill to extend the TRIA. In this bill, we have kept the trigger levels manageable for the policyholder community. We kept the retention levels at a responsible level for the private market, retaining the private/competitive nature of the program.

The bottom line is that we have made some necessary modifications to the program without losing the major protections. We did not all agree on what should have been in the bill. Many of us felt strongly about including group life and protections against nuclear, biological, chemical and radiological attacks. But the beauty of the process is that it is a negotiation where we all give and take.

This bill is a good compromise. The continuation of this program is vital to our Nation’s economic stability. By passing this bill on the floor today, we will be sending a message to the world that our financial markets will be protected, that our country will be able to bounce back in the event of any disruptions or financial dislocation caused by another possible terrorist attack.

It is still my strong belief that there needs to be a long-term solution—a permanent program. The President has continued to say that we are fighting a war on terrorism. The bombings in Jordan last week, the London bombings this past July, and the recent threat to the New York subway system are a few examples of why we must continue fighting this war on terrorism.

So it would have been my preference to get a bill that extended beyond 2 years. But I am at least pleased to know that there was a serious effort to address this concern by including a provision to create a commission that would begin to analyze the long-term affordability and availability of insurance for terrorism risk.

I would particularly like to thank Chairman DODD and SHELBY for specifically including the language I requested which directs the President’s group to analyze the long-term affordability and availability of coverage for chemical, nuclear, biological, and radiological events.

This is an issue of great importance to many New Yorkers. Many retailers and business owners in Lower Manhattan are afraid of a possible dirty bombs attack and the availability of insurance for such an event. This must be addressed and right away.

The bottom line is that financial dislocation caused by another possible terrorist attack—God forbid—is too much for our country to risk. I urge the entire Senate to pass this legislation today. It is only right that we let the markets, let the insurance world, and, most of all, let jobs and construction go forth.

Mr. FRIST. Mr. President, very briefly, I want to comment on this bill as well. This is the Terrorism Risk Insurance Extension Act of 2005. We are doing this by unanimous consent which reflects a tremendous amount of work by a range of Senators over the course of the last several months, weeks, days, and especially over the last few hours. This is a bill that has been subject to a lot of debate. This debate has culminated in a lot of agreement. I appreciate the great work of Senator SHELBY, Senator DODD, and so many others. The House hopefully will act on terrorism risk insurance shortly. It is a very important bill to our economy.

I ask unanimous consent that the amendment at the desk be agreed to; the committee reported amendment, as amended, be agreed to; the bill, as amended, be read a third time and passed; the motion to reconsider be laid upon the table; and that any statements relating to the bill be printed in the Record.
The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 2600) was agreed to as follows:

Modify section 3(c)(2) of the bill to read as follows:

(2) CONFORMING AMENDMENT.—Section 102(12)(A) of the Terrorism Risk Insurance Act of 2002 (116 Stat. 2241) is amended by striking ‘‘surety insurance’’ and inserting ‘‘directors and officers liability insurance’’.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The bill (S. 467), as amended, was read the third time and passed.

The resolutions of ratification are agreed to.

The resolutions of ratification agreed to are as follows:

AGREEMENT WITH CANADA ON PACIFIC HAKE/WHITING (TREATY DOC. 108–24)

CONVENTION STRENGTHENING INTER-AMERICAN TUNA COMMISSION (TREATY DOC. 109–2)

CONVENTION CONCERNING MIGRATORY FISH STOCK IN THE PACIFIC OCEAN (TREATY DOC. 109–1)
Resolved, (two-thirds of the Senators present concurring therein), That the Senate advises and consents to the ratification of the Convention on the Conservation and Management of the Highly Migratory Fish Stocks in the Western and Central Pacific Ocean, with Annexes, adopted at Honolulu on September 3, 2000, by the Multilateral High Level Conference on the Highly Migratory Fish Stocks in the Western and Central Pacific Ocean, and signed by the United States on that date (Treaty Doc. 109–1).
HIGHLIGHTS

Senate passed S. 2020, Tax Relief Act.
The House agreed to H.J. Res. 72, Making Further Continuing Appropriations for the Fiscal Year 2006;
The House failed to agree to the Conference Report on H.R. 3010, Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2006; and

Senate

Chamber Action
Routine Proceedings, pages S13147–S13282
Measures Introduced: Twenty-four bills and four resolutions were introduced, as follows: S. 2028–2051, S. Res. 318–319, and S. Con. Res. 65–66.

Measures Reported:
S. 2029, to amend and enhance certain maritime programs of the Department of Transportation. (S. Rept. No. 109–183)
S. 1354, to establish commissions to review the facts and circumstances surrounding injustices suffered by European Americans, European Latin Americans, and Jewish refugees during World War II.
S. 1614, to extend the authorization of programs under the Higher Education Act of 1965, with an amendment in the nature of a substitute.
S. 1789, to prevent and mitigate identity theft, to ensure privacy, to provide notice of security breaches, and to enhance criminal penalties, law enforcement assistance, and other protections against security breaches, fraudulent access, and misuse of personally identifiable information, with an amendment in the nature of a substitute.
S. 1961, to extend and expand the Child Safety Pilot Program.
S. 2006, to provide for recovery efforts relating to Hurricanes Katrina and Rita for Corps of Engineers projects, with amendments.

Measures Passed:
Housing and Service Needs of Seniors: Senate passed S. 705, to establish the Interagency Council on Meeting the Housing and Service Needs of Seniors, after agreeing to the committee amendment in the nature of a substitute.

Tax Relief Act: By 64 yeas to 33 nays (Vote No. 347), Senate passed S. 2020, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006, after taking action on the following amendments proposed thereto:

Adopted:
Grassley/Baucus Modified Amendment No. 2647, to provide an extension and increase in minimum tax relief to individuals.
Obama Amendment No. 2605, expressing the sense of the Senate that the Federal Emergency Management Agency should immediately address issues relating to no-bid contracting.
Nelson (NE)/DeWine Amendment No. 2625, to require the Secretary of the Treasury to establish a disability preference program for qualified tax collection contracts.
Dayton Amendment No. 2658, to provide valuation of employee personal use of noncommercial aircraft.
Landrieu/Vitter Amendment No. 2669, to provide housing relief for individuals affected by Hurricane Katrina.  

Craig/Rockefeller Amendment No. 2655, to express the sense of Congress regarding the conditions for the United States to become a signatory to any multilateral agreement on trade resulting from the World Trade Organization’s Doha Development Agenda Round.  

Grassley/Baucus Amendment No. 2670, to make certain improvements to the bill.

Rejected:

Baucus (for Reid) Modified Amendment No. 2653, to amend the Internal Revenue Code of 1986 to extend through 2010 certain tax incentives for renewable energy production and energy efficient building construction.  

Bingaman/Kerry Amendment No. 2642, to provide for a tax credit for offering employer-based health insurance coverage.  

Durbin Amendment No. 2623, to reduce the tax on Patriot employers.  

Snowe Amendment No. 2667, to impose withholding on certain payments made by government entities and to use the revenues collected to fund programs under the Low-Income Home Energy Assistance Act of 1981 through a trust fund.

Withdrawn:

Lincoln Amendment No. 2652, to modify the income threshold used to calculate the refundable portion of the child tax credit.  

During consideration of this bill, Senate also took the following action:  

By 44 yeas to 55 nays (Vote No. 330), three-fifths of those Senators duly chosen and sworn, not having voted in the affirmative, Senate rejected the motion to waive certain provisions of the Congressional Budget Act of 1974, with respect to Feinstein Amendment No. 2609, to repeal certain tax benefits, relating to oil and gas wells intangible drilling and development costs.  

By 40 yeas to 59 nays (Vote No. 333), three-fifths of those Senators duly chosen and sworn, not having voted in the affirmative, Senate rejected the motion to waive certain provisions of the Congressional Budget Act of 1974, with respect to Feinstein/Kerry Amendment No. 2610, to reinstate for millionaires a top individual income tax rate of 39.6 percent, the pre-May 2003 rates of tax on capital gains and dividends, and to repeal the reduction and termination of the phase out of personal exemptions and overall limitation on itemized deductions, until the Federal budget deficit is eliminated.  

By 57 yeas to 42 nays (Vote No. 334), three-fifths of those Senators duly chosen and sworn, not having voted in the affirmative, Senate rejected the motion to waive certain provisions of the Congressional Budget Act of 1974, with respect to Cantwell Amendment No. 2612, to improve the Federal Trade Commission’s ability to protect consumers from price-gouging during energy emergencies.  

By 48 yeas to 51 nays (Vote No. 332), three-fifths of those Senators duly chosen and sworn, not having voted in the affirmative, Senate rejected the motion to waive certain provisions of the Congressional Budget Act of 1974, with respect to Feinstein Amendment No. 2609, to repeal certain tax benefits, relating to oil and gas wells intangible drilling and development costs. Subsequently, the Chair sustained a point of order that Feinstein Amendment No. 2609, was not germane, and the amendment thus fell.

By 40 yeas to 59 nays (Vote No. 333), three-fifths of those Senators duly chosen and sworn, not having voted in the affirmative, Senate rejected the motion to waive certain provisions of the Congressional Budget Act of 1974, with respect to Feinstein Amendment No. 2609, was not germane, and the amendment thus fell.

By 57 yeas to 42 nays (Vote No. 334), three-fifths of those Senators duly chosen and sworn, not having voted in the affirmative, Senate rejected the motion to waive certain provisions of the Congressional Budget Act of 1974, with respect to Cantwell Amendment No. 2612, to improve the Federal Trade Commission’s ability to protect consumers from price-gouging during energy emergencies. Subsequently, the Chair sustained a point of order that Cantwell Amendment No. 2612, was not germane, and the amendment thus fell.

By 48 yeas to 51 nays (Vote No. 332), three-fifths of those Senators duly chosen and sworn, not having voted in the affirmative, Senate rejected the motion to waive certain provisions of the Congressional Budget Act of 1974, with respect to Feinstein Amendment No. 2609, to repeal certain tax benefits, relating to oil and gas wells intangible drilling and development costs. Subsequently, the Chair sustained a point of order that Feinstein Amendment No. 2609, was not germane, and the amendment thus fell.

By 40 yeas to 59 nays (Vote No. 333), three-fifths of those Senators duly chosen and sworn, not having voted in the affirmative, Senate rejected the motion to waive certain provisions of the Congressional Budget Act of 1974, with respect to Feinstein Amendment No. 2609, was not germane, and the amendment thus fell.

By 57 yeas to 42 nays (Vote No. 334), three-fifths of those Senators duly chosen and sworn, not having voted in the affirmative, Senate rejected the motion to waive certain provisions of the Congressional Budget Act of 1974, with respect to Cantwell Amendment No. 2612, to improve the Federal Trade Commission’s ability to protect consumers from price-gouging during energy emergencies. Subsequently, the Chair sustained a point of order that Cantwell Amendment No. 2612, was not germane, and the amendment thus fell.

By 51 yeas to 47 nays (Vote No. 335), three-fifths of those Senators duly chosen and sworn, not having voted in the affirmative, Senate rejected the motion to waive certain provisions of the Congressional Budget Act of 1974, with respect to Lott Amendment No. 2633, to clarify treatment of outside income and expenses in the Senate. Subsequently, the Chair sustained a point of order that Lott Amendment No. 2633, was not germane, and the amendment thus fell.

By 53 yeas to 45 nays (Vote No. 336), three-fifths of those Senators duly chosen and sworn, not having voted in the affirmative, Senate rejected the motion to waive section 313 (b)(1)(A) of the Congressional Budget Act of 1974, with respect to Grassley Amendment No. 2654, to express the sense of the Senate. Subsequently, the Chair sustained the point
of order that the amendment was in violation of the Byrd Rule, and the amendment thus fell. Pages S13123–24

By 43 yeas to 55 nays (Vote No. 337), three-fifths of those Senators duly chosen and sworn, not having voted in the affirmative, Senate rejected the motion to waive certain provisions of the Congressional Budget Act of 1974, with respect to Durbin Amendment No. 2596, to express the sense of the Senate concerning the provision of health care for children before providing tax cuts for the wealthy. Subsequently, the Chair sustained a point of order that Durbin Amendment No. 2596, was not germane, and the amendment thus fell. Page S13124

By 36 yeas to 62 nays (Vote No. 338), three-fifths of those Senators duly chosen and sworn, not having voted in the affirmative, Senate rejected the motion to waive certain provisions of the Congressional Budget Act of 1974, with respect to Kennedy/Landrieu Amendment No. 2588, to eliminate child poverty. Subsequently, the Chair sustained the point of order that Kennedy/Landrieu Amendment No. 2588, was not germane, and the amendment thus fell. Pages S13092–95, S13124–25

By 50 yeas to 48 nays (Vote No. 339), three-fifths of those Senators duly chosen and sworn, not having voted in the affirmative, Senate rejected the motion to waive certain provisions of the Congressional Budget Act of 1974, with respect to Reed Amendment No. 2626, to impose a temporary windfall profits tax on crude oil and to use the proceeds of the tax collected to fund programs under the Low-Income Energy Assistance Act of 1981 through a trust fund. Subsequently, the Chair sustained a point of order that Reed Amendment No. 2626, was not germane, and the amendment thus fell. Pages S13097–S13101, S13125–26

By 50 yeas to 48 nays (Vote No. 340), three-fifths of those Senators duly chosen and sworn, not having voted in the affirmative, Senate rejected the motion to waive certain provisions of the Congressional Budget Act of 1974, with respect to Feingold Amendment No. 2650, to fully reinstate the pay-as-you-go requirement through 2010. Subsequently, the Chair sustained the point of order that Feingold Amendment No. 2650 was not germane, and the amendment thus fell. Pages S13115–16, S13121–22, S13126–27

Chair sustained a point of order against Sununu Amendment No. 2651, to repeal State and local taxation exemptions applicable to the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation, as being in violation of sections 305(b) and 310(e) of the Congressional Budget Act of 1974, and the amendment thus fell. Page S13116, S13127

By 33 yeas to 65 nays (Vote No. 341), three-fifths of those Senators duly chosen and sworn, not having voted in the affirmative, Senate rejected the motion to waive certain provisions of the Congressional Budget Act of 1974, with respect to Schumer Amendment No. 2635, to amend the Internal Revenue Code of 1986 to impose a temporary windfall profit tax on crude oil and to use the proceeds of the tax collected to provide a nonrefundable tax credit of $100 for every personal exemption claimed for taxable years beginning in 2005. Subsequently, the Chair sustained the point of order that Schumer Amendment No. 2635 was not germane, and the amendment thus fell. Pages S13116–18, S13122, S13128

By 51 yeas to 47 nays (Vote No. 342), three-fifths of those Senators duly chosen and sworn, not having voted in the affirmative, Senate rejected the motion to waive certain provisions of the Congressional Budget Act of 1974, with respect to Nelson (FL) Amendment No. 2601, to amend title XVIII of the Social Security Act to provide extended and additional protection to Medicare beneficiaries who enroll for the Medicare prescription drug benefit during 2006. Subsequently, the Chair sustained the point of order that Nelson (FL) Amendment No. 2601, was not germane, and the amendment thus fell. Pages S13119, S13128–29

By 43 yeas to 55 nays (Vote No. 343), three-fifths of those Senators duly chosen and sworn, not having voted in the affirmative, Senate rejected the motion to waive certain provisions of the Congressional Budget Act of 1974, with respect to Boxer Amendment No. 2634, to provide an additional $500,000,000 for each of fiscal years 2006 through 2010, to be used for readjustment counseling, related mental health services, and treatment and rehabilitative services for veterans with mental illness, post-traumatic stress disorder, or substance use disorder. Subsequently, the Chair sustained the point of order that Boxer Amendment No. 2634, was not germane, and the amendment thus fell. Pages S13130–31

By 55 yeas to 43 nays (Vote No. 344), three-fifths of those Senators duly chosen and sworn, not having voted in the affirmative, Senate rejected the motion to waive under section 305(b) of the Congressional Budget Act of 1974, with respect to Kerry/Obama Amendment No. 2616, to accelerate marriage penalty relief for the earned income tax credit, to extend the election to include combat pay in earned income, and to make modifications of effective dates of leasing provisions of the American Jobs Creation Act of 2004. Subsequently, the Chair sustained the point of order that Kerry/Obama Amendment No. 2616 was not germane, and the amendment thus fell. Pages S13131–32
By 47 yeas to 51 nays (Vote No. 345), three-fifths of those Senators duly chosen and sworn, not having voted in the affirmative, Senate rejected the motion to waive certain provisions of the Congressional Budget Act of 1974, with respect to Dayton Amendment No. 2629, to allow a refundable tax credit for the energy costs of farmers and ranchers, and to modify the foreign tax credit rules applicable to dual capacity taxpayers. Subsequently, the Chair sustained the point of order that Dayton Amendment No. 2629 was not germane, and the amendment thus fell.

By 42 yeas to 56 nays (Vote No. 346), three-fifths of those Senators duly chosen and sworn, not having voted in the affirmative, Senate rejected the motion to waive certain provisions of the Congressional Budget Act of 1974, with respect to Harkin/Obama Amendment No. 2665, to amend the Internal Revenue Code of 1986 to restore the phaseout of personal exemptions and the overall limitation on itemized deductions and to modify the income threshold used to calculate the refundable portion of the child tax credit. Subsequently, the Chair sustained the point of order that Harkin/Obama Amendment No. 2665, was not germane, and the amendment thus fell.

Wired For Health Care Quality Act: Senate passed S. 1418, to enhance the adoption of a nationwide interoperable health information technology system and to improve the quality and reduce the costs of health care in the United States, after agreeing to the committee amendment in the nature of a substitute, and the following amendment proposed thereto:

Frist (for Enzi) Amendment No. 2671, in the nature of a substitute.

Terrorism Risk Insurance Extension Act: Senate passed S. 467, to extend the applicability of the Terrorism Risk Insurance Act of 2002, after agreeing to the committee amendment in the nature of a substitute, and the following amendment proposed thereto:

Frist (for Shelby) Amendment No. 2600, to make a modification.

U.S.S. Carl Vinson: Senate passed H.R. 4326, to authorize the Secretary of the Navy to enter into a contract for the nuclear refueling and complex overhaul of the U.S.S. Carl Vinson (CVN–70), clearing the measure for the President.

Continuing Resolution—Agreement: A unanimous-consent agreement was reached providing that on Friday, November 18, 2005, Senate begin consideration of H.J. Res. 72, making further continuing appropriations for the fiscal year 2006; that Senator Harkin be recognized to offer an amendment relevant to CSBG, and that there be 20 minutes of debate on the amendment; that following the use or yielding back of time, Senate vote on or in relation to the amendment, to be followed by a vote on final passage of the resolution.

Treaties Approved: The following treaties having passed through various parliamentary stages, up to and including the presentation of the resolution of ratification, upon division, two-thirds of the Senators present having voted in the affirmative, the resolutions of ratification were agreed to:

Agreement with Canada on Pacific Hake/Whiting (Treaty Doc. 108–24); Convention Strengthening Inter-American Tuna Commission (Treaty Doc. 109–2); and Convention Concerning Migratory Fish Stock in the Pacific Ocean (Treaty Doc. 109–1).

Nominations Received: Senate received the following nominations:

Dennis Bortorff, of Tennessee, to be a Member of the Board of Directors of the Tennessee Valley Authority for a term expiring May 18, 2011.

Robert M. Duncan, of Kentucky, to be a Member of the Board of Directors of the Tennessee Valley Authority for a term expiring May 18, 2011.

William B. Sansom, of Tennessee, to be a Member of the Board of Directors of the Tennessee Valley Authority for a term expiring May 18, 2009.

Howard A. Thrallkill, of Alabama, to be a Member of the Board of Directors of the Tennessee Valley Authority for a term expiring May 18, 2007.

Susan Richardson Williams, of Tennessee, to be a Member of the Board of Directors of the Tennessee Valley Authority for the term prescribed by law.

Messages From the House:

Enrolled Bills Referred:

Executive Communications:

Executive Reports of Committee:

Additional Cosponsors:

Statements on Introduced Bills/Resolutions:

Additional Statements:

Notices of Hearings/Meetings:

Authorities for Committees to Meet:

Privileges of the Floor:
Committee Meetings

(Committees not listed did not meet)

AVIAN INFLUENZA

Committee on Agriculture, Nutrition, and Forestry: Committee concluded a hearing to examine the role of United States agriculture in the control and eradication of avian influenza, focusing on the healthcare system, antiviral drugs, and enhancement of quarantine stations, after receiving testimony from Ron DeHaven, Administrator, Animal and Plant Health Inspection Service, Department of Agriculture; Julie L. Gerberding, Director, Centers for Disease Control and Prevention, Department of Health and Human Services; Donald Waldrip, Wayne Farms, LLC, Oakwood, Georgia, on behalf of the National Chicken Council; S.H. Kleven, University of Georgia College of Veterinary Medicine Poultry Diagnostic and Research Center, Athens; Gretta Irwin, Iowa Turkey Federation, Ames, on behalf of the National Turkey Federation.

FINANCIAL PRODUCT SALES

Committee on Banking, Housing, and Urban Affairs: Committee concluded a hearing to examine a Government Accountability Office report on the sale of financial products to military personnel, focusing on actions needed to protect military members, after receiving testimony from Richard J. Hillman, Managing Director, Financial Markets and Community Investment, Government Accountability Office; John M. Molino, Deputy Under Secretary of Defense for Military Community and Family Policy; Lori Richards, Director, Office of Compliance Inspections and Examinations, U.S. Securities and Exchange Commission; John Oxendine, Georgia Commissioner of Insurance, Atlanta; and Mary Schapiro, National Association of Securities Dealers, Washington, D.C.

AVIATION SAFETY

Committee on Commerce, Science, and Transportation: Subcommittee on Aviation concluded a hearing to examine the Federal Aviation Administration’s efforts to maintain a high level of safety through a safety oversight system, after receiving testimony from Marion Blakey, Administrator, Federal Aviation Administration, and Kenneth Mead, Inspector General, both of the Department of Transportation; John S. Carr, National Air Traffic Controllers Association, Basil J. Barimo, Air Transport Association of America, Inc., and Robert Roach, Jr., International Association of Machinists and Aerospace Workers, all of Washington, D.C.; and Christian A. Klein, Aeronautical Repair Station Association, Alexandria, Virginia.

BUSINESS MEETING

Committee on Commerce, Science, and Transportation: Committee ordered favorably reported the following business items:

S. 1110, to amend the Federal Hazardous Substances Act to require engine coolant and antifreeze to contain a bittering agent in order to render the coolant or antifreeze unpalatable, proposed Polar Bear Treaty, with amendments;

S. 2013, to amend the Marine Mammal Protection Act of 1972 to implement the Agreement on the Conservation and Management of the Alaska-Chukotka Polar Bear Population;

S. 1052, to improve transportation security, with an amendment in the nature of a substitute;

S. 65, to amend the age restrictions for pilots, with an amendment in the nature of a substitute;

S. 1102, to extend the aviation war risk insurance program for 3 years;

S. 517, to establish a Weather Modification Operations and Research Board, with an amendment in the nature of a substitute;

S. 687, to regulate the unauthorized installation of computer software, to require clear disclosure to computer users of certain computer software features that may pose a threat to user privacy, with an amendment in the nature of a substitute; and

The nominations of William E. Kovacic, of Virginia, J. Thomas Rosch, of California, each to be a Federal Trade Commissioner, and a Coast Guard Promotion List.

BUSINESS MEETING

Committee on Environment and Public Works: Committee ordered favorably reported the following business items:

S. 1496, to direct the Secretary of the Interior to conduct a pilot program under which up to 15 States may issue electronic Federal migratory bird hunting stamps, with an amendment;

S. 1165, to provide for the expansion of the James Campbell National Wildlife Refuge, Honolulu County, Hawaii, with an amendment;

S. 2006, to provide for recovery efforts relating to Hurricanes Katrina and Rita for Corps of Engineers projects, with an amendment;

S. 1708, to modify requirements relating to the authority of the Administrator of General Services to
enter into emergency leases during major disasters and other emergencies; and

S. 2015, to provide a site for construction of a national health museum.

NEW ORLEANS’ LEVEES

Committee on Environment and Public Works: Committee concluded a hearing to examine the degree to which the preliminary findings on the failure of the levees are being incorporated into the restoration of hurricane protection, after receiving testimony from Daniel H. Hitchings, Regional Business Director, Mississippi Valley Division, U.S. Army Corps of Engineers, Department of the Army; Thomas F. Zimmie, Rensselaer Polytechnic Institute Environmental Engineering Department, Troy, New York, on behalf of National Science Foundation Investigative Team; Sherwood Gagliano, Coastal Environments, Inc., and Joseph N. Suhayda, Louisiana State University, both of Baton Rouge, Louisiana; Larry Roth, American Society of Civil Engineers, Washington, D.C.; and Robert R.M. Verchick, Loyola University Law School, New Orleans, Louisiana.

AFRICAN ORGANIZATIONS

Committee on Foreign Relations: Subcommittee on African Affairs concluded a hearing to examine cross-continental progress relating to African organizations and institutions, focusing on the African Union and African sub-regional organizations to advance freedom, peace, and prosperity in Africa, after receiving testimony from Jendayi E. Frazer, Assistant Secretary of State for African Affairs; Lloyd O. Pierson, Assistant Administrator for Africa, U.S. Agency for International Development; and Victoria K. Holt, The Henry L. Stimson Center, and Jennifer G. Cooke, Center for Strategic and International Studies, both of Washington, D.C.

NATIONAL SECURITY PERSONNEL SYSTEM


TRIBAL LOBBYING MATTERS

Committee on Indian Affairs: Committee continued oversight hearings to examine In Re Tribal Lobbying Matters, Et Al, focusing on lobbying fraud, receiving testimony from Italia Federici, Council of Republicans for Environmental Advocacy, Washington, D.C.

Hearing recessed subject to the call.

BUSINESS MEETING

Committee on the Judiciary: Committee ordered favorably reported the following business items:

S. 1789, to prevent and mitigate identity theft, to ensure privacy, to provide notice of security breaches, and to enhance criminal penalties, law enforcement assistance, and other protections against security breaches, fraudulent access, and misuse of personally identifiable information, with an amendment in the nature of a substitute;

S. 1961, to extend and expand the Child Safety Pilot Program;

S. 1354, to establish commissions to review the facts and circumstances surrounding injustices suffered by European Americans, European Latin Americans, and Jewish refugees during World War II; and


FUTURE ASBESTOS CLAIMS

Committee on the Judiciary: Committee concluded a hearing to examine recent developments in assessing
future asbestos claims under the FAIR Act, and S. 852, to create a fair and efficient system to resolve claims of victims for bodily injury caused by asbestos exposure, after receiving testimony from Douglas Holtz-Eakin, Director, Congressional Budget Office; Charles E. Bates, Bates White, LLC, and Laura Welch, Center to Protect Workers Rights, both of Washington, D.C.; Mark A. Peterson, Legal Analysis Systems, Thousand Oaks, California; Mark Lederer, Manville Personal Injury Settlement Trust, Katonah, New York; and Denis Neumann Martin, National Economic Research Associates Consulting, New York, New York.

**NOMINATION**

Select Committee on Intelligence: Committee ordered favorably reported the nomination of Dale W. Meyerrose, of Indiana, to be Chief Information Officer, Office of the Director of National Intelligence.

Prior to this action, committee concluded a closed hearing to examine the nomination of Dale W. Meyerrose, of Indiana, to be Chief Information Officer, Office of the Director of National Intelligence, after the nominee testified and answered questions in his own behalf.

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**House of Representatives**

**Chamber Action**

Public Bills and Resolutions Introduced: 31 public bills, H.R. 4356–4386; and 12 resolutions, H.J. Res. 73; H. Con. Res. 303–306; and H. Res. 561–562, 566–570, were introduced.

Additional Cosponsors: Pages H10908–09

Reports Filed: Pages H10909–10

H.R. 4297, to provide for reconciliation pursuant to section 201(b) of the concurrent resolution on the budget for fiscal year 2006, with an amendment (H. Rept. 109–304);

H.R. 3889, to further regulate and punish illicit conduct relating to methamphetamine, with amendments (H. Rept. 109–299, Pt. 2);

Conference report on H.R. 2528, making appropriations for military quality of life functions of the Department of Defense, military construction, the Department of Veterans Affairs, and related agencies for the fiscal year ending September 30, 2006 (H. Rept. 109–305); and

H. Res. 563, waiving a requirement of clause 6(a) of rule XIII with respect to consideration of certain resolutions reported from the Committee on Rules (H. Rept. 109–306).

Conference report on H.R. 3058, making appropriations for the Departments of Transportation, Treasury, and Housing and Urban Development, the Judiciary, District of Columbia, and independent agencies for the fiscal year ending September 30, 2006 (H. Rept. 109–307);

H. Res. 564, waiving points of order against the conference report to accompany the bill (H.R. 2528) making appropriations for military quality of life functions of the Department of Defense, military construction, the Department of Veterans Affairs, and related agencies for the fiscal year ending September 30, 2006 (H. Rept. 109-308); and

H. Res. 565, waiving points of order against the conference report to accompany the bill (H.R. 3058) making appropriations for the Departments of Transportation, Treasury, and Housing and Urban Development, the Judiciary, District of Columbia, and independent agencies for the fiscal year ending September 30, 2006 (H. Rept. 109-309).

Chaplain: The prayer was offered today by Rev. Paul C. Granillo, Director of Communications, Diocese of San Bernardino, California. Page H10505

Suspensions: The House agreed to suspend the rules and pass the following measure which was debated on Wednesday, November 16th:

Recognizing the 60th anniversary of the disappearance of the 5 naval Avenger torpedo bombers of Flight 19 and the naval Mariner rescue aircraft sent to search for Flight 19: H. Res. 500, amended, to Recognize the 60th anniversary of the disappearance of the 5 naval Avenger torpedo bombers of Flight 19 and the naval Mariner rescue aircraft sent to search for Flight 19, by a yea-and-nay vote of 420 yeas to 2 nays, Roll No. 597. Pages H10516–17

Further Continuing Appropriations for the Fiscal Year 2006: The House agreed to H.J. Res. 72, making further continuing appropriations for the fiscal year 2006, by a yea and nay vote of 413 yeas to 16 nays, Roll No. 599. Pages H10508–12, H10517–18, H10530–31
H. Res. 558, the rule providing for consideration of the bill was agreed to by a yea-and-nay vote of 407 yeas to 21 nays, Roll No. 595.

Pages H10508–09, H10514–15


Pages H10512–16, H10518–30

H. Res. 559, the rule providing for consideration of the bill was agreed to by a yea-and-nay vote of 244 yeas to 185 nays, Roll No. 596, after agreeing to order the previous question by voice vote.

Page H10512, H10515–16

The House agreed to the motion to insist on its disagreement to the Senate amendment on H.R. 3010, by voice vote.

Pages H10531

Recess: The House recessed at 2:31 p.m. and reconvened at 8:18 p.m.

A point of order was raised against the consideration of the resolution (H. Res. 560) and it was agreed to proceed with consideration by a yea-and-nay vote of 224 yeas to 198 nays, Roll No. 600.

Pages H10531–34

Deficit Reduction Act of 2005: The House passed H.R. 4241, to provide for reconciliation pursuant to section 201(a) of the concurrent resolution on the budget for fiscal year 2006, by a recorded vote of 217 ayes to 215 noes, Roll No. 601.

Pages H10531–34, H10537–H10645

Agreed by unanimous consent that staff be authorized to make technical and conforming corrections to the text of H.R. 4241, as passed by the House.

Agreed by unanimous consent to Mr. Nussle's motion to strike all after the enacting clause of S. 1932, and insert in lieu thereof the provisions of H.R. 4241 as passed by the House.

Page H10646

H. Res. 560, the rule providing for consideration of the bill was agreed to, after agreeing to order the previous question and the Putnam amendment by voice vote.

Page H10544

Suspensions: The House agreed to suspend the rules and pass the following measure which was debated on Wednesday, November 16th:

Condemning in the strongest terms the terrorist attacks that occurred on November 9, 2005, in Amman, Jordan: H. Res. 546, amended, to condemn in the strongest terms the terrorist attacks that occurred on November 9, 2005, in Amman, Jordan, by a yea-and-nay vote of 409 yeas with none voting “nay”, Roll No. 602.

Pages H10645–46

To direct the Architect of the Capitol to obtain a statue of Rosa Parks and to place the statue in the United States Capitol in National Statuary Hall: The House agreed by unanimous consent to H.R. 4145, amended, to direct the Architect of the Capitol to obtain a statue of Rosa Parks and to place the statue in the United States Capitol in National Statuary Hall.

Pages H10786–89

Agreed to amend the title so as to read: “A bill to direct the Joint Committee on the Library to obtain a statue of Rosa Parks and to place the statue in the United States Capitol in National Statuary Hall, and for other purposes.”.

Page H10789

Senate Message: Messages received from the Senate today appear on page H10505.

Pages H10531–34

Senate Referrals: S. 206, S. 213, S. 251, S. 652, S. 761, S. 777, S. 819, S. 891, S. 895, S. 958, S. 1154, S. 1338, and S. 1627 were referred to the Committee on Resources; S. 485, S. 584, S. 695, S. 1238 were held at the desk and S. 705 was referred to the Committees on Financial Services and Education and the Workforce.

Page H10505

Quorum Calls—Votes: Seven yea-and-nay votes and one recorded vote developed during the proceedings today and appear on pages H10514–15, H10515–16, H10516–17, H10518–30, H10530–31, H10533–34, H10645 and H10645–46. There were no quorum calls.

Recess: The House recessed at 2:25 a.m. and reconvened at 8:31 a.m.

Page H10789

Adjournment: The House met at 10 a.m. and adjourned at 8:33 a.m. on Friday, November 18.

Committee Meetings

COMBATING METHAMPHETAMINES

Committee on Education and the Workforce: Subcommittee on Education Reform held a hearing on Combating Methamphetamines through Prevention and Education. Testimony was heard from Representatives Souder and Hooley; Robert Denniston, Director, National Youth Anti-Drug Media Campaign, Office of National Drug Control Policy; and public witnesses.

MEDICATE PHYSICIAN PAYMENT

Committee on Energy and Commerce: Subcommittee on Health held a hearing entitled “Medicare Physician Payment: How to Build a More Efficient Payment System.” Testimony was heard from Mark B. McClellan, M.D. Administrator, Centers for Medicare and Medicaid Services, Department of Health
and Human Services; Glen Hack Barth, Chairman, Medicare Payment Advisory Commission; and public witnesses.

THOROUGHBRED HORSE RACING JOCKEYS AND WORKERS
Committee on Energy and Commerce: Subcommittee on Oversight and Investigations held a hearing entitled “Thoroughbred Horse Racing Jockeys and Workers: Examining On-Track Injury Insurance and Other Health and Welfare Issues.” Testimony was heard from public witnesses.

LOUISIANA RECOVERY CORPORATION ACT
Committee on Financial Services: Held a hearing on H.R. 4100, Louisiana Recovery Corporation Act. Testimony was heard from the following officials of the State of Louisiana: John T. Schedler, member, State Senate; Juan A. LaFonta, member, State House; C. Ray Nagin, Mayor and John Batt, member, City Council, both with the City of New Orleans; and a public witness.

SELF-REGULATORY ORGANIZATIONS
Committee on Financial Institutions: Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises held a hearing entitled “Self-Regulatory Organizations: Exploring the Need for Reform.” Testimony was heard from public witnesses.

FEDERAL FINANCIAL MANAGEMENT
Committee on Government Reform: Subcommittee on Government Management, Finance and Accountability held a hearing entitled “15 Years of the CFO Act—What is the Current State of Federal Financial Management?” Testimony was heard from Linda Combs, Controller, Office of Federal Financial Management, OMB; and Jeffrey C. Steinhoff, Managing Director, Financial Management and Assurance, GAO.

BORDER SECURITY AND TERRORISM PREVENTION ACT OF 2005

TERRORISM RISK ASSESSMENT
Committee on Homeland Security: Subcommittee on Intelligence, Information Sharing and Terrorism Risk Assessment held a hearing entitled “Terrorism Risk Assessment at the Department of Homeland Security.” Testimony was heard from Melissa Smislova, Acting Director, Homeland Infrastructure Threat and Risk Analysis Center and Assistant Secretary, Intelligence and Analysis—Chief Intelligence Officer, Department of Homeland Security; and public witnesses.

WESTERN SAHARA STATUS
Committee on International Relations: Subcommittee on Africa, Global Human Rights and International Operations held a hearing on Getting to Yes: Resolving the 30-Year Conflict over the Status of Western Sahara. Testimony was heard from Senator Inhofe, Representative Lincoln Diaz-Balart of Florida; Gordon Gray, Deputy Assistant Secretary, Bureau for Near Eastern Affairs, Department of State; and public witnesses.

DEMOCRACY IN VENEZUELA
Committee on International Relations: Subcommittee on the Western Hemisphere held a hearing on Democracy in Venezuela. Testimony was heard from Thomas A. Shannon, Assistant Secretary, Bureau of Western Hemisphere Affairs, Department of State; and public witnesses.

OVERSIGHT—U.S.-MEXICO BORDER
Committee on the Judiciary: Subcommittee on Crime, Terrorism, and Homeland Security and the Subcommittee on Immigration, Border Security, and Claims held a joint oversight hearing on Weak Bilateral Law Enforcement Presence at the U.S.-Mexico Border: Territorial Integrity and Safety Issues for American Citizens. Testimony was heard from Chris Swecker, Assistant Director, Criminal Investigative Division, FBI, Department of Justice; the following officials of the Department of Homeland Security: William Reid, Acting Assistant Director, Office of Investigations, U.S. Immigration and Customs Enforcement; and Rey Garza, Deputy Chief Patrol Agent, U.S. Customs and Border Protection; and a public witness.

HOW ILLEGAL IMMIGRATION IMPACTS CONSTITUENCIES
Committee on the Judiciary: Subcommittee on Immigration, Border Security, and Claims continued oversight hearings entitled “How Illegal Immigration Impacts Constituencies: Perspectives from Members of Congress, (Part II).” Testimony was heard from Representatives Kingston, Blackburn, Carter and Lewis of Georgia

NEPA
Committee on Resources: NEPA Task Force held a hearing on NEPA: Lessons Learned and Next Steps. Testimony was heard from James L. Connaughton, Chairman, Council on Environmental Quality; and public witnesses.
OUTER CONTINENTAL SHELF NATURAL GAS RELIEF ACT

Committee on Resources: Subcommittee on Energy and Mineral Resources held a hearing on the Outer Continental Shelf Natural Gas Relief Act. Testimony was heard from public witnesses.

OVERSIGHT—COMBAT ILLEGAL DRUG FARMS IN NATIONAL PARKS

Committee on Resources: Subcommittee on National Parks held an oversight hearing on the National Parks Service’s Efforts to Combat the Growth of Illegal Drug Farms in National Parks. Testimony was heard from Karen Taylor-Goodrich, Associate Director, Visitor and Resource Protection, National Park Service, Department of the Interior; and public witnesses.

SAME DAY CONSIDERATION OF CERTAIN RESOLUTIONS REPORTED BY THE RULES COMMITTEE

Committee on Rules: Granted, by voice vote, a rule waiving clause 6(a) of rule XIII (requiring a two-thirds vote to consider a rule on the same day it is reported from the Rules Committee) against certain resolutions reported from the Rules Committee. The rule applies the waiver to any special rule reported on the legislative day of November 18, 2005, providing for consideration or disposition of any of the following measures: (1) A bill or joint resolution making general appropriations for the fiscal year ending September 30, 2006, any amendment thereto, or any conference report thereon. (2) A conference report to accompany the bill (H.R. 3199) to extend and modify authorities needed to combat terrorism, and for other purposes. (3) A bill or joint resolution relating to flood insurance. (4) A bill to provide for reconciliation pursuant to section 201 of the concurrent resolution on the budget for fiscal year 2006.

CONFERENCE REPORT—MILITARY QUALITY OF LIFE AND VETERANS AFFAIRS AND RELATED AGENCIES APPROPRIATIONS ACT, 2006

Committee on Rules: Granted, by voice vote, a rule waiving all points of order against the conference report to accompany H.R. 2528, Military Quality of Life and Veterans Affairs and Related Agencies Appropriations Act, 2006, and against its consideration. The rule provides that the conference report shall be considered as read. Testimony was heard from Representative Walsh.


Committee on Rules: Granted, by voice vote, a rule waiving all points of order against the conference report to accompany H.R. 3058, Departments of Transportation, Treasury, Housing and Urban Development, the Judiciary, the District of Columbia, and Independent Agencies Appropriations Act, 2006, and against its consideration. The rule provides that the conference report shall be considered as read.

NANOTECHNOLOGY

Committee on Science: Held a hearing on Environmental and Safety Impacts of Nanotechnology: What Research is Needed? Testimony was heard from David Rejeski, Director, Project on Emerging Nanotechnologies, Woodrow Wilson International Center for Scholars, The Smithsonian Institution; and public witnesses.

PASSPORTS TO AND FROM CANADA

Committee on Small Business: Held a hearing on Building a Wall Between Friends: Passports to and from Canada? Testimony was heard from Representative Slaughter; and public witnesses.

BRIEFING—GLOBAL UPDATES/HOTSPOTS

Permanent Select Committee on Intelligence: Met in executive session to receive a briefing on Global Updates/Hotspots. The Committee was briefed by departmental witnesses.

Joint Meetings

APPROPRIATIONS: MILITARY CONSTRUCTION AND VETERANS AFFAIRS

Conferees agreed to file a conference report on the differences between the Senate and House passed versions of H.R. 2528, making appropriations for Military Construction and Veterans Affairs, and Related Agencies for the fiscal year ending September 30, 2006.

COMMITTEE MEETINGS FOR FRIDAY, NOVEMBER 18, 2005

(Committee meetings are open unless otherwise indicated)

Senate

Committee on Commerce, Science, and Transportation: to hold hearings to examine the future of science, 10 a.m., SD–562.

House

Committee on Ways and Means, to mark up H.R. 4340, United States-Bahrain Free Trade Agreement Implementation Act, 10 a.m., 1100 Longworth.
Next Meeting of the SENATE

9 a.m., Friday, November 18

Senate Chamber

Program for Friday: Senate will begin consideration of H.J. Res. 72, Continuing Resolution, with votes to occur on a Harkin amendment to be proposed thereto and final passage of the measure. Also, Senate expects to consider any other legislative and executive business, including any appropriation conference reports, when available.

Next Meeting of the HOUSE OF REPRESENTATIVES

9 a.m., Friday, November 18

House Chamber

Program for Friday: To be announced.