

104TH CONGRESS
1ST SESSION

H. R. 1923

To balance the budget of the United States Government by restructuring Government, reducing Federal spending, eliminating the deficit, limiting bureaucracy, and restoring federalism.

IN THE HOUSE OF REPRESENTATIVES

JUNE 22, 1995

Mr. SOLOMON (for himself, Mr. GOSS, Mr. HANCOCK, Mr. UPTON, Mr. ZELIFF, Mr. NEUMANN, and Mr. ZIMMER) introduced the following bill; which was referred to the Committee on Government Reform and Oversight, and in addition to the Committees on National Security, Banking and Financial Services, International Relations, Science, Commerce, Resources, Rules, Transportation and Infrastructure, Agriculture, Small Business, the Judiciary, Ways and Means, Economic and Educational Opportunities, the Budget, Veterans' Affairs, House Oversight, and Intelligence (Permanent Select), 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

A BILL

To balance the budget of the United States Government by restructuring Government, reducing Federal spending, eliminating the deficit, limiting bureaucracy, and restoring federalism.

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

1 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS**

2 (a) SHORT TITLE.—This Act may be cited as the
3 “Restructuring a Limited Government Act”.

4 (b) TABLE OF CONTENTS.—

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- Sec. 10304. Terminate Federal funding for the John F. Kennedy Center for the Performing Arts.
- Sec. 10305. Repeal of the Older Americans Community Service Employment Act.
- Sec. 10306. Consolidation of certain social service programs.
- Sec. 10307. Amendments to the Older Americans Act of 1965.
- Sec. 10308. Termination of funding for the Corporation for Public Broadcasting

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- Sec. 10401. Termination of general trade adjustment assistance.
- Sec. 10402. Extension to all States of rule providing for reduction of social security disability insurance benefits upon receipt of workers' compensation benefits.
- Sec. 10403. Service Contract Act of 1965.
- Sec. 10404. Reduction in overhead expenses of Department of Labor.

TITLE XI—HEALTH

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- Sec. 11001. Reduction in overhead expenses of Department of Health and Human Services.

Subtitle B—University Research Regarding Health and Other Matters

- Sec. 11101. Federally-supported University research; reduction in rates for indirect costs of research.
- Sec. 11102. Reduction in budget of National Institutes of Health.
- Sec. 11103. Reduction in health professions budget of health resources and services administration.
- Sec. 11104. Closure of Uniformed Services University of the Health Sciences.

Subtitle C—Medicaid Reforms

- Sec. 11201. Reduction in Federal payments for disproportionate share hospitals.
- Sec. 11202. Imposition of State limits on approved nursing facility beds.
- Sec. 11203. Reducing to 50 percent the matching rate for administrative costs under the medicaid program.

Subtitle D—Reforms in Health Care Block Grants

- Sec. 11301. Consolidation of certain block grants.
- Sec. 11302. Reduction in budget for immunization programs; prohibition regarding warehousing of vaccines.

Subtitle E—Health Care Program Reforms

- Sec. 11401. Reduction in budget of agency for health care policy and research.
- Sec. 11402. Reduction in budget for programs to treat substance abuse.
- Sec. 11403. Abolition of office of the Surgeon General of the Public Health Service

Subtitle F—Federal Employee Health Care Reform

- Sec. 11501. Government contribution to the Federal employees health benefits program.

TITLE XII—MEDICARE

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- Sec. 12001. Imposition of 20 percent coinsurance on home health services.
- Sec. 12002. Imposition of 20 percent coinsurance on clinical laboratory services.

Subtitle B—Part B Premium

- Sec. 12101. Relating medicare part B premium to income for certain high income individuals.
- Sec. 12102. Setting the part B premium at 25 percent of program expenditures permanently.

Subtitle C—Part A Deductible

- Sec. 12201. Increase in medicare hospital insurance deductible for certain high-income individuals.

Subtitle D—Medicare Payments to Hospitals

- Sec. 12301. Elimination of payments to hospitals for enrollees' bad debts.
- Sec. 12302. Reduction in payments for indirect costs of medical education.

Subtitle E—Selected Presidential Medicare Reforms

- Sec. 12401. Expansion of centers of excellence.
- Sec. 12402. Application of competitive acquisition process for part B items and services.
- Sec. 12403. Application of competitive acquisition procedures for laboratory services.
- Sec. 12404. Medicare secondary payer changes.
- Sec. 12405. Limitations on payment for physicians' services furnished by high-cost hospital medical staffs.
- Sec. 12406. Reduction in update for inpatient hospital services.
- Sec. 12407. Establishment of cumulative expenditure goals for physician services.
- Sec. 12408. Extension of freeze on updates to routine service costs of skilled nursing facilities.
- Sec. 12409. Reduction in routine cost limits for home health services.
- Sec. 12410. Elimination of formula-driven overpayments for certain outpatient hospital services.

TITLE XIII—INCOME SECURITY

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- Sec. 13001. Elimination of Department of Housing and Urban Development.

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- Sec. 13101. Elimination of operating subsidies for vacant public housing.
- Sec. 13102. Increase of tenant contributions.
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Subtitle C—Supplemental Security Income Reforms

- Sec. 13201. More timely reporting of admissions of SSI recipients to nursing homes; \$30 limit on SSI benefits for recipients in nursing homes if medicaid pays most of their care costs.
- Sec. 13202. Reduced unearned income exclusion under the supplemental security income program.
- Sec. 13203. Recovery of SSI overpayments from social security benefits.

Subtitle D—Civil Service Reforms

- Sec. 13301. Increase in retirement age under FERS to 65.
- Sec. 13302. Deferral until age 62 of cost-of-living adjustments for military retirees who first entered military service on or after January 1, 1996.
- Sec. 13303. Provision relating to government contributions to the Thrift Savings Plan.

Subtitle E—Assistance Program Reforms

- Sec. 13401. Low-income home energy assistance.
- Sec. 13402. Additional requirements for unemployment benefits.
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- Sec. 13404. Increase in variable rate premium charged by the pension benefit guaranty corporation to single-employer plans.

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- Sec. 14100. Sense of the Congress.
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- Sec. 14201. Establishment of program.
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Sec. 14204. Effective date.
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- Sec. 14301. Amendments to the Child Care and Development Block Grant Act of 1990.
Sec. 14302. Repeal of child care assistance authorized by Acts other than the Social Security Act.

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- Sec. 14321. Amendment to Child Nutrition Act of 1966.

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- Sec. 14341. Amendment to National School Lunch Act.

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- Sec. 14361. Repealers.

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Sec. 14382. Data on program participation and outcomes.

CHAPTER 5—GENERAL EFFECTIVE DATE; PRESERVATION OF ACTIONS,
OBLIGATIONS, AND RIGHTS

- Sec. 14391. Effective date.
- Sec. 14392. Application of amendments and repealers.

Subtitle D—Restricting Welfare and Public Benefits for Aliens

- Sec. 14400. Statements of national policy concerning welfare and immigration.

CHAPTER 1—ELIGIBILITY FOR FEDERAL BENEFITS PROGRAMS

- Sec. 14401. Ineligibility of illegal aliens for certain public benefits programs.
- Sec. 14402. Ineligibility of nonimmigrants for certain public benefits programs.
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CHAPTER 2—ELIGIBILITY FOR STATE AND LOCAL PUBLIC BENEFITS
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- Sec. 14411. Ineligibility of illegal aliens for State and local public benefits programs.
- Sec. 14412. Ineligibility of nonimmigrants for State and local public benefits programs.
- Sec. 14413. State authority to limit eligibility of immigrants for State and local means-tested public benefits programs.

CHAPTER 3—ATTRIBUTION OF INCOME AND AFFIDAVITS OF SUPPORT

- Sec. 14421. Attribution of sponsor's income and resources to family-sponsored immigrants.
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- Sec. 14431. Definitions.
- Sec. 14432. Construction.

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- Sec. 14441. Conforming amendments relating to assisted housing.

Subtitle E—Food Stamp Reform and Commodity Distribution

- Sec. 14501. Short title.

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- Sec. 14511. Short title.
- Sec. 14512. Availability of commodities.
- Sec. 14513. State, local and private supplementation of commodities.
- Sec. 14514. State plan.
- Sec. 14515. Allocation of commodities to States.
- Sec. 14516. Priority system for State distribution of commodities.
- Sec. 14517. Initial processing costs.
- Sec. 14518. Assurances; anticipated use.
- Sec. 14519. Authorization of appropriations.
- Sec. 14520. Commodity supplemental food program.

- Sec. 14521. Commodities not income.
- Sec. 14522. Prohibition against certain State charges.
- Sec. 14523. Definitions.
- Sec. 14524. Regulations.
- Sec. 14525. Finality of determinations.
- Sec. 14526. Sale of commodities prohibited.
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CHAPTER 2—CONSOLIDATING FOOD ASSISTANCE PROGRAMS

- Sec. 14541. Food stamp block grant program.
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CHAPTER 3—EFFECTIVE DATES AND MISCELLANEOUS PROVISIONS

- Sec. 14591. Effective date; application of repealer.
- Sec. 14592. Sense of the Congress.
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Subtitle F—Supplemental Security Income

- Sec. 14601. Denial of supplemental security income benefits by reason of disability to drug addicts and alcoholics.
- Sec. 14602. Supplemental security income benefits for disabled children.
- Sec. 14603. Examination of mental listings used to determine eligibility of children for SSI benefits by reason of disability.
- Sec. 14604. Limitation on payments to Puerto Rico, the Virgin Islands, and Guam under programs of aid to the aged, blind, or disabled.
- Sec. 14605. Repeal of maintenance of effort requirements applicable to optional State programs for supplementation of SSI benefits.
- Sec. 14606. Denial of SSI benefits for 10 years to individuals found to have fraudulently misrepresented residence in order to obtain benefits simultaneously in 2 or more States.
- Sec. 14607. Denial of SSI benefits for fugitive felons and probation and parole violators.
- Sec. 14608. Reapplication requirements for adults receiving SSI benefits by reason of disability.
- Sec. 14609. Striking of restrictions regarding determination of ineligibility.
- Sec. 14610. Narrowing of SSI eligibility on basis of mental impairments.

Subtitle G—Child Support

- Sec. 14700. References.

CHAPTER 1—ELIGIBILITY FOR SERVICES; DISTRIBUTION OF PAYMENTS

- Sec. 14701. State obligation to provide child support enforcement services.
- Sec. 14702. Distribution of child support collections.
- Sec. 14703. Privacy safeguards.

CHAPTER 2—LOCATE AND CASE TRACKING

- Sec. 14711. State case registry.
- Sec. 14712. Collection and disbursement of support payments.
- Sec. 14713. State directory of new hires.

- Sec. 14714. Amendments concerning income withholding.
- Sec. 14715. Locator information from interstate networks.
- Sec. 14716. Expansion of the Federal parent locator service.
- Sec. 14717. Collection and use of social security numbers for use in child support enforcement.

CHAPTER 3—STREAMLINING AND UNIFORMITY OF PROCEDURES

- Sec. 14721. Adoption of uniform State laws.
- Sec. 14722. Improvements to full faith and credit for child support orders.
- Sec. 14723. Administrative enforcement in interstate cases.
- Sec. 14724. Use of forms in interstate enforcement.
- Sec. 14725. State laws providing expedited procedures.

CHAPTER 4—PATERNITY ESTABLISHMENT

- Sec. 14731. State laws concerning paternity establishment.
- Sec. 14732. Outreach for voluntary paternity establishment.
- Sec. 14733. Cooperation by applicants for and recipients of temporary family assistance.

CHAPTER 5—PROGRAM ADMINISTRATION AND FUNDING

- Sec. 14741. Federal matching payments.
- Sec. 14742. Performance-based incentives and penalties.
- Sec. 14743. Federal and State reviews and audits.
- Sec. 14744. Required reporting procedures.
- Sec. 14745. Automated data processing requirements.
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CHAPTER 6—ESTABLISHMENT AND MODIFICATION OF SUPPORT ORDERS

- Sec. 14751. Simplified process for review and adjustment of child support orders.
- Sec. 14752. Furnishing consumer reports for certain purposes relating to child support.

CHAPTER 7—ENFORCEMENT OF SUPPORT ORDERS

- Sec. 14761. Federal income tax refund offset.
- Sec. 14762. Authority to collect support from Federal employees.
- Sec. 14763. Enforcement of child support obligations of members of the Armed Forces.
- Sec. 14764. Voiding of fraudulent transfers.
- Sec. 14765. Sense of the Congress that States should suspend drivers', business, and occupational licenses of persons owing past-due child support.
- Sec. 14766. Work requirement for persons owing past-due child support.
- Sec. 14767. Definition of support order.
- Sec. 14768. Liens.
- Sec. 14769. State law authorizing suspension of licenses.

CHAPTER 8—MEDICAL SUPPORT

- Sec. 14771. Technical correction to ERISA definition of medical child support order.

CHAPTER 9—ENHANCING RESPONSIBILITY AND OPPORTUNITY FOR NON-RESIDENTIAL PARENTS

Sec. 14781. Grants to States for access and visitation programs.

CHAPTER 10—EFFECT OF ENACTMENT

Sec. 14791. Effective dates.

CHAPTER 11—MISCELLANEOUS PROVISIONS

Sec. 14801. Scoring.

Sec. 14802. Provisions to encourage electronic benefit transfer systems.

TITLE XV—VETERANS' BENEFITS AND SERVICES

Subtitle A—Administrative Reforms

Sec. 15001. Reduction in overhead expenses of Department of Veterans Affairs.

Subtitle B—Extension of Certain Veterans Programs

Sec. 15011. Permanent extension of authority for copayment charge for medications.

Sec. 15012. Permanent extension of authority for medical care cost recovery.

Sec. 15013. Permanent extension of authority for income verification procedures.

Sec. 15014. Permanent extension of authority for procedures applicable to liquidation sales on defaulted home loans.

Subtitle C—Home Loan Guarantee Program Reforms

Sec. 15021. Restriction on use of multiple VA housing loan guaranty benefits.

Sec. 15022. Extensions of certain authorities relating to housing loans.

Subtitle D—Medical Program Reforms

Sec. 15031. More efficient management and delivery of veterans health care.

Sec. 15032. Closure and conversion of inefficient or underused facilities in veterans' hospitals.

Sec. 15033. Reduction in expenditures for major construction.

Subtitle E—Other Veterans Programs Reforms

Sec. 15041. Elimination of certain sunset dates.

Sec. 15042. Third-party reimbursement.

TITLE XVI—ADMINISTRATION OF JUSTICE

Subtitle A—Authorization of Appropriations

CHAPTER 1—DEPARTMENT OF JUSTICE

Sec. 16001. Authorization of appropriations for the Department of Justice.

Sec. 16002. Reduction in overhead expenses of Department of Justice.

CHAPTER 2—OTHER LAW ENFORCEMENT ENTITIES

Sec. 16011. Authorization of appropriations for the United States Customs Service.

- Sec. 16012. Authorization of appropriations for the United States Secret Service.
- Sec. 16013. Authorization of appropriations for the Bureau of Alcohol, Tobacco and Firearms.
- Sec. 16014. Authorization of appropriations for defender services.

CHAPTER 3—ADMINISTRATIVE REFORMS

- Sec. 16021. Improvement of U.S. Marshals Service.

Subtitle B—Prison Reforms

- Sec. 16201. Privatization of correctional institutions.
- Sec. 16202. Payment of public safety officers.

Subtitle C—Justice Assistance Program Reforms

- Sec. 16301. Legal Services Corporation.
- Sec. 16302. Surcharge on debts collected by the United States.
- Sec. 16303. Terminate Bureau of Justice Assistance.
- Sec. 16304. Terminate State Justice Institute.

Subtitle D—Federal Bureau of Investigation Reforms

- Sec. 16401. Rescission of funds for FBI fingerprint laboratory in West Virginia.

Subtitle E—Other Justice Program Reforms

- Sec. 16501. Authorization of appropriations for the Equal Employment Opportunity Commission.
- Sec. 16502. Harbor maintenance fees.

TITLE XVII—GENERAL GOVERNMENT

Subtitle A—Administrative Reforms

- Sec. 17001. Reduction in overhead expenses of certain foreign operations activities.
- Sec. 17002. Reduction in overhead expenses of Department of the Treasury.
- Sec. 17003. Reduction in overhead expenses of Office of Personnel Management.
- Sec. 17004. Reduction in overhead expenses of other independent agencies.
- Sec. 17005. Termination of Advisory Commission on Intergovernmental Relations.
- Sec. 17006. Administrative Conference of the United States.
- Sec. 17007. Termination of miscellaneous advisory committees.
- Sec. 17008. Termination of Federal information centers.

Subtitle B—Legislative Branch Reductions

- Sec. 17101. Reduction in overhead expenses of Executive Office of the President.
- Sec. 17102. Formula for determining official mail allowance.
- Sec. 17103. Transfer of certain funds prohibited.
- Sec. 17104. Temporary suspension of automatic pay adjustments for Members of Congress.

Subtitle C—Executive Branch Reductions

- Sec. 17201. Reduction in overhead expenses of Executive Office of the President.
- Sec. 17202. SES annual leave accumulation.
- Sec. 17203. Limitation relating to political appointees.

Subtitle D—Specific Program Reforms

- Sec. 17301. Decrease in Presidential Election Campaign Fund check-off.
- Sec. 17302. Moratorium on construction and acquisition of new Federal buildings.
- Sec. 17303. Termination of annual direct assistance to Northern Mariana Islands.
- Sec. 17304. Government information dissemination and printing improvement.
- Sec. 17305. Repeal of transitional appropriations authorization for the post office.

1 **SEC. 2. EFFECTIVE DATE.**

2 Except as otherwise provided, this Act, and the
3 amendments made by this Act, shall take effect on Octo-
4 ber 1, 1995.

5 **TITLE I—NATIONAL DEFENSE**

6 **Subtitle A—Restore Defense**

7 **Spending**

8 **SEC. 1001. CONFORMANCE WITH BOTTOM UP REVIEW.**

9 It is the intent of Congress that funding within the
10 national defense budget function for military readiness
11 programs, quality-of-life programs, and force moderniza-
12 tion programs be increased over the level proposed in the
13 most recent future-years defense plan of the Department
14 of Defense by \$60,000,000,000, of which—

15 (1) \$37,000,000,000 shall be derived by in-
16 creasing the total amount for the national defense
17 budget function for fiscal years 1996 through 2000
18 (\$25,000,000,000 of which has already been pro-

1 posed by the President in defense budget adjust-
2 ments announced in November 1995); and

3 (2) \$23,000,000,000 shall be derived as an off-
4 set from the reductions in defense programs pro-
5 vided in the other provisions of this title.

6 **Subtitle B—Rescission of Funding**
7 **for Programs Not Requested by**
8 **the Department of Defense**

9 **SEC. 1111. RESCISSION OF FUNDS FOR GENERAL PURPOSE**

10 **BOMB PROGRAM.**

11 Of the funds made available to the Department of
12 Defense in appropriation Acts for fiscal year 1995 and
13 prior fiscal years, the unobligated balance on the date of
14 the enactment of this Act of the funds provided for the
15 general purpose bomb program is rescinded.

16 **SEC. 1112. RESCISSION OF FUNDS FOR C-12F AIRCRAFT**

17 **PROGRAM.**

18 Of the funds made available to the Department of
19 Defense in appropriation Acts for fiscal year 1995 and
20 prior fiscal years, the unobligated balance on the date of
21 the enactment of this Act of the funds provided for the
22 C-12F aircraft program is rescinded.

1 **SEC. 1113. RESCISSION OF FUNDS FOR P-3 UPGRADE PRO-**
2 **GRAM.**

3 Of the funds made available to the Department of
4 Defense in appropriation Acts for fiscal year 1995 and
5 prior fiscal years, the unobligated balance on the date of
6 the enactment of this Act of the funds provided for the
7 P-3 upgrade program is rescinded.

8 **Subtitle C—Limitations on Fund-**
9 **ing for Certain Programs for**
10 **Fiscal Year 1996**

11 **SEC. 1211. ENVIRONMENTAL DEFENSE FUND.**

12 The amount appropriated for fiscal year 1996 for en-
13 vironmental defense programs for the Department of De-
14 fense may not exceed 50 percent of the amount appro-
15 priated for such programs for fiscal year 1995.

16 **SEC. 1212. FORMER SOVIET UNION THREAT REDUCTION.**

17 The amount appropriated for fiscal year 1996 for the
18 Department of Defense for cooperative threat reduction
19 programs with states of the former Soviet Union may not
20 exceed 50 percent of the amount appropriated for such
21 programs for fiscal year 1995.

1 **Subtitle D—Department of Defense**
2 **Administrative Reforms**

3 **SEC. 1311. MILITARY SEVERANCE PAY.**

4 (a) CHANGE IN PAYMENT FORMULA.—Paragraph (1)
5 of section 1174 of title 10, United States Code, is amend-
6 ed—

7 (1) by striking out paragraph (1) of subsection
8 (d) and inserting in lieu thereof the following:

9 “(1) the product of (A) the member’s years of
10 active service, and (B) the amount equal to 12 times
11 the member’s basic military compensation at the
12 time of the member’s discharge or release from ac-
13 tive duty, divided by 52; or”; and

14 (2) by adding at the end the following new sub-
15 section:

16 “(j) BASIC MILITARY COMPENSATION.—In this sec-
17 tion, the term ‘basic military compensation’ means the
18 sum of the following elements of compensation for a mem-
19 ber of the uniformed services:

20 “(1) Monthly basic pay payable to the member
21 based upon the member’s pay grade and years of
22 service.

23 “(2) Monthly basic allowance for quarters appli-
24 cable to the member’s pay grade and dependent
25 status.

1 “(3) Monthly basic allowance for subsistence
2 applicable to the member’s pay grade and dependent
3 status.”.

4 (b) EFFECTIVE DATE.—The amendments made by
5 subsection (a) shall apply with respect to persons who be-
6 come entitled to separation pay under section 1174 of title
7 10, United States Code, on or after the date of the enact-
8 ment of this Act.

9 **SEC. 1312. RESTRICTION ON ELIGIBILITY FOR AVIATION**
10 **CAREER INCENTIVE PAY.**

11 (a) ELIMINATION OF CONTINUOUS MONTHLY INCEN-
12 TIVE PAY.—Section 301a of title 37, United States Code,
13 is amended—

14 (1) in subsection (a)—

15 (A) by striking paragraphs (3), (4), and
16 (5); and

17 (B) by redesignating paragraph (6) as
18 paragraph (3); and

19 (2) by striking subsection (f).

20 (b) APPLICATION OF AMENDMENTS.—The amend-
21 ments made by this section shall apply beginning with the
22 first day of the first month after the date of the enactment
23 of this Act.

1 **SEC. 1313. CANCELLATION OF LEARNING RESOURCE CEN-**
2 **TER PROGRAM.**

3 Effective October 1, 1995, the Secretary of Defense
4 shall cancel the learning resource center program of the
5 Department of Defense relating to federally funded train-
6 ing for military personnel and civilian employees of the
7 Department.

8 **Subtitle E—Department of Defense**
9 **Program Reforms**

10 **SEC. 1411. INTELLIGENCE COMMUNITY REORGANIZATION**
11 **AND PERSONNEL REDUCTION.**

12 (a) INTELLIGENCE COMMUNITY REORGANIZATION.—
13 The President shall reorganize the United States Intel-
14 ligence Community to reduce redundancy and overlapping
15 jurisdiction of intelligence components and to centralize
16 (to the extent determined appropriate by the President)
17 responsibility and authority for intelligence activities.

18 (b) PERSONNEL REDUCTIONS.—(1) In implementing
19 the reorganization required by subsection (a), the Presi-
20 dent shall, for each of fiscal years 1996 through 2000,
21 reduce the total number of military and civilian personnel
22 employed by, or assigned or detailed to, elements of the
23 Intelligence Community by not less than 4 percent of the
24 baseline number specified in paragraph (2). The President
25 shall direct how such reductions are to be allocated among
26 the elements of the Intelligence Community.

1 (2) For purposes of paragraph (1), the baseline num-
2 ber is the total number of military and civilian personnel
3 employed by, or assigned or detailed to, elements of the
4 Intelligence Community as of September 30, 1995.

5 (3) Reductions in personnel carried out pursuant to
6 this subsection for any fiscal year may also be counted
7 for that fiscal year for purposes of section 907(b) of Public
8 Law 101-510 (104 Stat. 1622).

9 (4) Functions and personnel may not be reassigned
10 in order to avoid, or reduce the effect of, the reductions
11 required by this subsection. Reductions pursuant to this
12 section in the number of members of the Armed Forces,
13 or the number of civilian personnel, in the Intelligence
14 Community shall be matched with corresponding reduc-
15 tions in the overall number of members of the Armed
16 Forces or of civilian employees of the Government, as the
17 case may be.

18 (c) INTELLIGENCE COMMUNITY DEFINED.—For pur-
19 poses of this section, the Intelligence Community consists
20 of those agencies (and elements of agencies) performing
21 intelligence and intelligence-related activities for which
22 funds were authorized to be appropriated in Public Law
23 103-359.

1 **SEC. 1412. LIMITATION ON PROCUREMENT OF SEAWOLF**
 2 **SUBMARINE PROGRAM.**

3 The Secretary of the Navy may not procure more
 4 than one Seawolf (SSN-21) attack submarine. Any funds
 5 appropriated before the date of the enactment of this Act
 6 and available for procurement of a second or third Seawolf
 7 submarine shall be available only for required contract ter-
 8 mination costs (if any).

9 **SEC. 1413. REQUIRED DISPOSAL OF EXCESS AND OBSOLETE**
 10 **MATERIALS IN NATIONAL DEFENSE STOCK-**
 11 **PILE.**

12 (a) DISPOSAL REQUIRED.—Except as provided in
 13 subsection (b), in order to reduce the quantities of mate-
 14 rials in the National Defense Stockpile that are obsolete
 15 for military purposes or in excess supply in the stockpile,
 16 the President shall dispose of materials in the stockpile
 17 in the quantities set forth in the following table:

Required Stockpile Disposals

Obsolete or excess material for disposal	Unit	Quantity
Aluminum Metal	ST	2,082
Aluminum Oxide, Abrasive Grain	ST	50,904
Aluminum Oxide, Abrasive Grain, NSG	ST	118
Aluminum Oxide, Fused Crude	ST	249,867
Analgesics	ama LB	68,703
Antimony	ST	36,011
Antimony, NSG	ST	7
Asbestos, Amosite	ST	34,005
Asbestos, Amosite, NSG	ST	1
Asbestos, Chrysotile	ST	9,787
Asbestos, Chrysotile, NSG	ST	916
Bauxite, Metal Grade, Jamaica & Surinam	LDT	17,757,337
Bauxite, Refractory	LCT	207,067
Beryl Ore	ST	17,729
Beryllium Copper Master Alloy	ST	7,387
Bismuth	LB	1,825,955
Cadmium	LB	6,328,570
Chromite, Chemical & Met. Grade Ore	SDT	1,551,262
Chromite, Chem. & Met. Grade Ore, NSG	SDT	217,441

Required Stockpile Disposals—Continued

Obsolete or excess material for disposal	Unit	Quantity
Chromite, Refractory Grade Ore	SDT	232,414
Chromium, Ferro	ST	475,526
Chromium, Ferro, NSG	ST	18,990
Cobalt	LBCO	12,741,489
Columbium Group, NSG	LB Cb	1,201,725
Copper	ST	29,047
Copper, NSG	ST	604
Diamonds, Industrial, Dies, Small	KT	12,737
Fluorspar, Acid Grade	SDT	892,856
Fluorspar, Acid Grade, NSG	SDT	899
Fluorspar, Metallurgical Grade, NSG	SDT	100,822
Germanium	KG	715
Graphite, Natural, Ceylon, Amorphous Lump, NSG	ST	53
Graphite, Natural, Malagasy, Crystalline	ST	17,217
Graphite, Natural, Malagasy, Crystalline, NSG	ST	9
Graphite, Natural, Other than Ceylon & Malagasy	ST	1,933
Graphite, Natural, Other, NSG	ST	870
Industrial Diamond Bort	KT	14,020,961
Industrial Diamond Stones	KT	4,777,225
Iodine	LB	6,054,564
Iodine, NSG	LB	1,342
Jewel bearings, NSG	PC	51,778,337
Lead	ST	601,043
Lead, NSG	ST	10
Manganese Ore, Chem. & Met. Grades	SDT	1,853,453
Manganese Ore, Chem. & Met. Grades, NSG	SDT	882,969
Manganese, Battery Grade, Natural Ore	SDT	169,511
Manganese, Battery Grade, Natural Ore, NSG	SDT	19,425
Manganese, Battery Grade, Synthetic Dioxide	SDT	3,011
Manganese, Ferro	ST	786,228
Manganese, Metal, Electrolytic	ST	14,172
Mercury	FL	156,853
Mercury, NSG	FL	3
Mica, Muscovite Film, 1st & 2nd Qualities	LB	1,155,698
Mica, Muscovite Film, 1st & 2nd Qualities, NSG .	LB	640
Mica, Muscovite Splittings	LB	14,355,260
Mica, Muscovite, Block, Stained & Better	LB	4,699,701
Mica, Muscovite, Block, Stained & Better, NSG ...	LB	206,730
Mica, Phlogopite Block, NSG	LB	114,027
Mica, Phlogopite Splittings	LB	1,486,596
Nickel	ST	37,214
Platinum Group Metals, Iridium	Tr Oz	15,136
Platinum Group Metals, Palladium	Tr Oz	1,262,387
Platinum Group Metals, Palladium, NSG	Tr Oz	2,214
Platinum Group Metals, Platinum	Tr Oz	199,247
Platinum Group Metals, Platinum, NSG	Tr Oz	13,043
Quinidine	Av Oz	2,471,359
Quinidine, NSG	Av Oz	1,691
Quinine	Av Oz	2,770,115
Quinine, NSG	Av Oz	475,950
Rutile	ST	39,130
Rutile, NSG	ST	56
Sapphire & Ruby	KT	16,305,502
Sebacic Acid	LB	5,009,697
Silicon Carbide	ST	45,080
Silver	Tr Oz	83,951,492
Talc	ST	1,081
Tantalum Group, NSG	LB Ta	1,152,259
Thorium Nitrate	LB	7,097,687
Tin	MT	165,780
Titanium Sponge, NSG	ST	10,866
Tungsten Group	LB W	27,530,759

Required Stockpile Disposals—Continued

Obsolete or excess material for disposal	Unit	Quantity
Tungsten Group, NSG	LB W	23,805,427
Vanadium Group	STV	721
Vegetable Tannin, Chestnut	LT	11,692
Vegetable Tannin, Quebracho	LT	121,642
Vegetable Tannin, Wattle	LT	14,997
Vegetable Tannin, Wattle, NSG	LT	1
Zinc	ST	378,768

1 (b) EXCEPTION TO DISPOSAL REQUIREMENTS.—
2 Subsection (a) shall not apply with respect to the disposal
3 of a material set forth in the table in that subsection if
4 the President determines after the date of the enactment
5 of this Act that the material is once again needed for the
6 stockpile.

7 (c) SPECIAL RULE FOR SILVER.—The disposal of sil-
8 ver under subsection (a) may only occur in the form of
9 coins.

10 (d) TEN-YEAR PERIOD FOR DISPOSAL.—The Presi-
11 dent shall complete the disposals of materials required by
12 subsection (a) not later than September 30, 2005.

13 (e) EXISTING DISPOSAL PROCEDURES.—The dis-
14 posal of materials under subsection (a) shall be carried
15 out in the manner provided in section 6 of the Strategic
16 and Critical Materials Stock Piling Act (50 U.S.C.
17 98e(b)), including the requirement to avoid undue disrupt-
18 tion of the usual markets of producers, processors, and
19 consumers of such materials.

20 (f) USE OF BARTER AUTHORIZED.—The President
21 is authorized to enter into barter arrangements to dispose

1 of materials required to be disposed of under subsection
2 (a) in order to acquire strategic and critical materials re-
3 quired for the stockpile or to upgrade other strategic and
4 critical materials in the stockpile.

5 (g) DEPOSIT OF PROCEEDS FROM SALES.—All mon-
6 eys received from the sale of materials required to be dis-
7 posed of under subsection (a) shall be deposited in the
8 general fund of the Treasury for the purpose of reducing
9 the Federal budget deficit.

10 (h) EFFECT ON PREVIOUS DISPOSAL AUTHORI-
11 TIES.—All authorities of the President or the National
12 Defense Stockpile Manager in effect on the day before the
13 date of the enactment of this Act regarding the disposal
14 of specific quantities of materials in the stockpile are here-
15 by terminated. The following provisions of law are hereby
16 repealed:

17 (1) Section 3301(a) of the National Defense
18 Authorization Act for Fiscal Year 1994 (Public Law
19 103–160; 50 U.S.C. 98d note).

20 (2) Section 3302(a) of the National Defense
21 Authorization Act for Fiscal Year 1993 (Public Law
22 102–484; 50 U.S.C. 98d note).

23 (3) Section 3301 of the National Defense Au-
24 thorization Act for Fiscal Years 1992 and 1993
25 (Public Law 102-190; 50 U.S.C. 98d note).

1 (i) DEFINITIONS.—For purposes of this section:

2 (1) The terms “National Defense Stockpile”
3 and “stockpile” mean the stockpile provided for in
4 section 4 of the Strategic and Critical Materials
5 Stock Piling Act (50 U.S.C. 98c).

6 (2) The term “NSG”, with regard to a material
7 specified in the table in subsection (a), means non-
8 specification grade material.

9 **TITLE II—INTERNATIONAL**
10 **AFFAIRS**

11 **Subtitle A—Reduce Multilateral**
12 **Development Bank Credit As-**
13 **sistance**

14 **SEC. 2001. REDUCTION OF CREDIT ASSISTANCE BY THE EX-**
15 **PORT-IMPORT BANK OF THE UNITED STATES.**

16 Section 6 of the Export-Import Bank Act of 1945
17 (12 U.S.C. 635e) is amended by adding at the end the
18 following:

19 “(c) LIMITATIONS ON AUTHORIZATION OF APPRO-
20 PRIATIONS.—For all costs authorized to be incurred under
21 this Act, there are authorized to be appropriated not to
22 exceed \$415,000,000 for each of fiscal years 1996 through
23 2000.”.

1 **SEC. 2002. TERMINATION OF CAPITAL CONTRIBUTIONS TO**
2 **CERTAIN MULTILATERAL DEVELOPMENT IN-**
3 **STITUTIONS.**

4 Notwithstanding any other provision of law, funds of
5 the United States shall not be provided, directly or indi-
6 rectly, to the International Bank for Reconstruction and
7 Development, the Asian Development Bank, the African
8 Development Bank, the International Finance Corpora-
9 tion, the European Bank for Reconstruction and Develop-
10 ment, the Inter-American Development Bank, or the Afri-
11 can Development Fund.

12 **SEC. 2003. DEOBLIGATION OF CERTAIN UNEXPENDED FOR-**
13 **EIGN ECONOMIC ASSISTANCE FUNDS.**

14 (a) REQUIREMENT TO DEOBLIGATE.—Except as
15 provided in subsection (b) and in the second and third sen-
16 tences of section 617 of the Foreign Assistance Act of
17 1961 (22 U.S.C. 2367), at the beginning of each fiscal
18 year the President shall deobligate, and return to the
19 Treasury, any foreign economic assistance funds that, as
20 of the end of the preceding fiscal year, have been obligated
21 for a period of more than 3 years but have not been ex-
22 pended.

23 (b) EXCEPTIONS.—The President, on a case-by-case
24 basis, may waive the requirement of subsection (a) if the
25 President determines, and reports to the appropriate con-
26 gressional committees, that—

1 (1) the funds are being used for a construction
2 project that requires more than 3 years to complete;
3 or

4 (2) the funds have not been expended because
5 of unforeseen circumstances, and those cir-
6 cumstances could not have been reasonably foreseen.

7 (c) COMMENTS BY AID INSPECTOR GENERAL ON
8 WAIVERS.—As soon as possible after submission of a re-
9 port pursuant to subsection (b), the Inspector General of
10 the United States Agency for International Development
11 shall submit to the appropriate congressional committees
12 such comments as the Inspector General considers appro-
13 priate with regard to the determination described in that
14 report.

15 (d) DEFINITIONS.—For purposes of this section, the
16 following definitions apply:

17 (1) APPROPRIATE CONGRESSIONAL COMMIT-
18 TEES.—The term “appropriate congressional com-
19 mittees” means the Committee on Foreign Affairs
20 and the Committee on Appropriations of the House
21 of Representatives and the Committee on Foreign
22 Relations and the Committee on Appropriations of
23 the Senate.

24 (2) ECONOMIC ASSISTANCE.—The term “eco-
25 nomic assistance” means—

1 (A) assistance under chapter 1 of part I of
2 the Foreign Assistance Act of 1961 (relating to
3 development assistance) (22 U.S.C. 2151 et
4 seq.), chapter 10 of part I of that Act (relating
5 to the Development Fund for Africa) (22
6 U.S.C. 2293 et seq.), chapter 11 of part I of
7 that Act (relating to assistance for the inde-
8 pendent states of the former Soviet Union) (22
9 U.S.C. 2295 et seq.), or chapter 4 of part II of
10 that Act (relating to the economic support
11 fund) (22 U.S.C. 2346 et seq.);

12 (B) assistance under the “Multilateral As-
13 sistance Initiative for the Philippines”; and

14 (C) assistance under the Support for East
15 European Democracy (SEED) Act of 1989 (22
16 U.S.C. 5401 et seq.).

17 **SEC. 2004. REDUCTION IN CONTRIBUTION TO INTER-**
18 **NATIONAL DEVELOPMENT ASSOCIATION.**

19 For each of the fiscal years 1996 through 2000, out-
20 lays under the “International Development Association”
21 account under the International Development Association
22 Act (22 U.S.C. 284 et seq.) for United States contribu-
23 tions to the International Development Association may
24 not exceed \$975,000,000.

1 **SEC. 2005. REDUCTION OF ECONOMIC SUPPORT FUND AS-**
2 **SISTANCE.**

3 For fiscal years 1996 through 2000, outlays under
4 the “Economic Support Fund” account under chapter 4
5 of part II of the Foreign Assistance Act of 1961 may not
6 exceed the following amounts:

7 (1) FISCAL YEAR 1996.—For fiscal year 1996,
8 outlays shall be at least 10 percent less than outlays
9 for fiscal year 1995.

10 (2) FISCAL YEAR 1997.—For fiscal year 1997,
11 outlays shall be at least 20 percent less than outlays
12 for fiscal year 1995.

13 (3) FISCAL YEAR 1998.—For fiscal year 1998,
14 outlays shall be at least 30 percent less than outlays
15 for fiscal year 1995.

16 (4) FISCAL YEAR 1999.—For fiscal year 1999,
17 outlays shall be at least 40 percent less than outlays
18 for fiscal year 1995.

19 (5) FISCAL YEAR 2000.—For fiscal year 2000,
20 outlays shall be at least 50 percent less than outlays
21 for fiscal year 1995.

22 **SEC. 2006. REDUCTION OF BILATERAL DEVELOPMENT AS-**
23 **SISTANCE.**

24 For each of the fiscal years 1996 through 2000, out-
25 lays under the following provisions of law may not exceed
26 the following amounts:

1 (1) DEVELOPMENT ASSISTANCE FUND.—Out-
2 lays under sections 103 through 106 of the Foreign
3 Assistance Act of 1961 may not exceed
4 \$426,000,000.

5 (2) POPULATION, DEVELOPMENT ASSIST-
6 ANCE.—Outlays under section 104(b) of such Act
7 may not exceed \$225,000,000.

8 (3) DEVELOPMENT FUND FOR AFRICA.—Out-
9 lays under chapter 10 of part I of such Act may not
10 exceed \$401,000,000.

11 **SEC. 2007. LIMITATION ON UNITED STATES CONTRIBU-**
12 **TIONS TO THE UNITED NATIONS.**

13 Notwithstanding any other provision of law, the ag-
14 gregate amount of assessed and voluntary contributions
15 by the United States to the United Nations and its affili-
16 ated agencies for any calendar year after 1996 shall not
17 exceed an amount which bears the same ratio to the total
18 budget of the United Nations and its affiliated agencies
19 as the total population of the United States bears to the
20 total population of all the member states of the United
21 Nations.

1 **Subtitle B—Reduce Foreign Aid**
2 **Direct Assistance**

3 **SEC. 2101. REDUCTION IN ASSISTANCE FOR EASTERN EU-**
4 **ROPE AND THE BALTIC STATES.**

5 For each of the fiscal years 1996 through 2000, out-
6 lays under the “Assistance for Eastern Europe and the
7 Baltic States” account under the Foreign Assistance Act
8 of 1961 (22 U.S.C. 2151 et seq.) and the Support for East
9 European Democracy (SEED) Act of 1989 (22 U.S.C.
10 5401 et seq.) for economic assistance and related pro-
11 grams for Eastern Europe and the Baltic States may not
12 exceed \$359,000,000.

13 **SEC. 2102. PROHIBITION ON FOREIGN ASSISTANCE TO RUS-**
14 **SIA.**

15 (a) PROHIBITION.—

16 (1) IN GENERAL.—Foreign assistance may not
17 be obligated or expended for Russia for any fiscal
18 year unless the President certifies to the Congress
19 for such fiscal year the following:

20 (A) The President has received satisfactory
21 assurances from the Government of Russia,
22 which have been confirmed by the Director of
23 the Federal Bureau of Investigation, that the
24 intelligence activities of Russia in the United
25 States are confined to what is considered rou-

1 tine, non-adversarial information gathering
2 activities.

3 (B) Russia has begun, and is making con-
4 tinual progress toward, the unconditional imple-
5 mentation of the Russian-Moldovan troop with-
6 drawal agreement, signed by the prime min-
7 isters of Russia and Moldova on October 21,
8 1994.

9 (C) Russia is not providing military assist-
10 ance to any military forces in the Transdnistria
11 region of Moldova.

12 (D) Russian troops in the Kaliningrad re-
13 gion of Russia are respecting the sovereign ter-
14 ritory of Lithuania and other neighboring coun-
15 tries and such troops are not offensively pos-
16 tured against any other country.

17 (E) The activities of Russia in the other
18 independent states of the former Soviet Union
19 do not represent an attempt by Russia to vio-
20 late or otherwise diminish the sovereignty and
21 independence of such states.

22 (F) Russia is not providing military assist-
23 ance to any Bosnian Serb military units or
24 combatants or to the Government of the Fed-
25 eral Republic of Yugoslavia.

1 (G) The Government of Russia has ceased
2 the unilateral demarcation of the border be-
3 tween Russia and Estonia begun in 1994, is en-
4 gaged in dialogue with the Government of Esto-
5 nia to resolve this border dispute, and has dem-
6 onstrated a willingness to submit this issue to
7 international arbitration.

8 (H) Russia is not providing any intel-
9 ligence information to Cuba and is not provid-
10 ing any assistance to Cuba with respect to the
11 signal intelligence facility at Lourdes.

12 (I)(i) Russia is not providing to the coun-
13 tries described in clause (ii) goods or tech-
14 nology, including conventional weapons, which
15 could materially contribute to the acquisition by
16 these countries of chemical, biological, nuclear,
17 or destabilizing numbers and types of advanced
18 conventional weapons.

19 (ii) The countries described in this sub-
20 paragraph are Iran, Iraq, Syria, or any country,
21 the government of which the Secretary of State
22 has determined, for purposes of section 6(j)(1)
23 of the Export Administration Act of 1979 (50
24 U.S.C. app. 2405(6)(j)(1)), has repeatedly pro-

1 vided support for acts of international terror-
2 ism.

3 (J) Russia is in compliance with the Con-
4 vention on the Prohibition of the Development,
5 Production and Stockpiling of Bacteriological
6 (Biological) and Toxin Weapons and on Their
7 Destruction, signed at Washington, London,
8 and Moscow on April 10, 1972 (TIAS 8062).

9 (K) Russia is in compliance with the 1989
10 Wyoming Memorandum of Understanding relat-
11 ing to the restriction of chemical weapons.

12 (L) The Government of Russia is commit-
13 ted to reforming the Russian economy along
14 free-market lines, and is taking concrete steps
15 in this direction.

16 (2) CERTIFICATIONS FOR FISCAL YEARS 1995
17 AND 1996.—In addition to the requirements con-
18 tained in paragraph (1), with respect to each of the
19 fiscal years 1995 and 1996, foreign assistance may
20 not be obligated or expended for Russia unless the
21 President certifies to the Congress for each such fis-
22 cal year that the Government of Russia—

23 (A) has ceased its military offensive in
24 Chechnya and is committed to resolving the

1 problem of the status of Chechnya through ne-
2 gotiations; and

3 (B) has provided the President with a full
4 and accurate accounting of the espionage activi-
5 ties relating to the case of Aldrich Hazen Ames
6 of the Central Intelligence Agency and has re-
7 imbursed the United States Government for all
8 amounts paid by Russia to Rosario Ames since
9 her arrest in 1994.

10 (3) REPORT.—The President shall submit to
11 the Congress for each fiscal year a report containing
12 the certifications required by paragraph (1), and
13 with respect to each of the fiscal years 1995 and
14 1996, paragraphs (1) and (2). Such report shall be
15 submitted in unclassified and classified versions.

16 (b) ANNUAL REPORTS.—At the beginning of each fis-
17 cal year, the President and the Comptroller General of the
18 United States shall each submit to the Congress a report
19 containing the following:

20 (1) The amount of foreign assistance provided
21 to Russia for the preceding fiscal year, including—

22 (A) the name of each organization or en-
23 tity to which such assistance was provided;

24 (B) the purpose of such assistance; and

1 (C) an assessment of the effectiveness of
2 such assistance.

3 (2) A detailed accounting of the amount of for-
4 eign assistance appropriated for Russia which has
5 not been expended and the status of such assistance.

6 (3) An estimate of the total amount of capital
7 exported from Russia during the previous fiscal year
8 and an analysis of the reasons for the export of such
9 capital.

10 (c) REQUIREMENT TO OPPOSE ASSISTANCE TO RUS-
11 SIA FROM INTERNATIONAL FINANCIAL INSTITUTIONS.—
12 The President shall instruct the United States executive
13 director of each international financial institution to use
14 the voice and vote of the United States to oppose any as-
15 sistance from that financial institution to Russia unless
16 Russia is in compliance with the requirements contained
17 in subsection (a).

18 (d) DEFINITIONS.—For purposes of this section:

19 (1) FOREIGN ASSISTANCE.—The term “foreign
20 assistance” means assistance under the Foreign As-
21 sistance Act of 1961 (22 U.S.C. 2151 et seq.) or the
22 Freedom for Russia and Emerging Eurasian Democ-
23 racies and Open Markets Support Act of 1992 (22
24 U.S.C. 5801 et seq.), except that such term does not
25 include—

1 (A) humanitarian assistance;

2 (B) educational and cultural exchanges be-
3 tween the United States and Russia;

4 (C) assistance provided by the National
5 Endowment for Democracy; and

6 (D) assistance for the purpose of destroy-
7 ing nuclear weapons, chemical weapons, and
8 other weapons, and related assistance.

9 (2) GOODS OR TECHNOLOGY.—The term
10 “goods or technology” has the meaning given such
11 term in section 1608(3) of the Iran-Iraq Arms Non-
12 Proliferation Act of 1992 (50 U.S.C. 1701 note).

13 (3) INTERNATIONAL FINANCIAL INSTITU-
14 TION.—The term “international financial institu-
15 tion” means the European Bank for Reconstruction
16 and Development, the International Bank for Recon-
17 struction and Development, the International Devel-
18 opment Association, the International Financial Cor-
19 poration, or the International Monetary Fund.

20 (4) OTHER INDEPENDENT STATES OF THE
21 FORMER SOVIET UNION.—The term “other inde-
22 pendent states of the former Soviet Union” means
23 the following: Armenia, Azerbaijan, Belarus, Esto-
24 nia, Georgia, Kazakhstan, Kyrgyzstan, Latvia, Lith-

1 uania, Moldova, Tajikistan, Turkmenistan, Ukraine,
2 and Uzbekistan.

3 (e) EFFECTIVE DATE.—

4 (1) IN GENERAL.—Except as provided in para-
5 graph (2), this section shall apply only with respect
6 to fiscal years beginning on or after the date of the
7 enactment of this Act.

8 (2) EXCEPTIONS.—In the case of the fiscal year
9 in which this Act is enacted—

10 (A) the prohibition contained in para-
11 graphs (1) and (2) of subsection (a) shall apply
12 with respect to the obligation or expenditure of
13 foreign assistance on or after the date of the
14 enactment of this Act (including foreign assist-
15 ance which has been obligated but not expended
16 before the date of the enactment of this Act);
17 and

18 (B) the requirement contained in sub-
19 section (c) shall apply with respect to the provi-
20 sion of assistance by an international financial
21 institution on or after the date of the enact-
22 ment of this Act.

1 **Subtitle C—Reduce Humanitarian**
2 **Assistance Programs**

3 **SEC. 2201. AUTHORIZATION OF APPROPRIATIONS FOR EDU-**
4 **CATIONAL AND CULTURAL EXCHANGE PRO-**
5 **GRAMS.**

6 Notwithstanding any other provision of law, there are
7 authorized to be appropriated for “International Edu-
8 cational and Cultural Exchange Programs” \$202,166,000
9 for fiscal year 1996 and \$158,363,000 for each of the fis-
10 cal years 1997, 1998, 1999, and 2000.

11 **SEC. 2202. PEACE CORPS FUNDING.**

12 Not more than \$219,745,000 may be made available
13 to carry out the Peace Corps Act for each of fiscal years
14 1996, 1997, 1998, 1999, and 2000.

15 **SEC. 2203. ASSISTANCE FOR THE MIDDLE EAST.**

16 (a) ASSISTANCE FOR ISRAEL.—

17 (1) ECONOMIC SUPPORT FUND.—Of the
18 amounts made available for each of the fiscal years
19 1996 through 2000 for assistance under chapter 4
20 of part II of the Foreign Assistance Act of 1961 (22
21 U.S.C. 2346 et seq.) (relating to the economic sup-
22 port fund), not less than \$1,200,000,000 shall be
23 available only for Israel.

24 (2) FOREIGN MILITARY FINANCING.—Of the
25 amounts made available for each of the fiscal years

1 1996 through 2000 for assistance under the “For-
2 eign Military Financing Program” account under
3 section 23 of the Arms Export Control Act (22
4 U.S.C. 2763), not less than \$1,800,000,000 shall be
5 available only for Israel.

6 (b) ASSISTANCE FOR EGYPT.—

7 (1) ECONOMIC SUPPORT FUND.—Of the
8 amounts made available for each of the fiscal years
9 1996 through 2000 for assistance under chapter 4
10 of part II of the Foreign Assistance Act of 1961 (22
11 U.S.C. 2346 et seq.) (relating to the economic sup-
12 port fund), not less than \$817,000,000 shall be
13 available only for Egypt.

14 (2) FOREIGN MILITARY FINANCING.—Of the
15 amounts made available for each of the fiscal years
16 1996 through 2000 for assistance under the “For-
17 eign Military Financing Program” account under
18 section 23 of the Arms Export Control Act (22
19 U.S.C. 2763), not less than \$1,300,000,000 shall be
20 available only for Egypt.

21 **SEC. 2204. ELIMINATION OF PUBLIC LAW 480 TITLE I AND**

22 **TITLE III PROGRAMS.**

23 (a) CONGRESSIONAL SALES PROGRAM.—Title I of
24 the Agricultural Trade Development Assistance Act of
25 1954 (7 U.S.C. 1701–1705) is repealed.

1 (b) FOOD FOR DEVELOPMENT PROGRAM.—Title III
2 of that Act (7 U.S.C. 1727–1727e) is repealed.

3 (c) CONFORMING AMENDMENTS.—That Act is fur-
4 ther amended as follows:

5 (1) In section 2 by striking paragraphs (3) and
6 (4), by inserting “and” at the end of paragraph (2),
7 and by redesignating paragraph (5) as paragraph
8 (3).

9 (2) In section 401—

10 (A) in subsection (e)(2) by striking “sec-
11 tion 303 or”; and

12 (B) by repealing subsection (f).

13 (3) In section 403—

14 (A) in subsection (b) by striking “Sec-
15 retary or the Administrator, as appropriate,”
16 and inserting “Administrator”;

17 (B) in subsection (c)—

18 (i) by striking “Secretary or the Ad-
19 ministrator, as appropriate,” and inserting
20 “Administrator”; and

21 (ii) by striking “or purchased”;

22 (C) in subsection (d) by striking all that
23 follows “recipient countries” and inserting a pe-
24 riod;

1 (D) in subsection (e) by striking “sales
2 or”;

3 (E) in subsection (g) by striking “Sec-
4 retary or the Administrator, as appropriate,”
5 and inserting “Administrator”;

6 (F) in subsection (h) by striking “Sec-
7 retary or”;

8 (G) in subsection (i) by striking “Secretary
9 or the Administrator, as appropriate,” each
10 place it appears and inserting “Administrator”;
11 and

12 (H) in subsection (j)(1)—

13 (i) by striking “Secretary or the Ad-
14 ministrator, as appropriate,” and inserting
15 “Administrator”; and

16 (ii) by striking “, or to finance the
17 sale of agricultural commodities,”.

18 (4) In section 404—

19 (A) by repealing subsection (a) and redesi-
20 gnating subsections (b) through (d) as sub-
21 sections (a) through (c), respectively;

22 (B) in subsection (a), as so redesignated,
23 by striking paragraphs (2) and (3) and redesi-
24 gnating paragraphs (4) and (5) as paragraphs
25 (2) and (3), respectively;

1 (C) by striking “Secretary or the” each
2 place it appears; and

3 (D) by striking “, as appropriate,” each
4 place it appears.

5 (5) By repealing section 405.

6 (6) In section 407—

7 (A) by repealing subsection (a);

8 (B) by repealing subsection (b);

9 (C) in subsection (c)—

10 (i) by striking “(c) AGENTS.—” and
11 all that follows through “INTEREST.—” in
12 paragraph (4) and inserting “(a) AVOID-
13 ANCE OF CONFLICT OF INTEREST.—”, and
14 moving the remaining text 2 ems to the
15 left; and

16 (ii) by striking “this paragraph” and
17 inserting “this subsection”;

18 (D) in subsection (d)—

19 (i) by striking “(d) TITLE II AND III”
20 and inserting “(b) TITLE II”;

21 (ii) in paragraph (1) by striking “and
22 title III”; and

23 (iii) in paragraphs (2) and (3) by
24 striking “titles II and III” and inserting
25 “title II”;

1 (E) in subsection (e)—

2 (i) by striking “(e)” and inserting
3 “(c)”; and

4 (ii) by striking “Secretary or the Ad-
5 ministrator, as appropriate,” and inserting
6 “Administrator”; and

7 (F) by repealing subsection (f) and redesi-
8 gnating subsections (g) and (h) as subsections
9 (d) and (e), respectively;

10 (7) In section 408 by striking “finance sales or
11 to provide other” and inserting “provide”.

12 (8) By repealing section 410.

13 (9) In section 411 by repealing subsection (d)
14 and redesignating subsection (e) as subsection (d).

15 (10) In section 412—

16 (A) in subsection (a) by striking “out—”
17 and all that follows through “including” and in-
18 serting “out the emergency and private assist-
19 ance program under title II, including”; and

20 (B) by repealing subsections (b) and (c)
21 and by redesignating subsections (d) and (e) as
22 subsections (b) and (c), respectively.

23 (d) TRANSITION RULE.—Provisions of law repealed
24 by this subsection shall continue to apply with respect to
25 agreements entered into under title I or III of the Agricul-

1 tural Trade Development and Assistance Act of 1954 be-
2 fore the effective date of this section.

3 (e) EFFECTIVE DATE.—This section takes effect on
4 October 1, 1995.

5 **SEC. 2205. ABOLITION OF FOREIGN CLAIMS SETTLEMENT**
6 **COMMISSION.**

7 (a) ABOLITION.—The Foreign Claims Settlement
8 Commission of the United States is abolished.

9 (b) TRANSFER OF FUNCTIONS.—All functions of the
10 Foreign Claims Settlement Commission are transferred to
11 the Secretary of State.

12 (c) OTHER TRANSFERS.—Except as otherwise pro-
13 vided in this section, the assets, liabilities, contracts, prop-
14 erty, and records employed, held, used, arising from, avail-
15 able to, or to be made available in connection with the
16 functions transferred by this section, shall be transferred
17 to the Secretary of State for appropriate allocation. Any
18 unexpended balance of appropriations or other funds avail-
19 able to the Foreign Claims Settlement Commission before
20 the effective date of this section shall be deposited into
21 the Treasury.

22 (d) TERMINATION OF POSITIONS.—Each position in
23 the Foreign Claims Settlement Commission shall termi-
24 nate.

1 (e) INCIDENTAL TRANSFERS.—The Director of the
2 Office of Management and Budget shall provide for the
3 termination of the affairs of the Foreign Claims Settle-
4 ment Commission and for such further measures and dis-
5 positions as may be necessary to effectuate the purposes
6 of this section.

7 (f) SAVINGS PROVISIONS.—

8 (1) CONTINUITY OF LEGAL FORCE AND EF-
9 FECT.—All orders, determinations, rules, regula-
10 tions, permits, grants, contracts, certificates, li-
11 censes, and privileges—

12 (A) which have been issued, made, grant-
13 ed, or allowed to become effective by the For-
14 eign Claims Settlement Commission or official
15 thereof, or by a court of competent jurisdiction,
16 in the performance of functions which are
17 transferred under this section to the Secretary
18 of State, and

19 (B) which are in effect at the time this
20 section takes effect,

21 shall continue in effect according to their terms until
22 modified, terminated, superseded, set aside, or re-
23 voked by the Secretary of State, or other authorized
24 official, a court of competent jurisdiction, or by op-
25 eration of law.

1 (2) PENDING PROCEEDINGS.—(A) The provi-
2 sions of this section shall not affect any proceedings,
3 including notices of proposed rulemaking, pending
4 on the effective date of this section before the For-
5 eign Claims Settlement Commission. Such proceed-
6 ings shall be continued.

7 (B) Orders shall be issued in such proceedings,
8 appeals shall be taken therefrom, and payments
9 shall be made pursuant to such orders, as if this sec-
10 tion had not been enacted. Orders issued in any
11 such proceedings shall continue in effect until modi-
12 fied, terminated, superseded, or revoked by the Sec-
13 retary of State, by a court of competent jurisdiction,
14 or by operation of law.

15 (C) Nothing in this paragraph shall be deemed
16 to prohibit the discontinuance or modification of any
17 such proceeding under the same terms and condi-
18 tions and to the same extent that such proceeding
19 could have been discontinued or modified if this sec-
20 tion had not been enacted.

21 (D) The Secretary of State is authorized to pro-
22 mulgate regulations providing for the orderly trans-
23 fer to the Department of State of proceedings con-
24 tinued under this paragraph.

1 (3) NO EFFECT ON JUDICIAL PROCEEDINGS.—
2 Except as provided in paragraph (5)—

3 (A) the provisions of this section shall not
4 affect suits commenced before the effective date
5 of this section, and

6 (B) in all such suits, proceedings shall be
7 had, appeals taken, and judgments rendered in
8 the same manner and effect as if this section
9 had not been enacted.

10 (4) NONABATEMENT OF PROCEEDINGS.—No
11 suit, action, or other proceeding commenced by or
12 against any officer in the official capacity of such in-
13 dividual as an officer of the Foreign Claims Settle-
14 ment Commission shall abate by reason of the enact-
15 ment of this section. No cause of action by or
16 against the Foreign Claims Settlement Commission
17 or by or against any officer thereof in the official ca-
18 pacity of such officer shall abate by reason of the
19 enactment of this section.

20 (5) CONTINUATION OF PROCEEDING WITH SUB-
21 STITUTION OF PARTIES.—If, before the date on
22 which this section takes effect, the Foreign Claims
23 Settlement Commission, or officer thereof in the offi-
24 cial capacity of such officer, is a party to a suit,
25 then such suit shall be continued with the Secretary

1 of State or other appropriate official of the Depart-
2 ment of State substituted or added as a party.

3 (6) REVIEWABILITY OF ORDERS AND ACTIONS
4 UNDER TRANSFERRED FUNCTIONS.—Orders and ac-
5 tions of the Secretary of State in the exercise of
6 functions transferred under this section shall be sub-
7 ject to judicial review to the same extent and in the
8 same manner as if such orders and actions had been
9 by the Foreign Claims Settlement Commission exer-
10 cising such functions immediately preceding their
11 transfer. Any statutory requirements relating to no-
12 tice, hearings, action upon the record, or administra-
13 tive review that apply to any function of the Foreign
14 Claims Settlement Commission shall apply to the ex-
15 ercise of such function by the Secretary of State.

16 (g) REFERENCE.—

17 (1) FUNCTIONS.—With respect to any function
18 of the Foreign Claims Settlement Commission that
19 is transferred by this section and exercised on or
20 after the effective date of this section, reference in
21 any other Federal law to the Foreign Claims Settle-
22 ment Commission or any officer or employee thereof
23 shall be deemed to refer to the Secretary of State.

24 (2) OTHER REFERENCES.—Any reference to
25 the Foreign Claims Settlement Commission, or any

1 other official of the Foreign Claims Settlement Com-
2 mission, in any law, rule, regulation, certificate, di-
3 rective, instruction, or other official paper in force
4 on the effective date of this section shall be deemed
5 to refer and apply to the Secretary of State.

6 (h) CONFORMING AMENDMENT.—Section 5316 of
7 title 5, United States Code, is amended by striking:

8 “Chairman, Foreign Claims Settlement Com-
9 mission of the United States, Department of Jus-
10 tice.”.

11 (i) EFFECTIVE DATE.—This section and the amend-
12 ment made by this section takes effect on October 1, 1995.

13 **Subtitle D—Department Reforms**

14 **SEC. 2301. REDUCTION IN OVERHEAD EXPENSES OF EX-** 15 **PORT-IMPORT BANK.**

16 (a) IN GENERAL.—The amount obligated by the Ex-
17 port-Import Bank during fiscal year 1996 for overhead ex-
18 penses shall not exceed an amount sufficient to reduce
19 outlays for such expenses during such fiscal year (as com-
20 pared to such outlays during fiscal year 1995) by
21 \$1,000,000.

22 (b) OVERHEAD EXPENSES.—For purposes of this
23 section, the term “overhead expenses” means expenses
24 within the following object classifications established by
25 the Director of the Office of Management and Budget:

- 1 (1) 21.0 (travel and transportation of persons).
- 2 (2) 22.0 (transportation of things).
- 3 (3) 23.1 (rental payments to GSA).
- 4 (4) 23.3 (communications, utilities, and mis-
- 5 cellaneous charges).
- 6 (5) 24.0 (printing and reproduction).
- 7 (6) 25.1 (consulting services).
- 8 (7) 25.2 (other services).
- 9 (8) 25.5 (research and development contracts).
- 10 (9) 26.0 (supplies and materials).
- 11 (10) 31 (equipment).

12 **SEC. 2302. TRANSFERS FROM EXCHANGE STABILIZATION**
13 **FUND TO THE GENERAL FUND OF THE**
14 **TREASURY.**

15 (a) REPAYMENT OF AMOUNTS APPROPRIATED TO
16 THE EXCHANGE STABILIZATION FUND.—Effective Octo-
17 ber 1, 1996, the Secretary of the Treasury shall transfer
18 from the stabilization fund described in section 5302 of
19 title 31, United States Code, to the general fund of the
20 Treasury the \$2,000,000,000 appropriated to such fund
21 under subsection (b) of section 10 of the Gold Reserve
22 Act of 1934 (minus any amounts previously covered into
23 the Treasury pursuant to subsection (c) of such section
24 10 (as amended by section 7(a) of the Bretton Woods
25 Agreements Act)).

1 (b) TRANSFER OF NET EARNINGS OF THE FUND TO
2 THE GENERAL FUND.—During fiscal years 1994 through
3 ____, the net earnings of the stabilization fund described
4 in section 5302 of title 31, United States Code, shall be
5 transferred by the Secretary of the Treasury from such
6 fund to the general fund of the Treasury.

7 **Subtitle E—State Department**
8 **Reforms**

9 **CHAPTER 1—UNITED STATES ARMS**

10 **CONTROL AND DISARMAMENT AGENCY**

11 **SEC. 2401. ABOLITION OF THE ACDA; REFERENCES IN**
12 **PART.**

13 (a) ABOLITION.—The United States Arms Control
14 and Disarmament Agency is abolished on the effective
15 date of this chapter.

16 (b) CONFORMING REPEAL.—Section 21 of the Arms
17 Control and Disarmament Act (22 U.S.C. 2561) is re-
18 pealed.

19 (c) REFERENCES IN CHAPTER.—Except as specifi-
20 cally provided in this chapter, whenever in this chapter
21 an amendment or repeal is expressed as an amendment
22 to or repeal of a provision, the reference shall be deemed
23 to be made to the Arms Control and Disarmament Act.

24 **SEC. 2402. REPEAL OF POSITIONS AND OFFICES.**

25 The following sections are repealed:

1 (1) Section 22 (22 U.S.C. 2562; relating to the
2 Director).

3 (2) Section 23 (22 U.S.C. 2563; relating to the
4 Deputy Director).

5 (3) Section 24 (22 U.S.C. 2564; relating to As-
6 sistant Directors).

7 (4) Section 25 (22 U.S.C. 2565; relating to bu-
8 reaus, offices, and divisions).

9 **SEC. 2403. AUTHORITIES OF THE SECRETARY OF STATE.**

10 (a) IN GENERAL.—(1) Except as provided in para-
11 graph (2), the Arms Control and Disarmament Act (22
12 U.S.C. 2551 et seq.) is amended by striking “Agency” and
13 “Director” each place it appears and inserting “Depart-
14 ment” and “Secretary”, respectively.

15 (2) No amendment shall be made under paragraph
16 (1) to references to the On-Site Inspection Agency or to
17 the Director of Central Intelligence.

18 (b) PURPOSE.—Section 2 (22 U.S.C. 2551) is
19 amended—

20 (1) by striking the second, fourth, fifth, and
21 sixth sentences; and

22 (2) in the seventh sentence, by striking “It”
23 and all that follows through “State,” and inserting
24 “The Department of State shall have the authority”.

1 (c) DEFINITIONS.—Section 3 (22 U.S.C. 2552) is
2 amended by striking paragraph (c) and inserting the
3 following:

4 “(c) The term ‘Department’ means the Depart-
5 ment of State.

6 “(d) The term ‘Secretary’ means the Secretary
7 of State.”.

8 (d) SCIENTIFIC AND POLICY ADVISORY COMMIT-
9 TEE.—Section 26(b) (22 U.S.C. 2566(b)) is amended by
10 striking “, the Secretary of State, and the Director” and
11 inserting “and the Secretary of State”.

12 (e) PRESIDENTIAL SPECIAL REPRESENTATIVES.—
13 Section 27 (22 U.S.C. 2567) is amended by striking “,
14 acting through the Director”.

15 (f) PROGRAM FOR VISITING SCHOLARS.—Section 28
16 (22 U.S.C. 2568) is amended—

17 (1) in the second sentence, by striking “Agen-
18 cy’s activities” and inserting “Department’s arms
19 control, nonproliferation, and disarmament activi-
20 ties”; and

21 (2) in the fourth sentence, by striking “, and all
22 former Directors of the Agency”.

23 (g) POLICY FORMULATION.—Section 33(a) (22
24 U.S.C. 2573(a)) is amended by striking “shall prepare for

1 the President, the Secretary of State,” and inserting
2 “shall prepare for the President”.

3 (h) NEGOTIATION MANAGEMENT.—Section 34 (22
4 U.S.C. 2574) is amended—

5 (1) in subsection (a), by striking “the President
6 and the Secretary of State” and inserting “the
7 President”; and

8 (2) by striking subsection (b).

9 (i) VERIFICATION OF COMPLIANCE.—Section 37(d)
10 (22 U.S.C. 2577(d)) is amended by striking “Director’s
11 designee” and inserting “Secretary’s designee”.

12 (j) GENERAL AUTHORITY.—Section 41 (22 U.S.C.
13 2581) is repealed.

14 (k) USE OF FUNDS.—Section 48 (22 U.S.C. 2588)
15 is repealed.

16 (l) ANNUAL REPORT.—Section 51(a) (22 U.S.C.
17 2593a(a)) is amended by striking “the Secretary of
18 State,”.

19 (m) REQUIREMENT FOR AUTHORIZATION OF APPRO-
20 PRIATIONS.—Section 53 (22 U.S.C. 2593c) is repealed.

21 (n) ON-SITE INSPECTION AGENCY.—Section 61 (22
22 U.S.C. 2595) is amended—

23 (1) in paragraph (1), by striking “United
24 States Arms Control and Disarmament Agency is”

1 and inserting “Department of State and the Depart-
2 ment of Defense are respectively”; and

3 (2) in paragraph (7), by striking “the United
4 States Arms Control and Disarmament Agency
5 and”.

6 **SEC. 2404. AUTHORIZATION OF APPROPRIATIONS.**

7 Section 106 of the Foreign Relations Authorization
8 Act, Fiscal Years 1994 and 1995 (Public Law 103-236)
9 is amended—

10 (1) by amending the section heading to read as
11 follows:

12 **“SEC. 106. DEPARTMENT OF STATE ARMS CONTROL AND**
13 **DISARMAMENT ACTIVITIES.”;**

14 and

15 (2) in subsection (a), by inserting “to the Sec-
16 retary of State” after “appropriated”.

17 **SEC. 2405. CONFORMING AMENDMENTS.**

18 (a) The Arms Export Control Act is amended—

19 (1) in section 36(b)(1)(D) (22 U.S.C.
20 2776(b)(1)(D)), by striking “Director of the Arms
21 Control and Disarmament Agency in consultation
22 with the Secretary of State and” and inserting “Sec-
23 retary of State in consultation with”;

24 (2) in section 38(a)(2) (22 U.S.C.
25 2778(a)(2))—

1 (A) in the first sentence, by striking “Di-
2 rector of the United States Arms Control and
3 Disarmament Agency, taking into account the
4 Director’s” and inserting “Secretary of State,
5 taking into account the Secretary’s”; and

6 (B) in the second sentence, by striking
7 “The Director of the Arms Control and Disar-
8 mament Agency is authorized, whenever the Di-
9 rector” and inserting “The Secretary of State is
10 authorized, whenever the Secretary”;

11 (3) in section 42(a) (22 U.S.C. 2791(a))—

12 (A) in paragraph (1)(C), by striking “Di-
13 rector of the United States Arms Control and
14 Disarmament Agency” and inserting “Secretary
15 of State”; and

16 (B) in paragraph (2)—

17 (i) in the first sentence, by striking
18 “Director of the United States Arms Con-
19 trol and Disarmament Agency” and insert-
20 ing “Secretary of State”; and

21 (ii) in the second sentence, by striking
22 “Director of the Arms Control and Disar-
23 mament Agency is authorized, whenever
24 the Director” and inserting “Secretary of

1 State is authorized, whenever the Sec-
2 retary”;

3 (4) in section 71(a) of such Act (22 U.S.C.
4 2797(a)), by striking “, the Director of the Arms
5 Control and Disarmament Agency,” and inserting
6 “Secretary of State”;

7 (5) in section 71(b)(1) of such Act (22 U.S.C.
8 2797(b)(1)), by striking “Director of the United
9 States Arms Control and Disarmament Agency” and
10 inserting “Secretary of State;

11 (6) in section 71(b)(2) of such Act (22 U.S.C.
12 2797(b)(2))—

13 (A) by striking “Director of the United
14 States Arms Control and Disarmament Agen-
15 cy” and inserting “Secretary of State”; and

16 (B) by striking “or the Director”;

17 (7) in section 71(c) of such Act (22 U.S.C.
18 2797(c)), by striking “Director of the United States
19 Arms Control and Disarmament Agency,” and in-
20 serting “Secretary of State”; and

21 (8) in section 73(d) of such Act (22 U.S.C.
22 2797b(d)), by striking “, the Secretary of Com-
23 merce, and the Director of the United States Arms
24 Control and Disarmament Agency” and inserting
25 “and the Secretary of Commerce”.

1 (b) Section 1706(b) of the United States Institute of
2 Peace Act (22 U.S.C. 4605(b)) is amended—

3 (1) by striking out paragraph (3);

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

6 (3) in paragraph (4) (as redesignated by para-
7 graph (2)), by striking “Eleven” and inserting
8 “Twelve”.

9 (c) The Atomic Energy Act of 1954 is amended—

10 (1) in section 57 b. (42 U.S.C. 2077(b))—

11 (A) in the first sentence, by striking “the
12 Arms Control and Disarmament Agency,”, and

13 (B) in the second sentence, by striking
14 “the Director of the Arms Control and Disar-
15 mament Agency,”, and

16 (2) in section 123 (42 U.S.C. 2153)—

17 (A) in subsection a. (in the text below
18 paragraph (9))—

19 (i) by striking “and in consultation
20 with the Director of the Arms Control and
21 Disarmament Agency (‘the Director’),”
22 and

23 (ii) by striking “and the Director”
24 and inserting “and the Secretary of De-
25 fense”,

1 (B) in subsection d., in the first proviso, by
2 striking “Director of the Arms Control and Dis-
3 armament Agency” and inserting “Secretary of
4 Defense”, and

5 (C) in the first undesignated paragraph
6 following subsection d., by striking “the Arms
7 Control and Disarmament Agency,”.

8 (d) The Nuclear Non-Proliferation Act of 1978 is
9 amended—

10 (1) in section 4, by striking paragraph (2);

11 (2) in section 102, by striking “the Secretary of
12 State, and the Director of the Arms Control and
13 Disarmament Agency” and inserting “and the Sec-
14 retary of State”; and

15 (3) in section 602(c), by striking “the Arms
16 Control and Disarmament Agency,”.

17 (e) Title 5, United States Code, is amended—

18 (1) in section 5313, by striking “Director of the
19 United States Arms Control and Disarmament
20 Agency.”,

21 (2) in section 5314, by striking “Deputy Direc-
22 tor of the United States Arms Control and Disar-
23 mament Agency.”,

24 (3) in section 5315—

1 (A) by striking “Assistant Directors,
2 United States Arms Control and Disarmament
3 Agency (4).”, and

4 (B) by striking “Special Representatives of
5 the President for arms control, nonproliferation,
6 and disarmament matters, United States Arms
7 Control and Disarmament Agency”, and insert-
8 ing “Special Representatives of the President
9 for arms control, nonproliferation, and disar-
10 mament matters, Department of State”, and

11 (4) in section 5316, by striking “General Coun-
12 sel of the United States Arms Control and Disar-
13 mament Agency.”.

14 **SEC. 2406. REFERENCES IN LAW.**

15 Any reference in any statute, reorganization plan,
16 Executive order, regulation, agreement, determination, or
17 other official document or proceeding to the United States
18 Arms Control and Disarmament Agency or the Director
19 or other official of the United States Arms Control and
20 Disarmament Agency shall be deemed to refer respectively
21 to the Department of State or the Secretary of State or
22 other official of the Department of State.

23 **SEC. 2407. EFFECTIVE DATE.**

24 This chapter and the amendments made by this chap-
25 ter shall take effect on March 1, 1997.

1 **CHAPTER 2—UNITED STATES**
2 **INFORMATION AGENCY**

3 **SEC. 2431. ABOLITION.**

4 The United States Information Agency is abolished
5 upon the effective date of this chapter.

6 **SEC. 2432. REFERENCES IN LAW.**

7 Any reference in any statute, reorganization plan,
8 Executive order, regulation, agreement, determination, or
9 other official document or proceeding to—

10 (1) the Director of the United States Informa-
11 tion Agency or the Director of the International
12 Communication Agency shall be deemed to refer to
13 the Secretary of State; and

14 (2) the United States Information Agency,
15 USIA, or the International Communication Agency
16 shall be deemed to refer to the Department of State.

17 **SEC. 2433. AMENDMENTS TO TITLE 5.**

18 Title 5, United States Code, is amended—

19 (1) in section 5313, by striking “Director of the
20 United States Information Agency.”;

21 (2) in section 5315, by striking “Deputy Direc-
22 tor of the United States Information Agency.”; and

23 (3) in section 5316, by striking “Deputy Direc-
24 tor, Policy and Plans, United States Information

1 Agency.” and striking “Associate Director (Policy
2 and Plans), United States Information Agency.”.

3 **SEC. 2434. AMENDMENTS TO UNITED STATES INFORMA-**
4 **TION AND EDUCATIONAL EXCHANGE ACT OF**
5 **1948.**

6 (a) REFERENCES IN SECTION.—Except as specifi-
7 cally provided in this section, whenever in this section an
8 amendment or repeal is expressed as an amendment or
9 repeal of a provision, the reference shall be deemed to be
10 made to the United States Information and Educational
11 Exchange Act of 1948 (22 U.S.C. 1431 et seq.).

12 (b) IN GENERAL.—Except as otherwise provided in
13 this section, the Act (other than section 604 and sub-
14 sections (a) and (c) of section 701) is amended—

15 (1) by striking “United States Information
16 Agency” each place it appears and inserting “De-
17 partment of State”;

18 (2) by striking “Director of the United States
19 Information Agency” each place it appears and in-
20 sserting “Secretary of State”;

21 (3) by striking “Director” each place it appears
22 and inserting “Secretary of State”;

23 (4) by striking “USIA” each place it appears
24 and inserting “Department of State; and

1 (5) by striking “Agency” each place it appears
2 and inserting “Department of State.

3 (c) SATELLITE AND TELEVISION BROADCASTS.—
4 Section 505 (22 U.S.C. 1464a) is amended—

5 (1) by striking “Director of the United States
6 Information Agency” each of the three places it ap-
7 pears and inserting “Secretary of State”;

8 (2) in subsection (b), by striking “To be effec-
9 tive, the United States Information Agency” and in-
10 serting “To be effective in carrying out this sub-
11 section, the Department of State”;

12 (3) by striking “USIA-TV” each place it ap-
13 pears and inserting “DEPARTMENT OF STATE-
14 TV”; and

15 (4) by striking subsection (e).

16 (d) NONDISCRETIONARY PERSONNEL COSTS AND
17 CURRENCY FLUCTUATIONS.—Section 704 (22 U.S.C.
18 1477b) is amended—

19 (1) in subsection (b), by inserting after “au-
20 thorized by law” the following: “in connection with
21 carrying out the informational and educational ex-
22 change functions of the Department”; and

23 (2) in subsection (c), by striking “United States
24 Information Agency” each place it appears and in-
25 serting “Department of State in carrying out the in-

1 formational and educational exchange functions of
2 the Department”.

3 (e) REPROGRAMMING NOTIFICATIONS.—Section 705
4 (22 U.S.C. 1477c) is amended by striking “United States
5 Information Agency” each place it appears and inserting
6 “Department of State in carrying out its informational
7 and educational exchange functions”.

8 (f) AUTHORITIES OF THE SECRETARY.—Section
9 801(3) (22 U.S.C. 1471(3)) is amended by striking all “if
10 the sufficiency” and all that follows and inserting “if the
11 Secretary determines that title to such real property or
12 interests is sufficient;”.

13 (g) REPEAL OF THE USIA SEAL.—Section 807 (22
14 U.S.C. 1475b) is repealed.

15 (h) ACTING ASSOCIATE DIRECTORS.—Section 808
16 (22 U.S.C. 1475c) is repealed.

17 (i) DEBT COLLECTION.—Section 811 (22 U.S.C.
18 1475f) is amended by inserting “informational and edu-
19 cational exchange” before “activities” each place it ap-
20 pears.

21 (j) OVERSEAS POSTS.—Section 812 (22 U.S.C.
22 1475g) is amended by striking “United States Informa-
23 tion Agency post” each place it appears and inserting “in-
24 formational and educational exchange post of the Depart-
25 ment of State”.

1 (k) DEFINITION.—Section 4 (22 U.S.C. 1433) is
2 amended by adding at the end the following:

3 “(4) ‘informational and educational exchange
4 functions’, with respect to the Department of State,
5 refers to functions exercised by the United States
6 Information Agency before the effective date of title
7 XIII of the Foreign Affairs Reinvention Act of
8 1995.”.

9 **SEC. 2435. AMENDMENTS TO THE MUTUAL EDUCATIONAL**
10 **AND CULTURAL EXCHANGE ACT OF 1961**
11 **(FULBRIGHT-HAYS ACT).**

12 (a) REFERENCES IN SECTION.—Except as specifi-
13 cally provided in this section, whenever in this section an
14 amendment or repeal is expressed as an amendment or
15 repeal of a provision, the reference shall be deemed to be
16 made to the Mutual Educational and Cultural Exchange
17 Act of 1961 (22 U.S.C. 2451 et seq.).

18 (b) IN GENERAL.—The Act (22 U.S.C. 2451 et seq.)
19 is amended by striking “Director of the International
20 Communication Agency” each place it appears and insert-
21 ing “Secretary of State”.

22 (c) PROGRAM AUTHORITIES.—(1) Section 102(a) (22
23 U.S.C. 2452(a)) is amended by striking “President” each
24 place it appears and inserting “Secretary of State”.

1 (2) Section 102(b) (22 U.S.C. 2452(b)) is amended
2 by striking “President” and inserting “Secretary of State
3 (except, in the case of paragraphs (6) and (10), the Presi-
4 dent)”.

5 (d) INTERNATIONAL AGREEMENTS.—Section 103
6 (22 U.S.C. 2453) is amended by striking “President” each
7 place it appears and inserting “Secretary of State”.

8 (e) PERSONNEL BENEFITS.—Section 104(d) (22
9 U.S.C. 2454(d)) is amended by striking “President” each
10 place it appears and inserting “Secretary of State”.

11 (f) FOREIGN STUDENT COUNSELING.—Section
12 104(e)(3) (22 U.S.C. 2454(e)(3)) is amended by striking
13 “President” and inserting “Secretary of State”.

14 (g) PUBLICITY AND PROMOTION OVERSEAS.—Sec-
15 tion 104(e)(4) (22 U.S.C. 2454(e)(4)) is amended by
16 striking “President” and inserting “Secretary of State”.

17 (h) USE OF FUNDS.—Section 105(e) (22 U.S.C.
18 2455(e)) is amended by striking “President” each place
19 it appears and inserting “Secretary of State”.

20 (i) REPEAL OF AUTHORITY FOR ABOLISHED ADVI-
21 SORY COMMITTEE.—Section 106(c) of the Mutual Edu-
22 cational and Cultural Exchange Act of 1961 (22 U.S.C.
23 2456(c)) is repealed.

24 (j) BUREAU OF EDUCATIONAL AND CULTURAL AF-
25 FAIRS.—

1 (1) IN GENERAL.—Section 112(a) (22 U.S.C.
2 2460(a)) is amended by striking the first sentence
3 and inserting the following: “In order to carry out
4 the purposes of this Act, there is established in the
5 Department of State a Bureau for International Ex-
6 change Activities (in this section referred to as the
7 “Bureau”).

8 (2) IMPLEMENTATION OF PROGRAMS.—Section
9 112(c) (22 U.S.C. 2460(c)) is amended by striking
10 “President” each place it appears and inserting
11 “Secretary of State”.

12 **SEC. 2436. INTERNATIONAL BROADCASTING ACTIVITIES.**

13 (a) IN GENERAL.—(1) Except as otherwise provided
14 in paragraph (2), title III of the Foreign Relations Au-
15 thorization Act, Fiscal Years 1994 and 1995 (Public Law
16 103–236) is amended—

17 (A) by striking “Director of the United States
18 Information Agency” or “Director” each place it ap-
19 pears and inserting “Under Secretary of State for
20 Public Diplomacy”;

21 (B) by striking all references to “United States
22 Information Agency” that were not stricken in sub-
23 paragraph (A) and inserting “Department of State”;

24 (C) in section 305(a)(1), by inserting “(includ-
25 ing activities of the Voice of America previously car-

1 ried out by the United States Information Agency)”
2 after “this title”;

3 (D) in section 305(b), by striking “Agency’s”
4 each place it appears and inserting “Department’s”;
5 and

6 (E) by striking “Bureau” each place it appears
7 and inserting “Office”.

8 (2) Title III of such Act is amended—

9 (A) in section 304(c)—

10 (i) by striking “Director’s” and inserting
11 “Under Secretary’s”; and

12 (ii) in the fifth sentence, by striking “Di-
13 rector of the United States Information Agency,
14 the acting Director of the agency” and insert-
15 ing “Under Secretary of State for Public Diplo-
16 macy, the acting Under Secretary”;

17 (B) in sections 305(b) and 307(b)(1), by strik-
18 ing “Director of the Bureau” each place it appears
19 and inserting “Director of the Office”;

20 (C) in subsections (i) and (j) of section 308, by
21 striking “Inspector General of the United States In-
22 formation Agency” each place it appears and insert-
23 ing “Inspector General for Foreign Affairs”; and

24 (D) in section 310(d), by striking “Director on
25 the date of enactment of this Act, to the extent that

1 the Director” and inserting “Under Secretary on the
2 effective date of title XIII of the Foreign Affairs
3 Reinvention Act of 1995, to the extent that the
4 Under Secretary”.

5 (b) CONFORMING AMENDMENT TO TITLE 5.—Sec-
6 tion 5315 of title 5, United States Code, is amended by
7 striking “Director of the International Broadcasting Bu-
8 reau, the United States Information Agency” and insert-
9 ing “Director of the International Broadcasting Office,
10 the Department of State”.

11 **SEC. 2437. TELEVISION BROADCASTING TO CUBA.**

12 (a) AUTHORITY.—Section 243(a) of the Television
13 Broadcasting to Cuba Act (as contained in part D of title
14 II of Public Law 101–246) (22 U.S.C. 1465bb(a)) is
15 amended by striking “United States Information Agency
16 (hereafter in this part referred to as the ‘Agency’)” and
17 inserting “Department of State (hereafter in this chapter
18 referred to as the ‘Department’)”.

19 (b) TELEVISION MARTI SERVICE.—Section 244 of
20 such Act (22 U.S.C. 1465cc) is amended—

21 (1) in subsection (a)—

22 (A) by amending the first sentence to read
23 as follows: “The Secretary of State shall admin-
24 ister within the Voice of America the Television
25 Marti Service.”, and

1 (B) in the third sentence, by striking “Di-
2 rector of the United States Information Agen-
3 cy” and inserting “Secretary of State”;

4 (2) in subsection (b)—

5 (A) in the subsection heading, by striking
6 “USIA” and inserting “Department of State”,

7 (B) by striking “Agency facilities” and in-
8 serting “Department facilities”, and

9 (C) by striking “United States Information
10 Agency Television Service” and inserting “De-
11 partment of State Television Service”; and

12 (3) in subsection (c)—

13 (A) by striking “USIA AUTHORITY.—The
14 Agency” and inserting “SECRETARY OF STATE
15 AUTHORITY.—The Secretary of State”; and

16 (B) by striking “Agency” the second place
17 it appears and inserting “Secretary of State”.

18 (c) ASSISTANCE FROM OTHER GOVERNMENT AGEN-
19 CIES.—Section 246 of such Act (22 U.S.C. 1465dd) is
20 amended—

21 (1) by striking “United States Information
22 Agency” and inserting “Department of State”; and

23 (2) by striking “the Agency” and inserting “the
24 Department”.

1 (d) AUTHORIZATION OF APPROPRIATIONS.—Section
2 247(a) of such Act (22 U.S.C. 1465ee(a)) is repealed.

3 **SEC. 2438. RADIO BROADCASTING TO CUBA.**

4 (a) FUNCTIONS OF THE DEPARTMENT OF STATE.—
5 Section 3 of the Radio Broadcasting to Cuba Act (22
6 U.S.C. 1465a) is amended—

7 (1) in the section heading, by striking “United
8 States Information Agency” and inserting “Depart-
9 ment of State”;

10 (2) in subsection (a), by striking “United
11 States Information Agency (hereafter in this Act re-
12 ferred to as the ‘Agency’)” and inserting “Depart-
13 ment of State (hereafter in this Act referred to as
14 the ‘Department’)”;

15 (3) by striking subsection (d); and

16 (4) in subsection (f), by striking “Director of
17 the United States Information Agency” and insert-
18 ing “Secretary of State”.

19 (b) CUBA SERVICE.—Section 4 of such Act (22
20 U.S.C. 1465b) is amended—

21 (1) by amending the first sentence to read as
22 follows: “The Secretary of State shall administer
23 within the Voice of America the Cuba Service (here-
24 after in this section referred to as the ‘Service’).”;
25 and

1 (2) in the third sentence, by striking “Director
2 of the United States Information Agency” and in-
3 sserting “Secretary of State”.

4 (c) ASSISTANCE FROM OTHER GOVERNMENT AGEN-
5 CIES.—Section 6 of such Act (22 U.S.C. 1465d) is amend-
6 ed—

7 (1) in subsection (a)—

8 (A) by striking “United States Information
9 Agency” and inserting “Department of State”;
10 and

11 (B) by striking “the Agency” and inserting
12 “the Department”; and

13 (2) in subsection (b)—

14 (A) by striking “The Agency” and insert-
15 ing “The Department”; and

16 (B) by striking “the Agency” and inserting
17 “the Secretary of State”.

18 (d) FACILITY COMPENSATION.—Section 7 of such
19 Act (22 U.S.C. 1465e) is amended—

20 (1) in subsection (b), by striking “the Agency”
21 and inserting “the Department”; and

22 (2) in subsection (d), by striking “Agency” and
23 inserting “Department”.

24 (e) AUTHORIZATION OF APPROPRIATIONS.—Section
25 8 of such Act (22 U.S.C. 1465f) is amended—

1 (1) by striking subsections (a) and (b) and in-
2 serting the following:

3 “(a) The amount obligated by the Department of
4 State each fiscal year to carry out this Act shall be suffi-
5 cient to maintain broadcasts to Cuba under this Act at
6 rates no less than the fiscal year 1985 level of obligations
7 by the former United States Information Agency for such
8 broadcasts.”; and

9 (2) by redesignating subsection (c) as sub-
10 section (b).

11 **SEC. 2439. NATIONAL ENDOWMENT FOR DEMOCRACY.**

12 (a) GRANTS.—Section 503 of Public Law 98–164, as
13 amended (22 U.S.C. 4412) is amended—

14 (1) in subsection (a)—

15 (A) by striking “Director of the United
16 States Information Agency” and inserting “Sec-
17 retary of State”;

18 (B) by striking “the Agency” and inserting
19 “the Department of State”; and

20 (C) by striking “the Director” and insert-
21 ing “the Secretary of State”; and

22 (2) in subsection (b), by striking “United
23 States Information Agency” and inserting “Depart-
24 ment of State”.

1 (b) AUDITS.—Section 504(g) of such Act (22 U.S.C.
2 4413(g)) is amended by striking “United States Informa-
3 tion Agency” and inserting “Department of State”.

4 (c) FREEDOM OF INFORMATION.—Section 506 of
5 such Act (22 U.S.C. 4415) is amended—

6 (1) in subsection (b)—

7 (A) by striking “Director” each of the
8 three places it appears and inserting “Sec-
9 retary”; and

10 (B) by striking “of the United States In-
11 formation Agency” and inserting “of State”;
12 and

13 (2) in subsection (c)—

14 (A) in the subsection heading by striking
15 “USIA” and inserting “DEPARTMENT OF
16 STATE”;

17 (B) by striking “Director” each of the
18 three places it appears and inserting “Sec-
19 retary”;

20 (C) by striking “of the United States In-
21 formation Agency” and inserting “of State”;
22 and

23 (D) by striking “United States Informa-
24 tion Agency” and inserting “Department of
25 State”.

1 **SEC. 2430. UNITED STATES SCHOLARSHIP PROGRAM FOR**
2 **DEVELOPING COUNTRIES.**

3 (a) PROGRAM AUTHORITY.—Section 603 of the For-
4 eign Relations Authorization Act, Fiscal Years 1986 and
5 1987 (22 U.S.C. 4703) is amended by striking “United
6 States Information Agency” and inserting “Department
7 of State”.

8 (b) GUIDELINES.—Section 604(11) of such Act (22
9 U.S.C. 4704(11)) is amended by striking “United States
10 Information Agency” and inserting “Department of
11 State”.

12 (c) POLICY REGARDING OTHER INTERNATIONAL
13 EDUCATIONAL PROGRAMS.—Section 606(b) of such Act
14 (22 U.S.C. 4706(b)) is amended—

15 (1) in the subsection heading, by striking
16 “USIA” and inserting “STATE DEPARTMENT”; and

17 (2) by striking “Director of the United States
18 Information Agency” and inserting “Secretary of
19 State”.

20 (d) GENERAL AUTHORITIES.—Section 609(e) of such
21 Act (22 U.S.C. 4709(e)) is amended by striking “United
22 States Information Agency” and inserting “Department
23 of State”.

24 **SEC. 2431. NATIONAL SECURITY EDUCATION BOARD.**

25 Section 803 of the Intelligence Authorization Act,
26 Fiscal Year 1992 (50 U.S.C. 1903(b)) is amended—

1 (1) in subsection (b)—

2 (A) by striking paragraph (6); and

3 (B) by redesignating paragraph (7) as
4 paragraph (6); and

5 (2) in subsection (c), by striking “subsection
6 (b)(7)” and inserting “subsection (b)(6)”.

7 **SEC. 2432. CENTER FOR CULTURAL AND TECHNICAL INTER-**
8 **CHANGE BETWEEN NORTH AND SOUTH.**

9 Section 208 of the Foreign Relations Authorization
10 Act, Fiscal Years 1992 and 1993 (22 U.S.C. 2075) is
11 amended by striking “Director of the United States Infor-
12 mation Agency” each place it appears and inserting “Sec-
13 retary of State”.

14 **SEC. 2433. CENTER FOR CULTURAL AND TECHNICAL INTER-**
15 **CHANGE BETWEEN EAST AND WEST.**

16 (a) DUTIES.—Section 703 of the Mutual Security Act
17 of 1960 (22 U.S.C. 2055) is amended—

18 (1) in the text above paragraph (1), by striking
19 “Director of the United States Information Agency”
20 (hereinafter referred to as the ‘Director’)” and in-
21 sserting “Secretary of State (hereinafter referred to
22 as the ‘Secretary’); and

23 (2) in paragraph (1), by striking “establishment
24 and”.

1 (b) ADMINISTRATION.—Section 704 of such Act (22
2 U.S.C. 2056) is amended—

3 (1) by striking “Director of the United States
4 Information Agency” and inserting “Secretary of
5 State”; and

6 (2) by striking “Director” each place it appears
7 and inserting “Secretary”.

8 **SEC. 2434. MISSION OF THE DEPARTMENT OF STATE.**

9 Section 202 of the Foreign Relations Authorization
10 Act, Fiscal Year 1979 (22 U.S.C. 1461–1) is amended—

11 (1) in the first sentence, by striking “mission of
12 the United States Information Agency” and insert-
13 ing “mission of the Department of State in carrying
14 out its information, educational, and cultural func-
15 tions”;

16 (2) in the second sentence, in the text above
17 paragraph (1), by striking “United States Informa-
18 tion Agency” and inserting “Department of State”;

19 (3) in paragraph (1)(B), by striking “Agency”
20 and inserting “Department”; and

21 (4) in paragraph (5), by striking “mission of
22 the Agency” and inserting “mission described in this
23 section”.

1 **SEC. 2435. CONSOLIDATION OF ADMINISTRATIVE SERV-**
2 **ICES.**

3 Section 23 of the State Department Basic Authorities
4 Act of 1956 (22 U.S.C. 2695(a)) is amended—

5 (1) by striking “(including” and all that follows
6 through “Agency)””; and

7 (2) by striking “other such agencies” and in-
8 serting “other Federal agencies”.

9 **SEC. 2436. GRANTS.**

10 Section 212 of the Foreign Relations Authorization
11 Act, Fiscal Years 1992 and 1993 (22 U.S.C. 1475h) is
12 amended—

13 (1) in subsection (a), by striking “United
14 States Information Agency” and inserting “Depart-
15 ment of State, in carrying out its international infor-
16 mation, educational, and cultural functions,”;

17 (2) in subsection (b), by striking “United
18 States Information Agency” and inserting “Depart-
19 ment of State”;

20 (3) in subsection (c)—

21 (A) in paragraph (1), by striking “United
22 States Information Agency shall substantially
23 comply with United States Information Agen-
24 cy” and inserting “Department of State, in car-
25 rying out its international information, edu-

1 cational, and cultural functions, shall substan-
2 tially comply with Department of State”; and

3 (B) in paragraph (2), by striking “United
4 States Information Agency” and inserting “De-
5 partment of State”; and

6 (C) in paragraphs (2) and (3), by striking
7 “Agency” each of the two places it appears and
8 inserting “Department”; and

9 (4) by striking subsection (d).

10 **SEC. 2437. BAN ON DOMESTIC ACTIVITIES.**

11 Section 208 of the Foreign Relations Authorization
12 Act, Fiscal Years 1986 and 1987 (22 U.S.C. 1461-1a)
13 is amended—

14 (1) by striking out “United States Information
15 Agency” each of the two places it appears and in-
16 serting “Department of State”; and

17 (2) by inserting “in carrying out international
18 information, educational, and cultural activities com-
19 parable to those previously administered by the
20 United States Information Agency” before “shall be
21 distributed”.

22 **SEC. 2438. CONFORMING REPEAL TO THE ARMS CONTROL
23 AND DISARMAMENT ACT.**

24 Section 34(b) of the Arms Control and Disarmament
25 Act (22 U.S.C. 2574(b)) is repealed.

1 **SEC. 2439. REPEAL RELATING TO PROCUREMENT OF**
2 **LEGAL SERVICES.**

3 Section 26(b) of the State Department Basic Au-
4 thorities Act of 1956 (22 U.S.C. 2698(b)) is repealed.

5 **SEC. 2440. REPEAL RELATING TO PAYMENT OF SUBSIST-**
6 **ENCE EXPENSES.**

7 Section 32 of the State Department Basic Authorities
8 Act of 1956 (22 U.S.C. 2704) is amended by striking the
9 second sentence.

10 **SEC. 2441. CONFORMING AMENDMENT TO THE SEED ACT.**

11 Section 2(c) of the Support for East European De-
12 mocracy (SEED) Act of 1989 (22 U.S.C. 5401(c)) is
13 amended in paragraph (17) by striking “United States In-
14 formation Agency” and inserting “Department of State”.

15 **SEC. 2442. INTERNATIONAL CULTURAL AND TRADE CEN-**
16 **TER COMMISSION.**

17 Section 7(c)(1) of the Federal Triangle Development
18 Act (40 U.S.C. 1106(c)(1)) is amended—

19 (1) in the text above subparagraph (A), by
20 striking “15 members” and inserting “14 mem-
21 bers”;

22 (2) by striking subparagraph (F); and

23 (3) by redesignating subparagraphs (G)
24 through (J) as subparagraphs (F) through (I), re-
25 spectively.

1 **SEC. 2443. OTHER LAWS REFERENCED IN REORGANIZA-**
2 **TION PLAN NO. 2 OF 1977.**

3 (a) IMMIGRATION AND NATIONALITY ACT.—(1) Sec-
4 tion 101(a)(15)(J) of the Immigration and Nationality
5 Act (8 U.S.C. 1101(a)(15)(J)) is amended by striking
6 “Director of the United States Information Agency” and
7 inserting “Secretary of State”.

8 (2) Section 212(e) of such Act (8 U.S.C. 1182(e))
9 is amended—

10 (A) by striking “Director of the United States
11 Information Agency” and inserting “Secretary of
12 State”; and

13 (B) by striking “Director” each place it appears
14 and inserting “Secretary”.

15 (b) ARTS AND ARTIFACTS INDEMNITY ACT.—Section
16 3(a) of the Arts and Artifacts Indemnity Act (20 U.S.C.
17 972(a)) is amended by striking out “Director of the Unit-
18 ed States Information Agency” and inserting in lieu there-
19 of “Secretary of State”.

20 (c) NATIONAL FOUNDATION ON THE ARTS AND THE
21 HUMANITIES ACT OF 1965.—Section 9(b) of the National
22 Foundation on the Arts and the Humanities Act of 1965
23 (20 U.S.C. 958(b)) is amended by striking out “a member
24 designated by the Director of the United States Informa-
25 tion Agency,” and inserting in lieu thereof “a member des-
26 ignated by the Secretary of State,”.

1 (d) WOODROW WILSON MEMORIAL ACT OF 1968.—
2 Section 3(b) of the Woodrow Wilson Memorial Act of 1968
3 (20 U.S.C. 80f(b)) is amended—

4 (1) in the matter preceding paragraph (1), by
5 striking out “19 members” and inserting in lieu
6 thereof “18 members”;

7 (2) by striking out paragraph (7); and

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

10 (e) PUBLIC LAW 95–86.—Title V of the Departments
11 of State, Justice, and Commerce, the Judiciary, and Re-
12 lated Agencies Appropriations Act, 1978 (Public Law 95–
13 86) is amended in the third proviso of the paragraph
14 “SALARIES AND EXPENSES” under the heading “UNITED
15 STATES INFORMATION AGENCY” (22 U.S.C. 1461b) by
16 striking out “the United States Information Agency is au-
17 thorized,” and inserting in lieu thereof “the Secretary of
18 State may,”.

19 (f) ACT OF JULY 9, 1949.—The Act of July 9, 1949
20 (63 Stat. 408; chapter 301; 22 U.S.C. 2681 et seq.) is
21 repealed.

1 **SEC. 2444. EXCHANGE PROGRAM WITH COUNTRIES IN**
2 **TRANSITION FROM TOTALITARIANISM TO DE-**
3 **MOCRACY.**

4 Section 602 of the National and Community Service
5 Act of 1990 (22 U.S.C. 2452a) is amended—

6 (1) in the second sentence of subsection (a), by
7 striking “United States Information Agency” and
8 inserting “Department of State”; and

9 (2) in subsection (b)—

10 (A) by striking “appropriations account of
11 the United States Information Agency” and in-
12 sserting “appropriate appropriations account of
13 the Department of State”; and

14 (B) by striking “and the United States In-
15 formation Agency”.

16 **SEC. 2445. EDMUND S. MUSKIE FELLOWSHIP PROGRAM.**

17 Section 227 of the Foreign Relations Authorization
18 Act, Fiscal Years 1992 and 1993 (22 U.S.C. 2452 note)
19 is amended—

20 (1) in subsection (b), by striking “United
21 States Information Agency” and inserting “Depart-
22 ment of State”; and

23 (2) by striking subsection (d).

1 **SEC. 2446. IMPLEMENTATION OF CONVENTION ON CUL-**
2 **TURAL PROPERTY.**

3 Title III of the Convention on Cultural Property Im-
4 plementation Act (19 U.S.C. 2601 et seq.) is amended by
5 striking “Director of the United States Information Agen-
6 cy” each place it appears and inserting “Secretary of
7 State”.

8 **SEC. 2447. REPEAL.**

9 Section 252(a) of the Foreign Relations Authoriza-
10 tion Act, Fiscal Years 1994 and 1995 (22 U.S.C. 6101(a))
11 is repealed.

12 **SEC. 2448. UNITED STATES ADVISORY COMMITTEE FOR**
13 **PUBLIC DIPLOMACY.**

14 Section 604 of the United States Information and
15 Educational Exchange Act of 1948 (22 U.S.C. 1469) is
16 amended—

17 (1) in subsection (c)(1)—

18 (A) by striking “the Director of the United
19 States Information Agency,”; and

20 (B) by striking “Director or the Agency,
21 and shall appraise the effectiveness of policies
22 and programs of the Agency” and inserting
23 “Secretary of State or the Department of State,
24 and shall appraise the effectiveness of the infor-
25 mation, educational, and cultural policies and
26 programs of the Department”;

1 (2) in subsection (c)(2), in the first sentence—

2 (A) by striking “the Secretary of State,
3 and the Director of the United States Informa-
4 tion Agency” and inserting “, and the Secretary
5 of State”;

6 (B) by striking “Agency” the first place it
7 appears and inserting “Department of State”;
8 and

9 (C) by striking “Director for effectuating
10 the purposes of the Agency” and inserting
11 “Secretary for effectuating the information,
12 educational, and cultural functions of the De-
13 partment”;

14 (3) in subsection (c)(3), by striking “programs
15 conducted by the Agency” and inserting “informa-
16 tion, educational, and cultural programs conducted
17 by the Department of State”; and

18 (4) in subsection (c)(4), by striking “Director
19 of the United States Information Agency” and in-
20 sserting “Secretary of State”.

21 **SEC. 2449. EFFECTIVE DATE.**

22 This chapter, and the amendments made by this
23 chapter, shall take effect on March 1, 1997.

1 **CHAPTER 3—AGENCY FOR**
2 **INTERNATIONAL DEVELOPMENT**
3 **Subchapter A—General Provisions**

4 **SEC. 2451. EFFECTIVE DATE.**

5 (a) IN GENERAL.—Except as provided in subsection
6 (b), this chapter, and the amendments made by this chap-
7 ter, shall take effect—

8 (1) on March 1, 1997; or

9 (2) on such earlier date as the President shall
10 determine to be appropriate and announce by notice
11 published in the Federal Register, which date may
12 be not earlier than 60 calendar days (excluding any
13 day on which either House of Congress is not in ses-
14 sion because of an adjournment sine die) after the
15 President has submitted a reorganization plan to the
16 appropriate congressional committees pursuant to
17 section 421.

18 (b) REORGANIZATION PLAN.—Section 421 shall take
19 effect on the date of enactment of this Act.

20 **SEC. 2452. REFERENCES IN THIS CHAPTER.**

21 Except as specifically provided in this chapter, when-
22 ever in this chapter an amendment or repeal is expressed
23 in terms of an amendment to, or repeal of, a provision,
24 the reference shall be considered to be made to a provision
25 of the Foreign Assistance Act of 1961.

1 **Subchapter B—Abolition of the Agency for**
2 **International Development and Transfer**
3 **of Functions to the Secretary of State**

4 **SEC. 2455. ABOLITION OF AGENCY FOR INTERNATIONAL**
5 **DEVELOPMENT AND THE INTERNATIONAL**
6 **DEVELOPMENT COOPERATION AGENCY.**

7 The Agency for International Development and the
8 International Development Cooperation Agency are abol-
9 ished.

10 **SEC. 2456. TRANSFER OF FUNCTIONS TO SECRETARY OF**
11 **STATE.**

12 There are transferred to the Secretary of State all
13 functions of the Administrator of the Agency for Inter-
14 national Development and the Director of the Inter-
15 national Development Cooperation Agency and all func-
16 tions of the Agency for International Development and the
17 International Development Cooperation Agency and any
18 officer or component of such agencies under any statute,
19 reorganization plan, Executive order, or other provision of
20 law before the effective date of this chapter, except as oth-
21 erwise provided in this chapter.

1 **Subchapter C—Reorganization of Depart-**
2 **ment of State Relating to Functions**
3 **Transferred Under This Chapter**

4 **SEC. 2461. REORGANIZATION PLAN.**

5 (a) SUBMISSION OF PLAN.—Not later than March 1,
6 1996, the President, in consultation with the Secretary
7 and the Administrator of the Agency for International De-
8 velopment, shall transmit to the appropriate congressional
9 committees a reorganization plan providing for—

10 (1) the abolition of the Agency for International
11 Development in accordance with this chapter;

12 (2) the transfer to the Department of State of
13 the functions and personnel of the Agency for Inter-
14 national Development consistent with the provisions
15 of this chapter; and

16 (3) the consolidation, reorganization, and
17 streamlining of the Department upon the transfer of
18 functions under this chapter in order to carry out
19 such functions.

20 (b) PLAN ELEMENTS.—The plan under subsection
21 (a) shall—

22 (1) identify the functions of the Agency for
23 International Development that will be transferred
24 to the Department under the plan;

1 (2) identify the personnel and positions of the
2 Agency (including civil service personnel, Foreign
3 Service personnel, and detailees) that will be trans-
4 ferred to the Department, separated from service
5 with the Agency, or be eliminated under the plan,
6 and set forth a schedule for such transfers, separa-
7 tions, and terminations;

8 (3) identify the personnel and positions of the
9 Department (including civil service personnel, For-
10 eign Service personnel, and detailees) that will be
11 transferred within the Department, separated from
12 service with the Department, or eliminated under
13 the plan, and set forth a schedule for such transfers,
14 separations, and terminations;

15 (4) specify the consolidations and reorganiza-
16 tion of functions of the Department that will be re-
17 quired under the plan in order to permit the Depart-
18 ment to carry out the functions transferred to the
19 Department under the plan;

20 (5) specify the funds available to the Agency for
21 International Development that will be transferred
22 to the Department under this chapter as a result of
23 the transfer of functions of the Agency to the De-
24 partment;

1 (6) specify the proposed allocations within the
2 Department of unexpended funds transferred in con-
3 nection with the transfer of functions under the
4 plan; and

5 (7) specify the proposed disposition of the prop-
6 erty, facilities, contracts, records, and other assets
7 and liabilities of the Agency in connection with the
8 transfer of the functions of the Agency to the De-
9 partment.

10 (c) ASSISTANT SECRETARY POSITIONS.—The plan
11 under subsection (a) shall provide for an appropriate num-
12 ber of Assistant Secretaries of State to carry out the func-
13 tions transferred to the Department under this chapter.

14 **SEC. 2462. PRINCIPAL OFFICERS.**

15 (a) UNDER SECRETARY OF STATE FOR DEVELOP-
16 MENT AND ECONOMIC AFFAIRS.—

17 (1) ESTABLISHMENT.—Section 1(b) of the
18 State Department Basic Authorities Act of 1956 (22
19 U.S.C. 2651a(b)) is amended by adding after para-
20 graph (2) the following new paragraph:

21 “(3) UNDER SECRETARY FOR DEVELOPMENT
22 AND ECONOMIC AFFAIRS.—There shall be in the De-
23 partment of State an Under Secretary for Develop-
24 ment and Economic Affairs who shall assist the Sec-
25 retary and the Deputy Secretary in the formation

1 and implementation of United States policies and ac-
2 tivities concerning international development and
3 economic affairs.”.

4 (b) TRANSITION PROVISION.—The President may ap-
5 point the individual serving as Administrator of the Agen-
6 cy for International Development on the day before the
7 effective date of this chapter, or such other official ap-
8 pointed by and with the advice and consent of the Senate
9 and serving within the Department of State or the Agency
10 for International Development as the President considers
11 appropriate, to serve as the acting Under Secretary for
12 Development and Economic Affairs until an individual is
13 appointed to that office in accordance with section 1(b)(1)
14 of the State Department Basic Authorities Act of 1956,
15 as amended by this Act.

16 **Subchapter D—Conforming Amendments**

17 **SEC. 2465. REFERENCES.**

18 Any reference in any statute, reorganization plan,
19 Executive order, regulation, agreement, determination, or
20 other official document or proceeding to—

21 (1) the Administrator of the Agency for Inter-
22 national Development, or any other officer or em-
23 ployee of the Agency for International Development
24 shall be deemed to refer to the Secretary of State;

1 (2) the Director or any other officer or em-
2 ployee of the International Development Cooperation
3 Agency (IDCA) shall be deemed to refer to the Sec-
4 retary of State; or

5 (3) the Agency for International Development,
6 AID, the agency primarily responsible for admin-
7 istering part I of the Foreign Assistance Act of
8 1961, or the International Development Cooperation
9 Agency (IDCA) shall be deemed to refer to the De-
10 partment of State.

11 **SEC. 2466. ABOLITION OF OFFICE OF INSPECTOR GENERAL**
12 **OF THE AGENCY FOR INTERNATIONAL DE-**
13 **VELOPMENT AND TRANSFER OF FUNCTIONS**
14 **TO OFFICE OF INSPECTOR GENERAL OF THE**
15 **DEPARTMENT OF STATE.**

16 (a) ABOLITION OF OFFICE OF INSPECTOR GENERAL
17 OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT.—
18 The Office of Inspector General of the Agency for Inter-
19 national Development is abolished.

20 (b) AMENDMENTS TO THE INSPECTOR GENERAL ACT
21 OF 1978.—The Inspector General Act of 1978 (5 U.S.C.
22 App.) is amended as follows:

23 (1) Section 8A is repealed.

1 (2) Section 11(1) is amended by striking “the
2 Administrator of the Agency for International Devel-
3 opment,”.

4 (3) Section 11(2) is amended by striking “the
5 Agency for International Development,”.

6 (c) AMENDMENTS TO TITLE 5, UNITED STATES
7 CODE.—Section 5315 of title 5, United States Code, is
8 amended by striking the following: “Inspector General,
9 Agency for International Development.”.

10 (d) FUNCTIONS OF OFFICE OF INSPECTOR GENERAL
11 OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT
12 TRANSFERRED TO OFFICE OF INSPECTOR GENERAL OF
13 THE DEPARTMENT OF STATE.—There are transferred to
14 the Office of Inspector General of the Department of State
15 the functions that the Office of Inspector General of the
16 Agency for International Development exercised before the
17 effective date of this chapter (including all related func-
18 tions of the Inspector General of the Agency for Inter-
19 national Development).

20 (e) TRANSFER AND ALLOCATIONS OF APPROPRIA-
21 TIONS AND PERSONNEL.—The Inspector General of the
22 Department of State, is authorized to make such inciden-
23 tal dispositions of personnel, assets, liabilities, grants, con-
24 tracts, property, records, and unexpended balances of ap-
25 propriations, authorizations, allocations, and other funds

1 held, used, arising from, available to, or to be made avail-
2 able in connection with such functions, as may be nec-
3 essary to carry out the provisions of this section.

4 **SEC. 2467. ABOLITION OF CHIEF FINANCIAL OFFICER OF**
5 **THE AGENCY FOR INTERNATIONAL DEVELOP-**
6 **MENT AND TRANSFER OF FUNCTIONS TO**
7 **CHIEF FINANCIAL OFFICER DEPARTMENT OF**
8 **STATE.**

9 (a) ABOLITION OF OFFICE OF CHIEF FINANCIAL OF-
10 FICER OF THE AGENCY FOR INTERNATIONAL DEVELOP-
11 MENT.—The Office of Chief Financial Officer of the Agen-
12 cy for International Development is abolished.

13 (b) AMENDMENT TO TITLE 31, UNITED STATES
14 CODE.—Section 901(b)(2) of title 31, United States Code,
15 is amended by striking subparagraph (A).

16 (c) FUNCTIONS OF OFFICE OF CHIEF FINANCIAL
17 OFFICER OF THE AGENCY FOR INTERNATIONAL DEVEL-
18 OPMENT TRANSFERRED TO OFFICE OF CHIEF FINANCIAL
19 OFFICER OF THE DEPARTMENT OF STATE.—There are
20 transferred to the Office of Chief Financial Officer of the
21 Department of State the functions that the Office of Chief
22 Financial Officer of the Agency for International Develop-
23 ment exercised before the effective date of this chapter (in-
24 cluding all related functions of the Chief Financial Officer
25 of the Agency for International Development).

1 (d) TRANSFER AND ALLOCATIONS OF APPROPRIA-
2 TIONS AND PERSONNEL.—The Director of the Office of
3 Management and Budget, in consultation with the Sec-
4 retary of State, is authorized to make such incidental dis-
5 positions of personnel, assets, liabilities, grants, contracts,
6 property, records, and unexpended balances of appropria-
7 tions, authorizations, allocations, and other funds held,
8 used, arising from, available to, or to be made available
9 in connection with such functions, as may be necessary
10 to carry out the provisions of this section.

11 **SEC. 2468. AMENDMENTS TO TITLE 5, UNITED STATES**

12 **CODE.**

13 Title 5, United States Code, is amended—

14 (1) in section 5313, by striking “Administrator,
15 Agency for International Development.”;

16 (2) in section 5314, by striking “Deputy Ad-
17 ministrator, Agency for International Develop-
18 ment.”;

19 (3) in section 5315—

20 (A) by striking “Assistant Administrators,
21 Agency for International Development (6).”;

22 and

23 (B) by striking “Regional Assistant Ad-
24 ministrators, Agency for International Develop-
25 ment (4).”; and

1 (4) in section 5316 by striking “General Coun-
2 sel of the Agency for International Development.”.

3 **SEC. 2469. PUBLIC LAW 480 PROGRAM.**

4 The Agricultural Trade Development and Assistance
5 Act of 1954 (Public Law 83–480; 7 U.S.C. 1691 et seq.)
6 is amended by striking “Administrator” each place it ap-
7 pears and inserting “Under Secretary of State for Devel-
8 opment and Economic Affairs”.

9 **CHAPTER 4—ORGANIZATION OF THE DE-**
10 **PARTMENT OF STATE AND FOREIGN**
11 **SERVICE**

12 **SEC. 2471. OFFICE OF THE SECRETARY OF STATE.**

13 (a) SECRETARY OF STATE.—Section 1 of the State
14 Department Basic Authorities of 1956 (22 U.S.C. 2651a)
15 is amended—

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

18 (2) by inserting after paragraph (2) the follow-
19 ing new paragraph:

20 “(3) The Secretary shall serve as the principal
21 foreign policy adviser to the President and shall,
22 under the direction of the President, be responsible
23 for the overall direction, coordination, and super-
24 vision of United States foreign relations and for the

1 interdepartmental activities of the United States
2 Government abroad.”.

3 (b) DEPUTY SECRETARY.—Section 1(b) of the State
4 Department Basic Authorities Act of 1956 (22 U.S.C.
5 2651a(b)) is amended to read as follows:

6 “(b) DEPUTY SECRETARY.—(1) There shall be within
7 the Department of State a Deputy Secretary of State, who
8 shall be appointed by the President, by and with the advice
9 and consent of the Senate.

10 “(2) The Deputy Secretary shall have primary re-
11 sponsibility, which may not be delegated, to assure ade-
12 quate foreign policy coordination with respect to the inter-
13 national activities of other agencies and development enti-
14 ties.

15 “(3) The Deputy Secretary shall act for, and exercise
16 the powers of, the Secretary during his absence or disabil-
17 ity or during a vacancy in the office of the Secretary.”.

18 (c) AMERICA DESK.—Section 1(c) of the State De-
19 partment Basic Authorities Act of 1956 (22 U.S.C.
20 2651a(c)) is amended to read as follows:

21 “(c) AMERICA DESK.—(1)(A) The Secretary shall es-
22 tablish and maintain staff within the office of the Sec-
23 retary that shall be responsible for ensuring that adequate
24 consideration is afforded to United States commercial and

1 business interests in the formulation of United States for-
2 eign policy.

3 “(B) The staff established under subparagraph (A)
4 may be referred to as the ‘America Desk’.

5 “(2) The America Desk shall also serve as an om-
6 budsman and as a point of liaison to United States com-
7 mercial and economic interests and to provide policy-
8 makers with input that will help keep policy responsive
9 to the needs of United States citizens.

10 “(3) In addition, in the event of certain foreign emer-
11 gencies or crises affecting United States citizens, the
12 America Desk shall help energize the Department’s re-
13 sources in a coordinated response.”.

14 (d) RESOURCES, POLICY, AND PLANNING STAFF.—
15 Section 1 of the State Department Basic Authorities Act
16 of 1956 (22 U.S.C. 2651a) is amended—

17 (1) by striking subsection (e);

18 (2) by redesignating subsection (d) as sub-
19 section (e); and

20 (3) by amending subsection (d) to read as fol-
21 lows:

22 “(d) RESOURCES, POLICY, AND PLANNING STAFF.—

23 (1) The Secretary shall establish and maintain a Re-
24 sources, Policy, and Planning Staff within the office of
25 the Secretary to provide the Secretary, the Deputy Sec-

1 retary of State, and the Under Secretaries of State precise
2 information on and recommendations concerning the re-
3 source implications of foreign policy proposals.

4 “(2) The staff shall be responsible to ensure that the
5 Secretary of State has an independent assessment of the
6 budgetary impact of foreign policy proposals.”.

7 (e) ASSUMPTION OF DUTIES BY INCUMBENT AP-
8 POINTEES.—An individual holding an office immediately
9 prior to the date of enactment of this Act—

10 (1) who was appointed to the office by the
11 President, by and with the advice and consent of the
12 Senate; and

13 (2) who performs duties substantially similar to
14 the duties of an office created or proposed to be cre-
15 ated under the amendments of this section,

16 may, in the discretion of the Secretary of State, assume
17 the duties of such new office, and shall not be required
18 to be reappointed by reason of the enactment of this
19 section.

20 **SEC. 2472. UNDER SECRETARIES.**

21 (a) AMENDMENT TO THE STATE DEPARTMENT
22 BASIC AUTHORITIES ACT.—The State Department Basic
23 Authorities Act of 1956 (22 U.S.C. 2651a et seq.) is
24 amended by inserting after section 1 the following new
25 section:

1 **“SEC. 1A. UNDER SECRETARIES OF STATE.**

2 “(a) IN GENERAL.—(1) There shall be in the Depart-
3 ment of State not more than the following five Under Sec-
4 retaries of State, who shall be appointed by the President,
5 by and with the advice and consent of the Senate:

6 “(A) The Under Secretary of State for Policy.

7 “(B) The Under Secretary of State for Export,
8 Trade, Economics, and Business.

9 “(C) The Under Secretary of State for Inter-
10 national Security.

11 “(D) The Under Secretary of State for Public
12 Diplomacy.

13 “(E) The Under Secretary of State for Manage-
14 ment.

15 “(2) The responsibilities of the Under Secretaries of
16 State include, but are not limited to, the responsibilities
17 provided for in this section.

18 “(b) UNDER SECRETARY OF STATE FOR POLICY.—

19 “(1) IN GENERAL.—There is an Under Sec-
20 retary of State for Policy.

21 “(2) RESPONSIBILITIES.—The Under Secretary
22 of State for Policy shall be responsible to the Sec-
23 retary of State and the Deputy Secretary of State
24 for the following:

1 “(A) Assisting in the development, imple-
2 mentation, and conduct of foreign policy and
3 foreign assistance policy.

4 “(B) Determining the policy goals and
5 functions of United States diplomatic missions
6 and ensuring that overall mission staffing re-
7 flects policy priorities.

8 “(C) Ensuring policy coordination of all
9 international programs carried out by the de-
10 partments and agencies of the Federal Govern-
11 ment in the areas within the responsibilities of
12 the Under Secretary.

13 “(3) OFFICE OF THE UNDER SECRETARY.—
14 There shall be within the Office of the Under Sec-
15 retary for Policy the Office of Enterprise Fund Co-
16 ordination which shall ensure that programs of en-
17 terprise funds support regional policy goals, are well
18 managed and audited, and are sufficiently capital-
19 ized.

20 “(c) UNDER SECRETARY OF STATE FOR EXPORT,
21 TRADE, ECONOMICS, AND BUSINESS.—

22 “(1) IN GENERAL.—There is an Under Sec-
23 retary of State for Export, Trade, Economics, and
24 Business.

1 “(2) RESPONSIBILITIES.—(A) The Under Sec-
2 retary of State for Export, Trade, Economics, and
3 Business shall be responsible to the Secretary of
4 State and the Deputy Secretary of State for the fol-
5 lowing:

6 “(i) Assisting in the development, imple-
7 mentation, and conduct of foreign policy and
8 foreign assistance policy with respect to export
9 promotion, trade, economics, and business and
10 with respect to science and environmental mat-
11 ters and the oceans.

12 “(ii) Overseeing international programs
13 with respect to the matters referred to in sub-
14 paragraph (A) that are carried out by the de-
15 partments and agencies of the Federal Govern-
16 ment other than the Department of State.

17 “(B) The Under Secretary shall be the rep-
18 resentative of the Department of State on the Trade
19 Promotion Coordinating Committee established
20 under section 2312 of the Export Enhancement Act
21 of 1988 (15 U.S.C. 4724).

22 “(d) UNDER SECRETARY OF STATE FOR INTER-
23 NATIONAL SECURITY.—

24 “(1) IN GENERAL.—There is an Under Sec-
25 retary of State for International Security.

1 “(2) RESPONSIBILITIES.—The Under Secretary
2 of State for International Security shall be respon-
3 sible to the Secretary of State and the Deputy Sec-
4 retary of State for the following:

5 “(A) Assisting in the development of policy
6 relating to matters of international security, in-
7 cluding arms control and nonproliferation,
8 international narcotics and crime control, refu-
9 gee and migration affairs, emergency humani-
10 tarian issues, and foreign assistance issues re-
11 lated thereto.

12 “(B) Advising on matters of arms control
13 and disarmament, arms sales, and nonprolifera-
14 tion of weapons of mass destruction.

15 “(3) OFFICE OF THE UNDER SECRETARY.—
16 There shall be within the Office of the Under Sec-
17 retary of State for International Security—

18 “(A) the Coordinator for Economic Sup-
19 port Funds-Foreign Military Financing, who
20 shall seek to assure that programs under chap-
21 ter 4 of part II of the Foreign Assistance Act
22 of 1961 and under section 23 of the Arms Ex-
23 port Control Act reflect United States foreign
24 policy objectives; and

1 “(B) the Coordinator for Counter-Terror-
2 ism, who shall develop, coordinate, and oversee
3 the implementation of, the policy of the Depart-
4 ment of State to counter acts of international
5 terrorism.

6 “(e) UNDER SECRETARY OF STATE FOR PUBLIC DI-
7 PLOMACY.—

8 “(1) IN GENERAL.—There is an Under Sec-
9 retary of State for Public Diplomacy.

10 “(2) RESPONSIBILITIES.—The Under Secretary
11 of State for Public Diplomacy shall be responsible to
12 the Secretary of State and the Deputy Secretary of
13 State for the following:

14 “(A) Assisting in the development, imple-
15 mentation, and conduct of United States policy
16 on public diplomacy, including international ex-
17 change programs and international broadcast-
18 ing.

19 “(B) Coordinating international exchange
20 programs that are carried out by departments
21 and agencies of the Federal Government other
22 than the Department of State.

23 “(C) Disseminating information, including
24 the use and maintenance of electronic informa-

1 tion capabilities, such as the wireless file, and
2 library and overseas resource centers.

3 “(i) providing information to the pub-
4 lic outside the United States on United
5 States foreign policy and assistance policy;
6 and

7 “(ii) providing to the Secretary of
8 State information on public reaction, for-
9 eign attitudes and media reaction to Unit-
10 ed States foreign policy.

11 “(3) OFFICE OF THE UNDER SECRETARY.—
12 There shall be within the office of the Under Sec-
13 retary of State of Public Diplomacy the Press Office
14 and Spokesperson which shall carry out domestic li-
15 aison activities, including authority over the current
16 foreign press centers in the United States.

17 “(f) UNDER SECRETARY OF STATE FOR MANAGE-
18 MENT.—

19 “(1) IN GENERAL.—There is an Under Sec-
20 retary of State for Management.

21 “(2) RESPONSIBILITIES.—The Under Secretary
22 of State for Management shall be responsible to the
23 Secretary of State and the Deputy Secretary of
24 State for the following:

1 “(A) Assisting in the development, imple-
2 mentation, and conduct of policy for the man-
3 agement of the Department of State, including
4 the management of United States diplomatic
5 missions and consular posts abroad.

6 “(B) Assuring adequate management sup-
7 port for the conduct of United States foreign
8 policy and foreign assistance policy, including
9 personnel staffing levels adequate to support
10 the overall foreign policy objectives.

11 “(C) Developing and implementing policy
12 on consular programs.”.

13 (b) ASSUMPTION OF DUTIES BY INCUMBENT AP-
14 POINTEES.—An individual holding an office immediately
15 prior to the date of enactment of this Act—

16 (1) who was appointed to the office by the
17 President, by and with the advice and consent of the
18 Senate; and

19 (2) who performs duties substantially similar to
20 the duties of an office created or proposed to be cre-
21 ated under section 1A of the State Department
22 Basic Authorities Act of 1956,
23 may, in the discretion of the Secretary of State, assume
24 the duties of such new office, and shall not be required

1 to be reappointed by reason of the enactment of that
2 section.

3 **SEC. 2473. ASSISTANT SECRETARIES OF STATE.**

4 (a) AMENDMENT TO THE STATE DEPARTMENT
5 BASIC AUTHORITIES ACT.—The State Department Basic
6 Authorities Act of 1956 (22 U.S.C. 2651a et seq.) is
7 amended by inserting after section 1A, as added by section
8 1102, the following new section:

9 **“SEC. 1B. ASSISTANT SECRETARIES OF STATE.**

10 “(a) IN GENERAL.—(1) There shall be in the Depart-
11 ment of State not more than 20 Assistant Secretaries of
12 State, who shall be appointed by the President, by and
13 with the advice and consent of the Senate. The responsibil-
14 ities of the Assistant Secretaries of State include, but are
15 not limited to, the responsibilities provided for in this sec-
16 tion.

17 “(2) Under each Assistant Secretary of State having
18 regional responsibilities described in paragraphs (1)
19 through (6) of subsection (b), there should be a Deputy
20 Assistant Secretary of State for Trade, and Development
21 Assistance.

22 “(b) ASSISTANT SECRETARIES REPORTING TO THE
23 UNDER SECRETARY OF STATE FOR POLICY.—The follow-
24 ing Assistant Secretaries of State should be subject to the
25 supervision and policy guidance of the Under Secretary

1 of State for Policy and should have the following respon-
2 sibilities:

3 “(1) ASSISTANT SECRETARY FOR INTER-AMER-
4 ICAN AFFAIRS.—There should be an Assistant Sec-
5 retary of State for Inter-American Affairs who
6 should assist in the development and implementation
7 of United States foreign policy and foreign assist-
8 ance policy with respect to the Western Hemisphere.

9 “(2) ASSISTANT SECRETARY FOR WESTERN
10 AND CENTRAL EUROPEAN AFFAIRS.—There should
11 be an Assistant Secretary of State for Western and
12 Central European Affairs who should assist in the
13 development and implementation of United States
14 foreign policy and foreign assistance policy with re-
15 spect to Western and Central Europe.

16 “(3) ASSISTANT SECRETARY FOR ASIAN AND
17 PACIFIC AFFAIRS.—There should be an Assistant
18 Secretary of State for Asian and Pacific Affairs who
19 should assist in the development and implementation
20 of United States foreign policy and foreign assist-
21 ance policy with respect to Asia and the Pacific.

22 “(4) ASSISTANT SECRETARY FOR AFRICAN AF-
23 FAIRS.—There should be an Assistant Secretary of
24 State for African Affairs who should assist in the
25 development and implementation of United States

1 foreign policy and foreign assistance policy with re-
2 spect to Africa.

3 “(5) ASSISTANT SECRETARY FOR NEAR EAST-
4 ERN AFFAIRS.—There should be an Assistant Sec-
5 retary of State for Near Eastern Affairs who should
6 assist in the development and implementation of
7 United States foreign policy and foreign assistance
8 policy with respect to the Near East.

9 “(6) ASSISTANT SECRETARY FOR EASTERN EU-
10 ROPE AND CENTRAL ASIA AFFAIRS.—There should
11 be an Assistant Secretary of State for Eastern Eu-
12 rope and Central Asia Affairs who should assist in
13 the development and implementation of United
14 States foreign policy and foreign assistance policy
15 with respect to Armenia, Azerbaijan, Georgia,
16 Kazakstan, Kyrgyzstan, Russia, Tajikistan,
17 Turkmenistan, and Uzbekistan.

18 “(7) ASSISTANT SECRETARY FOR INTER-
19 NATIONAL ORGANIZATIONS.—There should be an As-
20 sistant Secretary for International Organizations
21 who should have the rank and status of Ambassador
22 Extraordinary and Plenipotentiary and who—

23 “(A) should serve as the Permanent Rep-
24 resentative of the United States to the United
25 Nations;

1 “(B) may serve ex officio as representative
2 of the United States in any organ, commission,
3 or other body of any international organization
4 other than a specialized agency of the United
5 Nations;

6 “(C) should develop, coordinate, and imple-
7 ment United States policy in the United Na-
8 tions, specialized agencies, and other inter-
9 national organizations, including United States
10 policy on issues relating to United Nations
11 peacekeeping activities;

12 “(D) should ensure that the United States
13 participates in international organizations in a
14 consistent fashion; and

15 “(E) should manage United States partici-
16 pation in multilateral conferences, including ac-
17 crediting and instructing United States delega-
18 tions to such conferences and providing rep-
19 resentational and logistical support to such
20 delegations.

21 “(8) ASSISTANT SECRETARY FOR DEMOCRACY
22 AND HUMAN RIGHTS.—There should be an Assistant
23 Secretary of State for Democracy and Human
24 Rights, who should—

1 “(A) develop, coordinate, and implement
2 United States policy and programs for the pro-
3 motion of freedom, democracy, respect for
4 human rights, and similar matters around the
5 world;

6 “(B) support and provide advice to the re-
7 gional Assistant Secretaries of State referred to
8 in paragraphs (1) through (6) in the promotion
9 of the matters referred to in subparagraph (A);

10 “(C) serve as liaison with nongovernmental
11 organizations that are active in the promotion
12 of such matters;

13 “(D) prepare the annual report of the De-
14 partment of State on human rights practices;
15 and

16 “(E) advise the Immigration and Natu-
17 ralization Service on applications by foreign na-
18 tionals for political asylum in the United States.

19 “(c) ASSISTANT SECRETARIES REPORTING TO THE
20 UNDER SECRETARY OF STATE FOR EXPORT, TRADE, EC-
21 ONOMICS, AND BUSINESS.—The following Assistant Sec-
22 retaries of State should be subject to the supervision and
23 policy guidance of the Under Secretary of State for Ex-
24 port, Trade, Economics, and Business and should have the
25 following responsibilities:

1 “(1) ASSISTANT SECRETARY FOR ECONOMICS
2 AND BUSINESS AFFAIRS.—

3 “(A) IN GENERAL.—There should be an
4 Assistant Secretary of State for Economics and
5 Business Affairs who should—

6 “(i) develop, coordinate, and imple-
7 ment United States international economic
8 policy, including resource and food policy,
9 energy policy, trade policy, policy with re-
10 spect to economic sanctions, and policy for
11 the promotion of a stable and open inter-
12 national financial system;

13 “(ii) ensure that United States eco-
14 nomic and commercial interests are given
15 appropriate weight in the development and
16 implementation of United States foreign
17 policy;

18 “(iii) negotiate agreements for the
19 purposes of promoting United States busi-
20 ness abroad, improving the economic com-
21 petitiveness of United States business
22 abroad, and facilitating United States
23 business activities abroad; and

24 “(iv) advise other bureaus and ele-
25 ments of the Department of State on eco-

1 nomic policy issues relating to the matters
2 set forth in clauses (i) through (iii).

3 “(B) OFFICE OF THE ASSISTANT SEC-
4 RETARY.—There should be within the Office of
5 the Assistant Secretary of State for Economic
6 and Business Affairs the Office of Tele-
7 communications and Aviation. The office
8 should—

9 “(i) develop, coordinate, and imple-
10 ment policy on issues relating to inter-
11 national telecommunications, international
12 information utilization and exchange, and
13 international aviation and maritime mat-
14 ters;

15 “(ii) consult with and coordinate the
16 activities of the other departments and
17 agencies of the Federal Government with
18 respect to the policy referred to in clause
19 (i); and

20 “(iii) conduct negotiations with for-
21 eign governments and international organi-
22 zations with respect to such policy.

23 “(2) ASSISTANT SECRETARY FOR OCEANS AND
24 ENVIRONMENTAL AND SCIENCE AFFAIRS.—There
25 should be an Assistant Secretary of State for Oceans

1 and Environmental and Science Affairs who should
2 develop, coordinate, and implement policy on the sci-
3 entific and technological facets of the relations of the
4 United States with foreign governments and inter-
5 national organizations and on matters relating to the
6 environment, the oceans, fishing, and space.

7 “(d) ASSISTANT SECRETARIES REPORTING TO THE
8 UNDER SECRETARY OF STATE FOR INTERNATIONAL SE-
9 CURITY.—The following Assistant Secretaries of State
10 should be subject to the supervision and policy guidance
11 of the Under Secretary of State for International Security
12 and should have the following responsibilities:

13 “(1) ASSISTANT SECRETARY FOR ARMS CON-
14 TROL AND NON-PROLIFERATION AFFAIRS.—(A)
15 There shall be an Assistant Secretary of State for
16 Arms Control and Non-Proliferation Affairs who
17 shall—

18 “(i) develop and coordinate policy on non-
19 proliferation of weapons of mass destruction
20 (including nuclear, chemical, and biological
21 weapons and missile technology) and nuclear
22 and conventional arms control; and

23 “(ii) prepare for and operate United States
24 participation in international control systems

1 that may result from United States arms con-
2 trol activities.

3 “(B) DEPUTY ASSISTANT SECRETARIES.—(i)
4 There shall be four Deputy Assistant Secretaries of
5 State who shall report to the Assistant Secretary of
6 State for Arms Control and Non-Proliferation Af-
7 fairs for the following matters, respectively:

8 “(I) Verification of compliance with arms
9 control agreements (including memoranda of
10 understanding).

11 “(II) Conventional arms control.

12 “(III) Nuclear nonproliferation.

13 “(IV) Control of weapons of mass destruc-
14 tion.

15 “(ii) One such Deputy Assistant Secretary shall
16 serve as the principal Deputy to the Assistant Sec-
17 retary.

18 “(2) ASSISTANT SECRETARY FOR INTER-
19 NATIONAL NARCOTICS AND LAW ENFORCEMENT AF-
20 FAIRS.—There should be an Assistant Secretary of
21 State for International Narcotics and Law Enforce-
22 ment Affairs who should—

23 “(A) develop, coordinate, and implement
24 international narcotics assistance activities dele-
25 gated to the Secretary of State under chapter

1 8 of part I of the Foreign Assistance Act of
2 1961 (22 U.S.C. 2291 et seq.);

3 “(B) serve as principal point of contact
4 and provide advice on international narcotics
5 control matters for the Office of Management
6 and Budget, the National Security Council, and
7 the Executive Office of the President to ensure
8 implementation of United States policy in nar-
9 cotics matters; and

10 “(C) carry out international law enforce-
11 ment activities of the Department of State
12 under the International Narcotics Control Cor-
13 rection Act of 1994, including—

14 “(i) promoting law enforcement and
15 policy initiatives bilaterally or multilater-
16 ally which are of high priority to the na-
17 tional interest of the United States;

18 “(ii) promoting improved coordination
19 among United States policy and law en-
20 forcement agencies for their activities out-
21 side the United States; and

22 “(iii) developing law enforcement
23 training programs to strengthen and sta-
24 bilize democracies throughout the world.

1 “(3) ASSISTANT SECRETARY FOR POLITICAL-
2 MILITARY AFFAIRS.—There should be an Assistant
3 Secretary of State for Political-Military Affairs who
4 should—

5 “(A) serve as the Department’s primary li-
6 aision with the Department of Defense;

7 “(B) seek to further United States na-
8 tional security objectives by—

9 “(i) stabilizing regional military bal-
10 ances through negotiations and security as-
11 sistance;

12 “(ii) maintaining global access for
13 United States military forces;

14 “(iii) inhibiting the access by adver-
15 saries to militarily significant technologies;
16 and

17 “(iv) promoting responsible United
18 States defense trade; and

19 “(C) coordinate with the Department of
20 Defense on issues involving United States par-
21 ticipation in United Nations peacekeeping ac-
22 tivities.

23 “(4) ASSISTANT SECRETARY FOR HUMANI-
24 TARIAN ASSISTANCE, REFUGEES, AND MIGRATION
25 AFFAIRS.—There should be an Assistant Secretary

1 of State for Humanitarian Assistance, Refugees, and
2 Migration Affairs who should—

3 “(A) recommend and implement policy on
4 humanitarian assistance and refugee and mi-
5 gration affairs;

6 “(B) operate United States refugee pro-
7 grams abroad, carried out in cooperation with
8 other governments, private and international or-
9 ganizations, and other United States govern-
10 ment agencies;

11 “(C) carry out programs relating to the re-
12 lief and repatriation of refugees, and the selec-
13 tion and processing of refugees to be admitted
14 to the United States;

15 “(D) implement abroad United States pro-
16 grams for disaster preparedness, relief, and re-
17 habilitation, incorporating activities previously
18 carried out by the Office of Foreign Disaster
19 Assistance of the Agency for International De-
20 velopment; and

21 “(E) function as primary coordination
22 point for United States’ international humani-
23 tarian emergency response efforts.

24 “(e) ASSISTANT SECRETARIES REPORTING TO THE
25 UNDER SECRETARY OF STATE FOR PUBLIC DIPLO-

1 MACY.—Except as provided in paragraph (2), the follow-
2 ing Assistant Secretary of State and officials of the De-
3 partment of State should be subject to the supervision and
4 policy guidance of the Under Secretary of State for Public
5 Diplomacy and should have the following responsibilities:

6 “(1) ASSISTANT SECRETARY FOR INTER-
7 NATIONAL EXCHANGES.—

8 “(A) IN GENERAL.—There shall be an As-
9 sistant Secretary of State for International Ex-
10 changes who shall—

11 “(i) administer programs carried out
12 under the Mutual Educational and Cul-
13 tural Exchange Act of 1961 (Public Law
14 87-256) so as to ensure that such pro-
15 grams support United States interests
16 abroad and reflect the values of the people
17 of the United States;

18 “(ii) develop and implement policy for,
19 and provide professional guidance, mate-
20 rials, and other program support to, the li-
21 braries and binational centers of the De-
22 partment of State abroad;

23 “(iii) administer fine arts programs
24 and performing arts programs abroad, in-
25 cluding arranging for tours abroad of

1 United States performing arts groups and
2 fine arts exhibitions; and

3 “(iv) develop and implement other
4 programs in support of United States in-
5 terests abroad, including programs for the
6 identification and recruitment of individ-
7 uals to speak of such interests abroad and
8 for establishing links between United
9 States and foreign cultural institutions.

10 “(B) OFFICE OF THE ASSISTANT SEC-
11 RETARY.—There shall be within the Office of
12 the Assistant Secretary of State for Inter-
13 national Exchanges the Office of Program Co-
14 ordination. The Secretary of State, acting
15 through the Office, shall be responsible for
16 tracking identification and coordination of all
17 United States Government sponsored non-
18 military international exchange programs. The
19 Office shall be charged to identify and make
20 recommendations to the President on programs
21 that are duplicative and, therefore, should be
22 eliminated.

23 “(2) CHAIRMAN OF THE BROADCASTING BOARD
24 OF GOVERNORS AND THE DIRECTOR OF THE INTER-
25 NATIONAL BROADCASTING OFFICE.—The Chairman

1 of the Broadcasting Board of Governors and the Di-
2 rector of the International Broadcasting Office shall
3 have the responsibilities set forth for those positions
4 in title III of the Foreign Relations Authorization
5 Act, Fiscal Years 1994 and 1995.

6 “(f) ASSISTANT SECRETARIES REPORTING TO THE
7 UNDER SECRETARY OF STATE FOR MANAGEMENT.—The
8 following Assistant Secretaries of State should be subject
9 to the supervision and policy guidance of the Under Sec-
10 retary of State for Management and should have the fol-
11 lowing responsibilities:

12 “(1) ASSISTANT SECRETARY FOR CONSULAR
13 AFFAIRS.—There should be an Assistant Secretary
14 of State for Consular Affairs who should develop, co-
15 ordinate, and implement policy relating to the pro-
16 tection and welfare of United States citizens and in-
17 terests abroad, the issuance of passports and visas,
18 and the provision of other consular services.

19 “(2) ASSISTANT SECRETARY FOR ADMINISTRA-
20 TION.—There should be an Assistant Secretary of
21 State for Administration who should—

22 “(A) develop, coordinate, and implement
23 policy, programs, and activities for the provision
24 of administrative support for the Department of
25 State, including support for building operations

1 of the Department in the United States and
2 abroad, support for information management,
3 support for telecommunications, support for the
4 Diplomatic Contingency Program of the De-
5 partment, support for travel abroad by the
6 President and the Vice President, and support
7 for schools for dependents of Department per-
8 sonnel abroad;

9 “(B) manage acquisition activities of the
10 Department in the United States;

11 “(C) oversee acquisition activities of the
12 Department abroad;

13 “(D) ensure the provision of supply and
14 transportation services to the Department; and

15 “(E) ensure the provision of language serv-
16 ices for the Secretary of State, the Executive
17 Office of the President, and other officials of
18 the Federal Government.

19 “(3) ASSISTANT SECRETARY FOR DIPLOMATIC
20 SECURITY.—There should be an Assistant Secretary
21 of State for Diplomatic Security who should—

22 “(A) develop, coordinate, and implement
23 policy for the purpose of ensuring the security
24 of personnel who conduct United States diplo-

1 macy and promote United States interests
2 abroad;

3 “(B) assign security personnel to posts
4 abroad for the purpose referred to in subpara-
5 graph (A);

6 “(C) carry out the duties set forth in the
7 Omnibus Diplomatic Security Act of 1986 (22
8 U.S.C. 4801 et seq.); and

9 “(D) administer through the Office of For-
10 eign Missions, the authorities relating to the
11 regulation of foreign missions under title II of
12 this Act.

13 “(g) POSITIONS REPORTING TO THE SECRETARY OF
14 STATE.—There should be in the Department of State, the
15 following officials who should be appointed by the Presi-
16 dent, by and with the advice and consent of the Senate,
17 and who should report to the Secretary of State and who
18 should have the following responsibilities:

19 “(1) ASSISTANT SECRETARY OF STATE FOR IN-
20 TELLIGENCE AND STRATEGIC PLANS.—There should
21 be an Assistant Secretary of State for Intelligence
22 and Strategic Plans, who should—

23 “(A) provide the Secretary, the Deputy
24 Secretary, and Department principals with in-
25 telligence information, briefings, analysis, and

1 coordination necessary to carry out the Presi-
2 dent's foreign policy;

3 “(B) serve as primary adviser to the Sec-
4 retary of State and intelligence briefer for sen-
5 ior Department policymakers;

6 “(C) undertake strategic (medium- and
7 long-term) policy studies and analyses, and
8 keep policymakers aware of strategic trends in
9 areas of current or potential policy interest”;
10 and

11 “(D) provide the intelligence community
12 guidance as necessary to help ensure products
13 are focused adequately to support policymakers.

14 “(2) ASSISTANT SECRETARY OF STATE FOR
15 LEGISLATIVE AFFAIRS.—There should be an Assist-
16 ant Secretary of State for Legislative Affairs, who
17 should—

18 “(A) supervise and coordinate all foreign
19 affairs-related legislative activities within the
20 Department of State and among the Depart-
21 ment, Congress, and other agencies;

22 “(B) supervise and coordinate all personnel
23 of the Department who are designated or as-
24 signed legislative responsibilities and who

1 should report to the Assistant Secretary of
2 State for Legislative Affairs;

3 “(C) ensure that congressional perspectives
4 are considered in the foreign policymaking proc-
5 ess, that the administration’s views are accu-
6 rately presented to Congress, and that a coordi-
7 nated legislative strategy is implemented by ex-
8 ecutive branch agencies; and

9 “(D) be responsible for rating and review-
10 ing all employees of any bureau whose duties
11 comprise primarily of legislative matters.”.

12 (b) ASSUMPTION OF DUTIES BY INCUMBENT AP-
13 POINTEES.—An individual holding an office immediately
14 prior to the date of enactment of this Act—

15 (1) who was appointed to the office by the
16 President, by and with the advice and consent of the
17 Senate; and

18 (2) who performs duties substantially similar to
19 the duties of an office created or proposed to be cre-
20 ated under section 1B of the State Department
21 Basic Authorities Act of 1956,

22 may, in the discretion of the Secretary of State, assume
23 the duties of such new office, and shall not be required
24 to be reappointed by reason of the enactment of that sec-
25 tion.

1 **SEC. 2474. OTHER STATE DEPARTMENT POSITIONS.**

2 (a) AMENDMENT TO STATE DEPARTMENT BASIC AU-
3 THORITIES ACT.—Section 1B of the State Department
4 Basic Authorities Act of 1956, as added by this Act, is
5 amended by adding at the end the following new section:

6 **“SEC. 1C. OTHER STATE DEPARTMENT POSITIONS.**

7 “(a) GENERAL COUNSEL.—

8 “(1) There should be a General Counsel, who
9 should be appointed by the President, by and with
10 the advice and consent of the Senate, who should be
11 paid at the rate provided for positions at level IV of
12 the Executive Schedule, and who should—

13 “(A) serve as principal adviser to the Sec-
14 retary and, through the Secretary, to the Presi-
15 dent on all matters of international law arising
16 in the conduct of United States foreign rela-
17 tions; and

18 “(B) provide general legal advice and serv-
19 ices to the Secretary and other officials of the
20 Department on matters with which the Depart-
21 ment and overseas posts are concerned.

22 “(2) The General Counsel should assume the
23 functions previously exercised by the Legal Adviser.

24 “(b) POSITIONS REPORTING TO THE UNDER SEC-
25 RETARY OF STATE FOR MANAGEMENT.—The following of-

1 ficials within the Department of State should report di-
2 rectly to the Under Secretary of State for Management:

3 “(1) CHIEF FINANCIAL OFFICER.—There is in
4 the Department of State a Chief Financial Officer
5 who is appointed and paid in accordance with sec-
6 tion 901 of title 31, United States Code, and who
7 shall—

8 “(A) serve as the Department’s Budget
9 Officer and shall manage the financial affairs of
10 the Department, consistent with section 902 of
11 title 31, United States Code;

12 “(B) ensure adequate systems within the
13 Department for the production of reliable and
14 timely financial and related programmatic in-
15 formation;

16 “(C) develop financial analysis and per-
17 formance reports regarding the activities of the
18 Department; and

19 “(D) integrate functions of the Depart-
20 ment related to budget execution and financial
21 accounting.

22 “(2) DIRECTOR GENERAL OF THE FOREIGN
23 SERVICE.—There should be a Director General of
24 the Foreign Service who should be appointed by the
25 President, by and with the advice and consent of the

1 Senate, and who should be paid at the rate of pay
2 provided for positions at level IV of the Executive
3 Schedule. The Director General should—

4 “(A) act as principal advisor to the Sec-
5 retary of State on all matters relating to the
6 Foreign Service, including matters relating to
7 recruitment, training, professional development,
8 assignment, and utilization of Foreign Service
9 personnel;

10 “(B) provide joint training for all such
11 personnel and ensure the assignment of such
12 personnel to positions that require and provide
13 experience in a variety of disciplines; and

14 “(C) perform such functions in connection
15 with the administration of the Foreign Service
16 as the Secretary of State may prescribe.

17 “(3) DIRECTOR OF PERSONNEL.—There should
18 be within the Department of State a Director of
19 Personnel who should be appointed by the President,
20 by and with the advice and consent of the Senate,
21 and who should be paid at the rate of pay provided
22 for positions at level IV of the Executive Schedule.
23 The Director of Personnel should—

24 “(A) implement policies and programs for
25 personnel of the Department of State, including

1 personnel under the Civil Service system, per-
2 sonnel under the Foreign Service System (in
3 consultation with the Director General for the
4 Foreign Service), and personnel who are For-
5 eign Service National employees; and

6 “(B) oversee activities of the National Cen-
7 ter for Humanities, Education, Languages, and
8 Management Studies.”.

9 (b) CONFORMING REPEAL.—Section 208 of the For-
10 eign Service Act of 1980 (22 U.S.C. 3928), relating to
11 the Director General of the Foreign Service, is repealed.

12 (c) ASSUMPTION OF DUTIES BY INCUMBENT AP-
13 POINTEES.—An individual holding an office immediately
14 prior to the date of enactment of this Act—

15 (1) who was appointed to the office by the
16 President, by and with the advice and consent of the
17 Senate; and

18 (2) who performs duties substantially similar to
19 the duties of an office created or proposed to be cre-
20 ated under section 1C of the State Department
21 Basic Authorities Act of 1956,

22 may, at the discretion of the Secretary of State, assume
23 the duties of such new office, and shall not be required
24 to be reappointed by reason of the enactment of that
25 section.

1 **SEC. 2475. INSPECTOR GENERAL FOR FOREIGN AFFAIRS.**

2 (a) TERM OF SERVICE; LIMITATION ON APPOINT-
3 MENT.—Section 209(a)(1) of the Foreign Service Act of
4 1980 (22 U.S.C. 3929) is amended—

5 (1) in the first sentence, by striking “Inspector
6 General of the Department of State and the Foreign
7 Service” and inserting “Inspector General for For-
8 eign Affairs”; and

9 (2) by inserting after the first sentence the fol-
10 lowing new sentences: “The Inspector General shall
11 serve a term of six years. The Inspector General
12 may be reappointed by the President, by and with
13 the advice and consent of the Senate, for an addi-
14 tional term or terms of six years each. No career
15 member of the Foreign Service, as defined in section
16 103, may be appointed Inspector General.”.

17 (b) REDESIGNATION OF INSPECTOR GENERAL OF
18 THE DEPARTMENT OF STATE AS INSPECTOR GENERAL
19 FOR FOREIGN AFFAIRS.—(1) The Inspector General Act
20 of 1978 (5 U.S.C. App. 3) is amended—

21 (A) by redesignating section 8G (as added by
22 section 104(a) of Public Law 100–504) and section
23 8G (as added by section 105 of Public Law 100–
24 504) as sections 8H and 8I, respectively; and

25 (B) by inserting after section 8F the following:

1 “SPECIAL PROVISIONS RELATING TO THE INSPECTOR
2 GENERAL FOR FOREIGN AFFAIRS

3 “SEC. 8G. In addition to the other duties and respon-
4 sibilities specified in this Act, the Inspector General of the
5 Department of State (also known as the ‘Inspector Gen-
6 eral for Foreign Affairs’) shall exercise the authorities of
7 section 209 of the Foreign Service Act of 1980 (including
8 authorities with respect to the Broadcasting Board of Gov-
9 ernors).”.

10 (2) Section 5315 of title 5, United States Code, is
11 amended by striking “Inspector General, Department of
12 State” and inserting “Inspector General for Foreign
13 Affairs, Department of State”.

14 (3) Section 413 of the Omnibus Diplomatic Security
15 and Antiterrorism Act of 1986 (22 U.S.C. 4861) is re-
16 pealed.

17 (c) REPEAL RELATING TO THE INSPECTOR GENERAL
18 FOR THE UNITED STATES ARMS CONTROL AND DISAR-
19 MAMENT AGENCY.—Section 50 of the Arms Control and
20 Disarmament Act (22 U.S.C. 2593a), relating to the
21 ACDA Inspector General, is repealed.

22 (d) CONFORMING AMENDMENTS RELATING TO THE
23 INSPECTOR GENERAL OF THE UNITED STATES INFORMA-
24 TION AGENCY.—(1) Section 11 of the Inspector General
25 Act of 1978 (5 U.S.C. App. 3) is amended—

1 (A) in paragraph (1), by striking “or the
2 United States Information Agency”; and

3 (B) in paragraph (2), by striking “the United
4 States Information Agency,”.

5 (2) Section 5315 of title 5, United States Code, is
6 amended by striking “Inspector General, United States
7 Information Agency.”

8 (e) CONFORMING AMENDMENTS AND REPEAL RE-
9 LATING TO THE INSPECTOR GENERAL OF THE AGENCY
10 FOR INTERNATIONAL DEVELOPMENT.—(1) Section 11 of
11 the Inspector General Act of 1978 (5 U.S.C. App. 3) is
12 amended—

13 (A) in paragraph (1), by striking “Agency for
14 International Development,”; and

15 (B) in paragraph (2), by striking “the Agency
16 for International Development,”.

17 (2) Section 239(e) of the Foreign Assistance Act of
18 1961 (22 U.S.C. 2199(e)) is amended by striking “Inspec-
19 tor General of the Agency for International Development”
20 and inserting “Inspector General for Foreign Affairs”.

21 (3) Section 8A of the Inspector General Act of 1978
22 (5 U.S.C. App. 3) is repealed.

23 (4) Section 5315 of title 5, United States Code, is
24 amended by striking “Inspector General, Agency for Inter-
25 national Development.”.

1 (f) ASSUMPTION OF DUTIES BY INCUMBENT AP-
2 POINTEE.—An individual holding the office of Inspector
3 General of the Department of State immediately prior to
4 the effective date contained in subsection (g)(4)—

5 (1) who was appointed to the office by the
6 President, by and with the advice and consent of the
7 Senate; and

8 (2) who performs duties substantially similar to
9 the duties of an office created under the amend-
10 ments made by subsections (a) and (b),

11 may, in the discretion of the Secretary of State, assume
12 the duties of such new office, and shall not be required
13 to be reappointed by reason of the enactment of this
14 section.

15 (g) EFFECTIVE DATES.—The following shall be the
16 effective dates for amendments and repeals made by this
17 section:

18 (1) The repeal made by subsection (c), on the
19 effective date of title XII.

20 (2) The amendments made by subsection (d),
21 on the effective date of title XIII.

22 (3) The amendments and repeal made by sub-
23 section (e), on the effective date of title XIV.

1 (4) The amendments and repeal made by sub-
2 sections (a) and (b), on the effective date of title
3 XII, title XIII, or title XIV, whichever occurs first.

4 **SEC. 2476. RATES OF PAY.**

5 (a) UNDER SECRETARIES OF STATE.—Section 5314
6 of title 5, United States Code, is amended by striking
7 “Under Secretaries of State (5).” and inserting the follow-
8 ing:

9 “Under Secretary of State for Policy.

10 “Under Secretary of State for Export, Trade,
11 Economics, and Business.

12 “Under Secretary of State for International
13 Security.

14 “Under Secretary of State for Public Diplo-
15 macy.

16 “Under Secretary of State for Management.”.

17 (b) ASSISTANT SECRETARIES OF STATE.—Section
18 5315 of such title is amended by striking out “20 Assist-
19 ant Secretaries of State and 4 other State Department
20 officials to be appointed by the President by and with the
21 advice and consent of the Senate.” and inserting the fol-
22 lowing:

23 “In addition to other positions of the Depart-
24 ment of State specifically referenced in this section,
25 18 Assistant Secretaries of State and 4 other State

1 Department officials who are appointed by the Presi-
2 dent, by and with the advice and consent of the
3 Senate.

4 “Assistant Secretary of State for Arms Control
5 and Non-Proliferation Affairs.

6 “Assistant Secretary of State for International
7 Exchanges.”.

8 **SEC. 2477. REPEAL OF PREVIOUSLY CREATED STATE DE-**
9 **PARTMENT POSITIONS.**

10 (a) ASSISTANT SECRETARY FOR OCEANS AND INTER-
11 NATIONAL ENVIRONMENTAL AND SCIENTIFIC AFFAIRS.—
12 Section 9(a) of the Department of State Appropriations
13 Authorization Act of 1973 (22 U.S.C. 2655a(a)) is re-
14 pealed.

15 (b) CONFORMING AMENDMENTS RELATING TO THE
16 ASSISTANT SECRETARY FOR DEMOCRACY, HUMAN
17 RIGHTS, AND LABOR.—The Foreign Assistance Act of
18 1961 is amended—

19 (1) in section 116(c) (22 U.S.C. 2151n(c)), by
20 striking “Assistant Secretary of State for Democ-
21 racy, Human Rights, and Labor” and inserting
22 “Secretary”;

23 (2) in sections 502B(b) (22 U.S.C. 2304(b)),
24 502B(c)(1) (22 U.S.C. 2304(c)), and 505(g)(4)(A)
25 (22 U.S.C. 2314(g)(4)(A)), by striking “, prepared

1 with the assistance of the Assistant Secretary of
2 State for Democracy, Human Rights, and Labor,”
3 each place it appears; and

4 (3) in section 573(c) (22 U.S.C. 2349aa-2(c)),
5 by striking “Assistant Secretary of State for Democ-
6 racy, Human Rights, and Labor” and inserting
7 “Secretary of State”.

8 (c) ASSISTANT SECRETARY FOR SOUTH ASIAN AF-
9 FAIRS.—Subsections (a), (b), and (e) of section 122 of the
10 Foreign Relations Authorization Act, Fiscal Years 1992
11 and 1993 (22 U.S.C. 2652b) are repealed.

12 (d) DEPUTY ASSISTANT SECRETARY FOR
13 BURDENSARING.—Section 161(f) of the Foreign Rela-
14 tions Authorization Act, Fiscal Years 1994 and 1995 (22
15 U.S.C. 2651a note) is repealed.

16 **SEC. 2478. LIMITATION ON PERSONNEL STRENGTH OF THE**
17 **DEPARTMENT OF STATE.**

18 (a) END FISCAL YEAR 1996 LEVELS.—The number
19 of employees of the Department of State (including mem-
20 bers of the Foreign Service) who are authorized to be em-
21 ployed as of February 28, 1997, shall not exceed a number
22 which is 9 percent less than the number of such employees
23 who are so employed immediately prior to the date of en-
24 actment of this Act.

1 (b) END FISCAL YEAR 1997 LEVELS.—The number
2 of employees of the Department of State (including mem-
3 bers of the Foreign Service) who are authorized to be em-
4 ployed as of September 30, 1997, shall not exceed a num-
5 ber which is 3 percent less than the number of such em-
6 ployees who are authorized to be so employed as of Feb-
7 ruary 28, 1997.

8 (c) END FISCAL YEAR 1998 LEVELS.—The number
9 of employees of the Department of State (including mem-
10 bers of the Foreign Service) who are authorized to be em-
11 ployed as of September 30, 1998, shall not exceed a num-
12 ber which is 2 percent less than the number of such em-
13 ployees who are authorized to be so employed as of Sep-
14 tember 30, 1997.

15 **SEC. 2479. CONSOLIDATION OF UNITED STATES DIPLO-**
16 **MATIC MISSIONS AND CONSULAR POSTS.**

17 (a) CONSOLIDATION PLAN.—The Secretary of State
18 shall develop a worldwide plan for the consolidation, wher-
19 ever practicable, on a regional or areawide basis, of United
20 States missions and consular posts abroad in order to
21 carry out this section.

22 (b) CONTENTS OF PLAN.—The plan shall—

23 (1) identify the specific United States diplo-
24 matic missions and consular posts for consolidation;

1 (2) identify those missions and posts at which
2 the resident ambassador would also be accredited to
3 other specified states in which the United States ei-
4 ther maintained no resident official presence or
5 maintained such a presence only at staff level; and

6 (3) provide an estimate of—

7 (A) the amount by which expenditures
8 would be reduced through the reduction in the
9 number of United States Government personnel
10 assigned abroad;

11 (B) the amount by which expenditures
12 would be reduced through a reduction in the
13 costs of maintaining United States properties
14 abroad; and

15 (C) the amount of revenues generated to
16 the United States through the sale or other dis-
17 position of United States properties associated
18 with the posts to be consolidated abroad.

19 (c) TRANSMITTAL.—Not later than 180 days after
20 the date of enactment of this Act, the Secretary of State
21 shall transmit a copy of the plan to the appropriate con-
22 gressional committees.

23 (d) IMPLEMENTATION.—Not later than 60 days after
24 transmittal of the plan under subsection (c), the Secretary
25 of State shall take steps to implement the plan unless the

1 Congress before such date enacts legislation disapproving
2 the plan.

3 (e) CONGRESSIONAL PRIORITY PROCEDURES.—(1) A
4 joint resolution described in paragraph (2) which is intro-
5 duced in a House of Congress after the date on which a
6 plan developed under subsection (a) is received by Con-
7 gress, shall be considered in accordance with the proce-
8 dures set forth in paragraphs (3) through (7) of section
9 8066(c) of the Department of Defense Appropriations Act,
10 1985 (as contained in Public Law 98–473 (98 Stat.
11 1936)), except that—

12 (A) references to the “report described in para-
13 graph (1)” shall be deemed to be references to the
14 joint resolution; and

15 (B) references to the Committee on Appropria-
16 tions of the House of Representatives and to the
17 Committee on Appropriations of the Senate shall be
18 deemed to be references to the Committee on Inter-
19 national Relations of the House of Representatives
20 and the Committee on Foreign Relations of the Sen-
21 ate.

22 (2) A joint resolution under this paragraph is a joint
23 resolution the matter after the resolving clause of which
24 is as follows: “That the Congress disapproves the plan
25 submitted by the President on _____ pursuant to

1 section 2409 of the Restructuring a Limited Government
2 Act.”.

3 (f) WITHHOLDING OF FUNDS.—Effective 180 days
4 after the date of enactment of this Act, if the plan was
5 not timely transmitted pursuant to subsection (c), then
6 five percent of the funds made available for the Depart-
7 ment of State for each of the fiscal years 1996, 1997,
8 1998, and 1999 under the account “Diplomatic and Con-
9 sular Programs” (“Administration of Foreign Affairs”)
10 shall be withheld from obligation and expenditure until 60
11 days after the President transmits to Congress a revised
12 plan developed under subsection (a).

13 (g) RESUBMISSION OF PLAN.—If, within 60 days of
14 transmittal of a plan under subsection (c), Congress en-
15 acts legislation disapproving the plan, the President shall
16 transmit to the appropriate congressional committees a re-
17 vised plan developed under subsection (a).

18 (h) STATUTORY CONSTRUCTION.—Nothing in this
19 section requires the termination of United States diplo-
20 matic or consular relations with any foreign country.

21 (i) DEFINITIONS.—As used in this section:

22 (1) APPROPRIATE CONGRESSIONAL COMMIT-
23 TEES.—The term “appropriate congressional com-
24 mittees” means the Committee on International Re-

1 lations of the House of Representatives and the
2 Committee on Foreign Relations of the Senate.

3 (2) PLAN.—The term “plan” means the plan
4 developed under subsection (a).

5 **SEC. 2480. DETAIL OF OTHER AGENCY PERSONNEL TO**
6 **STATE DEPARTMENT.**

7 Any employee of any agency other than the Depart-
8 ment of State who is assigned to an overseas post located
9 within any United States mission except for those assigned
10 to a military command shall be detailed to the Department
11 of State for the duration of such assignment, and shall
12 be fully under the authority of the Chief of Mission. The
13 Chief of Protocol, at the sole discretion of the Secretary
14 of State, shall accord diplomatic titles, privileges, and im-
15 munities to any such employees as the Secretary of State
16 deems appropriate.

17 **SEC. 2481. REPORT ON UNIFICATION OF UNITED STATES**
18 **AND FOREIGN COMMERCIAL SERVICE AND**
19 **FOREIGN AGRICULTURAL SERVICE WITHIN**
20 **THE FOREIGN SERVICE.**

21 (a) REQUIREMENT.—Not later than 120 days after
22 the date of the enactment of this Act, the President shall,
23 in coordination with the Secretary of State, the Secretary
24 of Commerce, and the Secretary of Agriculture shall joint-

1 ly transmit to Congress the report described in subsection
2 (b).

3 (b) REPORT ELEMENTS.—The report under sub-
4 section (a) shall include the following:

5 (1) An assessment of the extent of the coordi-
6 nation and cooperation in international activities of
7 the Department of State, the Department of Com-
8 merce, and the Department of Agriculture.

9 (2) An assessment of the advisability and desir-
10 ability of establishing in the Foreign Service of the
11 Department of State a core discipline relating to the
12 commercial, trade development, and export pro-
13 motion activities of the United States.

14 (3) If such a core discipline is desirable—

15 (A) a discussion of the options for estab-
16 lishing the core discipline, including—

17 (i) the integration of the United
18 States and Foreign Commercial Service
19 and the Foreign Agricultural Service into
20 the Foreign Service; and

21 (ii) the continuation of the United
22 States and Foreign Commercial Service
23 and the Foreign Agricultural Service as
24 separate services; and

1 (B) an assessment of the advantages and
2 disadvantages (including the costs and savings)
3 of each such option.

4 (4) If such a core discipline is not desirable, an
5 assessment of the advisability and desirability of the
6 continuing application of the Foreign Service Act of
7 1980 to the United States and Foreign Commercial
8 Service and the Foreign Agricultural Service.

9 **TITLE III—SCIENCE, SPACE, AND**
10 **TECHNOLOGY**

11 **Subtitle A—Administrative and**
12 **Research Savings**

13 **SEC. 3001. NUCLEAR ENERGY RESEARCH AND DEVELOP-**
14 **MENT.**

15 There are authorized to be appropriated to the Sec-
16 retary of Energy for carrying out the Department's nu-
17 clear energy research and development activities—

18 (1) \$331,000,000 for fiscal year 1996;

19 (2) \$331,000,000 for fiscal year 1997;

20 (3) \$331,000,000 for fiscal year 1998;

21 (4) \$331,000,000 for fiscal year 1999; and

22 (5) \$331,000,000 for fiscal year 2000.

1 **SEC. 3002. NATIONAL SCIENCE FOUNDATION GRANT APPLI-**
2 **CATION FEE.**

3 The National Science Foundation shall require that
4 any application for a grant submitted to it be accompanied
5 by a \$50 application fee, which shall be deposited in the
6 general fund of the Treasury.

7 **SEC. 3003. HIGH PERFORMANCE COMPUTING PROGRAM.**

8 The total amount which may be appropriated for all
9 activities under the High Performance Computing Act of
10 1991 shall not exceed \$865,500,000 for each of the fiscal
11 years 1996 through 2000.

12 **Subtitle B—Specific Program**
13 **Reforms**

14 **SEC. 3011. NATIONAL SCIENCE FOUNDATION.**

15 There are authorized to be appropriated to the Na-
16 tional Science Foundation for all activities of the National
17 Science Foundation—

18 (1) \$337,620,000 for fiscal year 1996;

19 (2) \$344,372,400 for fiscal year 1997;

20 (3) \$351,259,848 for fiscal year 1998;

21 (4) \$358,285,044 for fiscal year 1999; and

22 (5) \$365,450,754 for fiscal year 2000.

23 **SEC. 3012. SPACE STATION.**

24 The Administrator of the National Aeronautics and
25 Space Administration may not enter into any contract in

1 furtherance of a space station program. This section shall
2 cease to be effective after September 30, 1999.

3 **SEC. 3013. CANCELLATION OF NATIONAL AEROSPACE**
4 **PLANE.**

5 The Secretary of Defense and the Administrator of
6 the National Aeronautics and Space Administration shall
7 cancel the National Aerospace Plane program. No amount
8 may be obligated for that program after the date of the
9 enactment of this Act, except for required contract termi-
10 nation costs.

11 **TITLE IV—ENERGY**
12 **Subtitle A—Abolishment of**
13 **Department of Energy**

14 **SEC. 4001. SHORT TITLE.**

15 This subtitle may be cited as the “Department of En-
16 ergy Abolishment Act”.

17 **CHAPTER 1—ABOLISHMENT OF**
18 **DEPARTMENT OF ENERGY**

19 **SEC. 4011. REESTABLISHMENT OF DEPARTMENT AS EN-**
20 **ERGY PROGRAMS RESOLUTION AGENCY.**

21 (a) REESTABLISHMENT.—The Department of En-
22 ergy is hereby redesignated as the Energy Programs Reso-
23 lution Agency, which shall be an independent agency in
24 the executive branch of the Government.

25 (b) ADMINISTRATOR.—

1 (1) IN GENERAL.—There shall be at the head
2 of the Agency an Administrator of the Agency, who
3 shall be appointed by the President, by and with the
4 advice and consent of the Senate. The Agency shall
5 be administered under the supervision and direction
6 of the Administrator. The Administrator shall re-
7 ceive compensation at the rate prescribed for level II
8 of the Executive Schedule under section 5313 of title
9 5, United States Code.

10 (2) INITIAL APPOINTMENT OF ADMINIS-
11 TRATOR.—Notwithstanding any other provision of
12 this subtitle or any other law, the President may, at
13 any time after the date of the enactment of this Act,
14 appoint an individual to serve as Administrator of
15 the Energy Programs Resolution Agency (who may
16 be the Secretary of Energy), as such position is es-
17 tablished under paragraph (1). An appointment
18 under this paragraph may not be construed to affect
19 the position of Secretary of Energy or the authority
20 of the Secretary before the effective date specified in
21 section 4019(a).

22 (c) DUTIES.—The Administrator shall be responsible
23 for—

24 (1) the administration and wind-up, during the
25 wind-up period, of all functions of the Administrator

1 pursuant to section 4012 and the other provisions of
2 this subtitle;

3 (2) the administration and wind-up, during the
4 wind-up period, of any outstanding obligations of the
5 Federal Government under any programs terminated
6 or repealed by this subtitle; and

7 (3) taking such other actions as may be nec-
8 essary, before the termination date, to wind up any
9 outstanding affairs of the Department of Energy.

10 **SEC. 4012. FUNCTIONS.**

11 Except as otherwise provided in this subtitle, the Ad-
12 ministrators shall perform all functions that, immediately
13 before the effective date of this section, were functions of
14 the Department of Energy (or any office of the Depart-
15 ment) or were performed by the Secretary of Energy or
16 any other officer or employee of the Department in the
17 capacity as such officer or employee.

18 **SEC. 4013. DEPUTY ADMINISTRATOR.**

19 The Agency shall have a Deputy Administrator, who
20 shall—

21 (1) be appointed by and report to the Adminis-
22 trator; and

23 (2) shall perform such functions as may be del-
24 egated by the Administrator.

1 **SEC. 4014. CONTINUATION OF SERVICE OF DEPARTMENT**
2 **OFFICERS.**

3 (a) CONTINUATION OF SERVICE OF SECRETARY.—
4 The individual serving on the effective date specified in
5 section 4019(a) as the Secretary of Energy may serve and
6 act as Administrator until the date an individual is ap-
7 pointed under this chapter to the position of Adminis-
8 trator, or until the end of the 120-day period provided for
9 in section 3348 of title 5, United States Code (relating
10 to limitations on the period of time a vacancy may be filled
11 temporarily), whichever is earlier.

12 (b) CONTINUATION OF SERVICE OF OTHER OFFI-
13 CERS.—An individual serving on the effective date speci-
14 fied in section 4019(a) as an officer of the Department
15 of Energy other than the Secretary of Energy may con-
16 tinue to serve and act in an equivalent capacity in the
17 Agency until the date an individual is appointed under this
18 chapter to the position of Administrator, or until the end
19 of the 120-day period provided for in section 3348 of title
20 5, United States Code (relating to limitations on the pe-
21 riod of time a vacancy may be filled temporarily) with re-
22 spect to that appointment, whichever is earlier.

23 (c) COMPENSATION FOR CONTINUED SERVICE.—Any
24 person—

25 (1) who acts as the Administrator under sub-
26 section (a), or

1 (c) PLAN FOR WINDING UP AFFAIRS.—Not later
2 than the effective date specified in section 4019(a), the
3 President shall submit to the Congress a plan for winding
4 up the affairs of the Agency in accordance with this sub-
5 title and not by later than the termination date under sub-
6 section (d).

7 (d) TERMINATION DATE.—The termination date
8 under this subsection is the date that is 3 years after the
9 date of the enactment of this Act.

10 **SEC. 4017. GAO REPORT.**

11 Not later than 180 days after the date of enactment
12 of this Act, the Comptroller General of the United States
13 shall submit to the Congress a report which shall include
14 recommendations for the most efficient means of achiev-
15 ing, in accordance with this subtitle—

16 (1) the complete abolishment of the Depart-
17 ment of Energy; and

18 (2) the termination or transfer or other con-
19 tinuation of the functions of the Department of
20 Energy.

21 **SEC. 4018. CONFORMING AMENDMENTS.**

22 (a) PRESIDENTIAL SUCCESSION.—Section 19(d)(1)
23 of title 3, United States Code, is amended by striking
24 “Secretary of Energy,”.

1 (b) EXECUTIVE DEPARTMENTS.—Section 101 of title
2 5, United States Code, is amended by striking the follow-
3 ing item:

4 “The Department of Energy.”.

5 (c) SECRETARY’S COMPENSATION.—Section 5312 of
6 title 5, United States Code, is amended by striking the
7 following item:

8 “Secretary of Energy.”.

9 (d) DEPUTY SECRETARY’S COMPENSATION.—Section
10 5313 of title 5, United States Code, is amended by strik-
11 ing the following item:

12 “Deputy Secretary of Energy.”.

13 (e) UNDER SECRETARY’S COMPENSATION.—Section
14 5314 of title 5, United States Code, is amended by strik-
15 ing the following item:

16 “Under Secretary, Department of Energy.”.

17 (f) MISCELLANEOUS OFFICERS’ COMPENSATION.—
18 Section 5315 of title 5, United States Code, is amended—

19 (1) by striking the following items:

20 “Assistant Secretaries of Energy (8).

21 “General Counsel of the Department of Energy.

22 “Administrator, Economic Regulatory Adminis-
23 tration, Department of Energy.

24 “Administrator, Energy Information Adminis-
25 tration, Department of Energy.

1 “Inspector General, Department of Energy.

2 “Director, Office of Energy Research, Depart-
3 ment of Energy.”; and

4 (2) by striking the following item:

5 “Chief Financial Officer, Department of En-
6 ergy.”.

7 (g) INSPECTOR GENERAL ACT OF 1978.—The In-
8 spector General Act of 1978 (5 U.S.C. App.) is amend-
9 ed—

10 (1) in section 9(a)(1), by striking subparagraph
11 (E);

12 (2) in section 11(1), by striking “Energy,”; and

13 (3) in section 11(2), by striking “Energy,”;

14 (h) DEPARTMENT OF ENERGY ORGANIZATION
15 ACT.—Effective on the termination date, the following
16 provisions of the Department of Energy Organization Act
17 (42 U.S.C. 7101 et seq.) are repealed:

18 (1) Section 4001.

19 (2) Chapters 1, 2, and 3.

20 **SEC. 4019. EFFECTIVE DATE.**

21 (a) IN GENERAL.—Except as provided in subsection

22 (b), this chapter shall take effect on the date that is 6
23 months after the date of the enactment of this Act.

1 (b) PROVISIONS EFFECTIVE ON DATE OF ENACT-
2 MENT.—The following provisions of this chapter shall take
3 effect on the date of the enactment of this Act:

4 (1) Section 4011(b).

5 (2) Section 4016(c).

6 (3) Section 4017.

7 **CHAPTER 2—ENERGY LABORATORY**
8 **FACILITIES**

9 **SEC. 4021. ENERGY LABORATORY FACILITIES COMMISSION.**

10 (a) ESTABLISHMENT.—There is established an inde-
11 pendent commission to be known as the “Energy Labora-
12 tory Facilities Commission”, for the purpose of reducing
13 the number of energy laboratories and programs at those
14 laboratories, through reconfiguration, privatization, and
15 closure, while preserving the traditional role the energy
16 laboratories have contributed to the national defense.

17 (b) DUTIES.—The Commission shall carry out the
18 duties specified for the Commission in this chapter.

19 (c) APPOINTMENT.—

20 (1) IN GENERAL.—The Commission shall be
21 composed of 7 members appointed by the President,
22 by and with the advice and consent of the Senate.
23 The President shall transmit to the Senate the
24 nominations for appointment to the Commission not

1 later than 3 months after the date of the enactment
2 of this Act.

3 (2) CONSULTATION.—In selecting individuals
4 for nominations for appointments to the Commis-
5 sion, the President should consult with—

6 (A) the Speaker of the House of Rep-
7 resentatives concerning the appointment of 2
8 members; and

9 (B) the majority leader of the Senate con-
10 cerning the appointment of 2 members.

11 (3) CHAIRPERSON.—At the time the President
12 nominates individuals for appointment to the Com-
13 mission, the President shall designate one such indi-
14 vidual who shall serve as Chairperson of the Com-
15 mission.

16 (d) TERMS.—The term of each member of the Com-
17 mission shall expire on the termination of the Commission
18 under subsection (l).

19 (e) MEETINGS.—Each meeting of the Commission,
20 other than meetings in which classified information is to
21 be discussed, shall be open to the public.

22 (f) VACANCIES.—A vacancy in the Commission shall
23 be filled in the same manner as the original appointment.

24 (g) PAY AND TRAVEL EXPENSES.—

25 (1) BASIC PAY.—

1 (A) PAY OF MEMBERS.—Each member,
2 other than the Chairperson, shall be paid at a
3 rate equal to the daily equivalent of the mini-
4 mum annual rate of basic pay payable for level
5 IV of the Executive Schedule under section
6 5315 of title 5, United States Code, for each
7 day (including travel time) during which the
8 member is engaged in the actual performance of
9 duties vested in the Commission.

10 (B) PAY OF CHAIRPERSON.—The Chair-
11 person shall be paid for each day referred to in
12 subparagraph (A) at a rate equal to the daily
13 equivalent of the minimum annual rate of basic
14 pay payable for level III of the Executive
15 Schedule under section 5314 of title 5, United
16 States Code.

17 (2) TRAVEL EXPENSES.—Members shall receive
18 travel expenses, including per diem in lieu of subsist-
19 ence, in accordance with sections 5702 and 5703 of
20 title 5, United States Code.

21 (h) DIRECTOR.—

22 (1) IN GENERAL.—The Commission shall, with-
23 out regard to section 5311(b) of title 5, United
24 States Code, appoint a Director who—

1 (A) has not served as a civilian employee
2 of the Department of Energy during the 2-year
3 period preceding the date of such appointment;

4 (B) has not been an employee of an energy
5 laboratory during the 5-year period preceding
6 the date of such appointment; and

7 (C) has not been an employee of a contrac-
8 tor operating an energy laboratory during the
9 5-year period preceding the date of such ap-
10 pointment.

11 (2) PAY.—The Director shall be paid at the
12 rate of basic pay payable for level IV of the Execu-
13 tive Schedule under section 5315 of title 5, United
14 States Code.

15 (i) STAFF.—

16 (1) APPOINTMENT BY DIRECTOR.—Subject to
17 paragraphs (2) and (3), the Director, with the ap-
18 proval of the Commission, may appoint and fix the
19 pay of additional personnel.

20 (2) APPLICABILITY OF CERTAIN CIVIL SERVICE
21 LAWS.—The Director may make such appointments
22 without regard to the provisions of title 5, United
23 States Code, governing appointments in the competi-
24 tive service, and any personnel so appointed may be
25 paid without regard to the provisions of chapter 51

1 and subchapter III of chapter 53 of that title relat-
2 ing to classification and General Schedule pay rates,
3 except that an individual so appointed may not re-
4 ceive pay in excess of the annual rate of basic pay
5 payable for level IV of the Executive Schedule under
6 section 5315 of title 5, United States Code.

7 (3) LIMITATIONS.—Not more than one-third of
8 the personnel employed by or detailed to the Com-
9 mission shall be individuals employed by the Depart-
10 ment of Energy on the day before the date of the
11 enactment of this Act. No employee of an energy
12 laboratory, or of a contractor who operates an en-
13 ergy laboratory, may be detailed to the Commission.

14 (4) SUPPORT FROM OTHER AGENCIES.—Upon
15 request of the Director, the head of a Federal agen-
16 cy may detail any of the personnel of that agency to
17 the Commission to assist the Commission in carry-
18 ing out its duties under this chapter.

19 (5) SUPPORT FROM COMPTROLLER GENERAL.—
20 The Comptroller General of the United States shall
21 provide assistance, including the detailing of employ-
22 ees, to the Commission in accordance with an agree-
23 ment entered into with the Commission.

24 (j) OTHER AUTHORITY.—

1 energy laboratories and termination of programs at such
2 laboratories under this section, the Secretary or the Ad-
3 ministrator, as appropriate, and the Commission shall—

4 (1) give strong consideration to the closure or
5 reconfiguration of energy laboratories;

6 (2) eliminate duplication of effort by energy
7 laboratories and reduce overhead costs as a propor-
8 tion of program benefits distributed through an en-
9 ergy laboratory;

10 (3) seek to achieve cost savings for the overall
11 budget for such laboratories;

12 (4) define appropriate missions for each energy
13 laboratory, and ensure that the activities of each
14 such laboratory are focused on its mission or mis-
15 sions;

16 (5) consider the program costs and program
17 distributions on a State and county basis, including
18 real and personal property costs associated with
19 each energy laboratory considered;

20 (6) consider the number of participants in pro-
21 grams conducted through an energy laboratory and
22 staff resources involved;

23 (7) estimate the cost savings and increases that
24 would accrue through the reconfiguration of energy
25 laboratories;

1 (8) consider the potential of each energy labora-
2 tory to generate revenues or to offset costs;

3 (9) consider the transfer of energy laboratories
4 to other Federal agencies;

5 (10) consider the privatization of the energy
6 laboratories as an alternative to closure or reconfig-
7 uration; and

8 (11) be subject to the requirements of section
9 4061 of this subtitle.

10 (b) RECOMMENDATIONS.—

11 (1) PUBLICATION AND TRANSMITTAL.—Not
12 later than 3 months after the date of the enactment
13 of this Act, the Secretary or the Administrator, as
14 appropriate, shall publish in the Federal Register
15 and transmit to the congressional energy committees
16 and to the Commission a list of the energy labora-
17 tories that the Secretary or the Administrator, as
18 appropriate, recommends for reconfiguration, privat-
19 ization, and closure.

20 (2) SUMMARY OF SELECTION PROCESS.—The
21 Secretary or the Administrator, as appropriate, shall
22 include, with the list of recommendations published
23 and transmitted pursuant to paragraph (1), a sum-
24 mary of the selection process that resulted in the

1 recommendation for each energy laboratory, includ-
2 ing a justification for each recommendation.

3 (c) EQUAL CONSIDERATION OF LABORATORIES.—In
4 considering energy laboratories for reconfiguration, privat-
5 ization, and closure, the Secretary or the Administrator,
6 as appropriate, shall consider all such laboratories equally
7 without regard to whether a laboratory has been pre-
8 viously considered or proposed for reconfiguration, privat-
9 ization, or closure by the Secretary of Energy.

10 (d) AVAILABILITY OF INFORMATION.—The Secretary
11 or the Administrator, as appropriate, shall make available
12 to the Commission and the Comptroller General of the
13 United States all information used by the Secretary or the
14 Administrator, as appropriate, in making recommenda-
15 tions under this section.

16 (e) INDEPENDENT AUDIT.—(1) Within 30 days after
17 the date of the enactment of this Act, the Director of the
18 Office of Management and Budget shall issue a request
19 for proposals for the performance of an audit under para-
20 graph (3).

21 (2) Within 60 days after the date of the enactment
22 of this Act, proposals shall be due in response to the re-
23 quest under paragraph (1).

24 (3) Within 90 days after the date of the enactment
25 of this Act, the Director of the Office of Management and

1 budget shall enter into a contract with an independent fi-
2 nancial consulting firm for an audit of the energy labora-
3 tories and their programs, facilities, and assets. Such
4 audit shall assess the commercial potential of the energy
5 labs and their programs and make recommendations on
6 how the Government could best realize such potential. The
7 audit shall be completed and transmitted to the Commis-
8 sion, the Secretary or the Administrator, as appropriate,,
9 and the congressional energy committees within 6 months
10 after the contract is entered into under this subsection.

11 (f) REVIEW AND RECOMMENDATIONS BY THE COM-
12 MISSION.—

13 (1) PUBLIC HEARINGS.—After receiving the
14 recommendations from the Secretary or the Admin-
15 istrator, as appropriate, pursuant to subsection (b),
16 the Commission shall provide an opportunity for
17 public comment on the recommendations for a 30-
18 day period.

19 (2) INITIAL REPORT.—Not later than 1 year
20 after the date of the enactment of this Act, the
21 Commission shall publish in the Federal Register an
22 initial report containing the Commission's findings
23 and conclusions based on a review and analysis of
24 the recommendations made by the Secretary or the
25 Administrator, as appropriate, and the audit con-

1 ducted pursuant to subsection (e), together with the
2 Commission's recommendations for reconfiguration,
3 privatization, and closure of energy laboratories. In
4 conducting such review and analysis, the Commis-
5 sion shall consider all energy laboratories.

6 (3) DEVIATION FROM RECOMMENDATIONS.—In
7 making its recommendations, the Commission may
8 make changes in any of the recommendations made
9 by the Secretary or the Administrator, as appro-
10 priate, if the Commission determines that the Sec-
11 retary or the Administrator, as appropriate, deviated
12 substantially from the criteria described in sub-
13 section (a) in making recommendations. The Com-
14 mission shall explain and justify in the report any
15 recommendation made by the Commission that is
16 different from the recommendations made by the
17 Secretary or the Administrator, as appropriate.

18 (4) FINAL REPORT.—After providing a 30-day
19 period for public comment following publication of
20 the initial report under paragraph (2), and after full
21 consideration of such public comments, the Commis-
22 sion shall, within 15 months after the date of the
23 enactment of this Act, transmit to the Secretary or
24 the Administrator, as appropriate, and the congres-

1 sional energy committees a final report containing
2 the recommendations of the Commission.

3 (5) PROVISION OF CERTAIN INFORMATION.—

4 After transmitting the final report under paragraph
5 (4), the Commission shall promptly provide, upon re-
6 quest, to any Member of Congress information used
7 by the Commission in making its recommendations.

8 (g) ASSISTANCE FROM COMPTROLLER GENERAL.—

9 The Comptroller General of the United States shall—

10 (1) assist the Commission, to the extent re-
11 quested, in the Commission's review and analysis of
12 the recommendations made by the Secretary or the
13 Administrator, as appropriate, pursuant to sub-
14 section (b); and

15 (2) not later than 6 months after the date of
16 the enactment of this Act, transmit to the congres-
17 sional energy committees and to the Commission a
18 report containing a detailed analysis of the rec-
19 ommendations of the Secretary or the Adminis-
20 trator, as appropriate, and the selection process.

21 **SEC. 4023. RECONFIGURATION, PRIVATIZATION, AND CLO-**

22 **SURE OF ENERGY LABORATORIES.**

23 (a) IN GENERAL.—Subject to subsection (b), the
24 Secretary or the Administrator, as appropriate, shall—

1 (1) reconfigure, within 1 year after the date of
2 the transmittal of the final report under section
3 4022(f)(4), all energy laboratories recommended for
4 reconfiguration by the Commission in such report;

5 (2) provide for and complete the privatization,
6 within 18 months after the date of the transmittal
7 of the final report under section 4022(f)(4), of all
8 energy laboratories recommended for privatization
9 by the Commission in such report; and

10 (3) except as necessary to achieve the privatiza-
11 tion of an energy laboratory under paragraph (2),
12 close, within 1 year after the date of the transmittal
13 of the final report under section 4022(f)(4), all en-
14 ergy laboratories recommended for closure by the
15 Commission in such report.

16 (b) CONGRESSIONAL DISAPPROVAL.—

17 (1) IN GENERAL.—The Secretary or the Admin-
18 istrator, as appropriate, may not carry out any re-
19 configuration, privatization, or closure of an energy
20 laboratory recommended by the Commission in the
21 report transmitted pursuant to section 4022(f)(4) if
22 a joint resolution is enacted, in accordance with the
23 provisions of section 4027, disapproving the rec-
24 ommendations of the Commission before the earlier
25 of—

1 (A) the end of the 45-day period beginning
2 on the date on which the Commission transmits
3 the report; or

4 (B) the adjournment of Congress sine die
5 for the session during which the report is trans-
6 mitted.

7 (2) For purposes of paragraph (1) of this sub-
8 section and subsections (a) and (c) of section 4027,
9 the days on which either House of Congress is not
10 in session because of an adjournment of more than
11 three days to a day certain shall be excluded in the
12 computation of a period.

13 **SEC. 4024. IMPLEMENTATION OF RECONFIGURATION, PRI-**
14 **VATIZATION, AND CLOSURE ACTIONS.**

15 (a) IMPLEMENTATION.—In reconfiguring, priva-
16 tizing, or closing an energy laboratory under this chapter,
17 the Secretary or the Administrator, as appropriate,
18 shall—

19 (1) take such actions as may be necessary to
20 reconfigure, privatize, or close the energy laboratory;

21 (2) take such steps as may be necessary to en-
22 sure the safe keeping of all records stored at the en-
23 ergy laboratory; and

24 (3) reimburse other Federal agencies for ac-
25 tions performed at the request of the Secretary or

1 the Administrator, as appropriate, with respect to
2 any such reconfiguration, privatization, or closure,
3 and may use for such purpose funds in the Account
4 or funds appropriated to the Department of Energy
5 and available for such purpose.

6 (b) MANAGEMENT AND DISPOSAL OF PROPERTY.—

7 (1) IN GENERAL.—The Administrator of Gen-
8 eral Services shall delegate to the Secretary or the
9 Administrator, as appropriate, with respect to excess
10 and surplus real property and facilities located at an
11 energy laboratory reconfigured, privatized, or closed
12 under this chapter—

13 (A) the authority of the Secretary or the
14 Administrator, as appropriate, to utilize excess
15 property under section 202 of the Federal
16 Property and Administrative Services Act of
17 1949 (40 U.S.C. 483);

18 (B) the authority of the Secretary or the
19 Administrator, as appropriate, to dispose of
20 surplus property under section 203 of that Act
21 (40 U.S.C. 484);

22 (C) the authority of the Secretary or the
23 Administrator, as appropriate, to grant approv-
24 als and make determinations under section

1 13(g) of the Surplus Property Act of 1944 (50
2 U.S.C. App. 1622(g)); and

3 (D) the authority of the Secretary or the
4 Administrator, as appropriate, to determine the
5 availability of excess or surplus real property
6 for wildlife conservation purposes in accordance
7 with the Act of May 19, 1948 (16 U.S.C.
8 667b).

9 (2) EXERCISE OF AUTHORITY.—

10 (A) IN GENERAL.—Subject to subpara-
11 graph (C), the Secretary or the Administrator,
12 as appropriate, shall exercise the authority dele-
13 gated to the Secretary or the Administrator, as
14 appropriate, pursuant to paragraph (1) in ac-
15 cordance with—

16 (i) all regulations in effect on the date
17 of the enactment of this Act governing the
18 utilization of excess property and the dis-
19 posal of surplus property under the Fed-
20 eral Property and Administrative Services
21 Act of 1949; and

22 (ii) all regulations in effect on the
23 date of the enactment of this Act govern-
24 ing the conveyance and disposal of prop-
25 erty under section 13(g) of the Surplus

1 Property Act of 1944 (50 U.S.C. App.
2 1622(g)).

3 (B) REGULATIONS.—The Secretary or the
4 Administrator, as appropriate, after consulting
5 with the Administrator of General Services,
6 may issue regulations that are necessary to
7 carry out the delegation of authority required
8 by paragraph (1).

9 (C) LIMITATION.—The authority required
10 to be delegated by paragraph (1) to the Sec-
11 retary or the Administrator, as appropriate, by
12 the Administrator of General Services shall not
13 include the authority to prescribe general poli-
14 cies and methods for utilizing excess property
15 and disposing of surplus property.

16 (c) WAIVER.—The Secretary or the Administrator, as
17 appropriate, may reconfigure, privatize, or close energy
18 laboratories under this chapter without regard to any pro-
19 vision of law restricting the use of funds for reconfiguring,
20 privatizing, or closing such energy laboratories included
21 in any appropriations or authorization Act.

22 **SEC. 4025. ACCOUNT.**

23 (a) ESTABLISHMENT.—There is hereby established
24 on the books of the Treasury an account to be known as
25 the “Energy Laboratory Facility Closure Account” which

1 shall be administered by the Secretary or the Adminis-
2 trator, as appropriate, as a single account.

3 (b) CONTENT OF ACCOUNT.—There shall be depos-
4 ited into the Account—

5 (1) funds authorized for and appropriated to
6 the Account;

7 (2) any funds that the Secretary or the Admin-
8 istrator, as appropriate, may, subject to approval in
9 an appropriation Act, transfer to the Account from
10 funds appropriated to the Department of Energy for
11 any purpose, except that such funds may be trans-
12 ferred only after the date on which the Secretary or
13 the Administrator, as appropriate, transmits written
14 notice of, and justification for, such transfer to the
15 congressional energy committees; and

16 (3) proceeds received from the transfer or dis-
17 posal of any property at an office reconfigured,
18 privatized, or closed under this section.

19 (c) USE OF FUNDS.—The Secretary or the Adminis-
20 trator, as appropriate, may use the funds in the Account
21 only for the purposes described in section 4024(a).

22 (d) REPORTS.—

23 (1) IN GENERAL.—Not later than 60 days after
24 the end of each fiscal year in which the Secretary or
25 the Administrator, as appropriate, carries out activi-

1 ties under this chapter, the Secretary or the Admin-
2 istrator, as appropriate, shall transmit a report to
3 the congressional energy committees of the amount
4 and nature of the deposits into, and the expendi-
5 tures from, the Account during such fiscal year and
6 of the amount and nature of other expenditures
7 made pursuant to section 4024(a) during such fiscal
8 year.

9 (2) UNOBLIGATED FUNDS.—Unobligated funds
10 shall be held in the Account until transferred by law.

11 **SEC. 4026. REPORTS ON IMPLEMENTATION.**

12 As part of the budget request for each fiscal year in
13 which the Secretary or the Administrator, as appropriate,
14 is authorized to carry out activities under this chapter,
15 the Secretary or the Administrator, as appropriate, shall
16 transmit to the congressional energy committees—

17 (1) a schedule of the reconfiguration, privatiza-
18 tion, and closure actions to be carried out under this
19 chapter in the fiscal year for which the request is
20 made and an estimate of the total expenditures re-
21 quired and cost savings to be achieved by each such
22 reconfiguration, privatization, or closure and of the
23 time period in which these savings are to be achieved
24 in each case; and

1 (2) a description of the energy laboratories to
2 which functions are to be transferred as a result of
3 such reconfigurations, privatizations, and closures.

4 **SEC. 4027. CONGRESSIONAL CONSIDERATION OF COMMIS-**
5 **SION REPORT.**

6 (a) **TERMS OF THE RESOLUTION.**—For purposes of
7 section 4023(b), the term “joint resolution” means only
8 a joint resolution which is introduced within the 10-day
9 period beginning on the date on which the Commission
10 transmits the report to the Congress under section
11 4022(f)(4), and—

12 (1) which does not have a preamble;

13 (2) the matter after the resolving clause of
14 which is as follows: “That Congress disapproves the
15 recommendations of the Energy Laboratory Facili-
16 ties Commission as submitted on _____”, the blank
17 space being filled in with the appropriate date; and

18 (3) the title of which is as follows: “Joint reso-
19 lution disapproving the recommendations of the En-
20 ergy Laboratory Facilities Commission.”.

21 (b) **REFERRAL.**—A resolution described in subsection
22 (a) that is introduced in the House of Representatives
23 shall be referred to the Committee on National Security
24 and the Committee on Science of the House of Represent-
25 atives. A resolution described in subsection (a) introduced

1 in the Senate shall be referred to the Committee on Armed
2 Services and the Committee on Energy and Natural Re-
3 sources of the Senate.

4 (c) DISCHARGE.—If the committee to which a resolu-
5 tion described in subsection (a) is referred has not re-
6 ported such resolution (or an identical resolution) by the
7 end of the 20-day period beginning on the date on which
8 the Commission transmits the report to the Congress
9 under section 4022(f)(4), such committee shall be, at the
10 end of such period, discharged from further consideration
11 of such resolution, and such resolution shall be placed on
12 the appropriate calendar of the House involved.

13 (d) CONSIDERATION.—

14 (1) IN GENERAL.—On or after the third day
15 after the date on which the committee to which such
16 a resolution is referred has reported, or has been
17 discharged (under subsection (c)) from further con-
18 sideration of, such a resolution, it is in order (even
19 though a previous motion to the same effect has
20 been disagreed to) for any Member of the respective
21 House to move to proceed to the consideration of the
22 resolution (but only on the day after the calendar
23 day on which such Member announces to the House
24 concerned the Member's intention to do so). All
25 points of order against the resolution (and against

1 consideration of the resolution) are waived. The mo-
2 tion is highly privileged in the House of Representa-
3 tives and is privileged in the Senate and is not de-
4 batable. The motion is not subject to amendment, or
5 to a motion to postpone, or to a motion to proceed
6 to the consideration of other business. A motion to
7 reconsider the vote by which the motion is agreed to
8 or disagreed to shall not be in order. If a motion to
9 proceed to the consideration of the resolution is
10 agreed to, the respective House shall immediately
11 proceed to consideration of the joint resolution with-
12 out intervening motion, order, or other business, and
13 the resolution shall remain the unfinished business
14 of the respective House until disposed of.

15 (2) DEBATE.—Debate on the resolution, and on
16 all debatable motions and appeals in connection
17 therewith, shall be limited to not more than 2 hours,
18 which shall be divided equally between those favoring
19 and those opposing the resolution. An amendment to
20 the resolution is not in order. A motion further to
21 limit debate is in order and not debatable. A motion
22 to postpone, or a motion to proceed to the consider-
23 ation of other business, or a motion to recommit the
24 resolution is not in order. A motion to reconsider the

1 vote by which the resolution is agreed to or dis-
2 agreed to is not in order.

3 (3) QUORUM CALL.—Immediately following the
4 conclusion of the debate on a resolution described in
5 subsection (a) and a single quorum call at the con-
6 clusion of the debate if requested in accordance with
7 the rules of the appropriate House, the vote on final
8 passage of the resolution shall occur.

9 (4) APPEALS FROM DECISION OF CHAIR.—Ap-
10 peals from the decisions of the Chair relating to the
11 application of the rules of the Senate or the House
12 of Representatives, as the case may be, to the proce-
13 dure relating to a resolution described in subsection
14 (a) shall be decided without debate.

15 (e) CONSIDERATION BY OTHER HOUSE.—

16 (1) IN GENERAL.—If, before the passage by one
17 House of a resolution of that House described in
18 subsection (a), that House receives from the other
19 House a resolution described in subsection (a), then
20 the following procedures shall apply:

21 (A) The resolution of the other House shall
22 not be referred to a committee and may not be
23 considered in the House receiving it except in
24 the case of final passage as provided in sub-
25 paragraph (B)(ii).

1 (B) With respect to a resolution described
2 in paragraph (1) of the House receiving the res-
3 olution—

4 (i) the procedure in that House shall
5 be the same as if no resolution had been
6 received from the other House; but

7 (ii) the vote on final passage shall be
8 on the resolution of the other House.

9 (2) CONSIDERATION AFTER DISPOSITION BY
10 OTHER HOUSE.—Upon disposition of the resolution
11 received from the other House, it shall no longer be
12 in order to consider the resolution that originated in
13 the receiving House.

14 (f) RULES OF THE SENATE AND HOUSE.—This sec-
15 tion is enacted by Congress—

16 (1) as an exercise of the rulemaking power of
17 the Senate and House of Representatives, respec-
18 tively, and as such it is deemed a part of the rules
19 of each House, respectively, but applicable only with
20 respect to the procedure to be followed in that
21 House in the case of a resolution described in sub-
22 section (a), and it supersedes other rules only to the
23 extent that it is inconsistent with such rules; and

24 (2) with full recognition of the constitutional
25 right of either House to change the rules (so far as

1 relating to the procedure of that House) at any time,
2 in the same manner, and to the same extent as in
3 the case of any other rule of that House.

4 **SEC. 4028. DEFINITIONS.**

5 For purposes of this chapter:

6 (1) The term “Account” means the Energy
7 Laboratory Facility Closure Account established in
8 section 4025(a).

9 (2) The term “Administrator” has the meaning
10 given such term in section 4089(1) of this subtitle.

11 (3) The term “Commission” means the Energy
12 Laboratory Facilities Commission.

13 (4) The term “congressional energy commit-
14 tees” means the Committee on Armed Services of
15 the Senate, the Committee on National Security of
16 the House of Representatives, the Committee on
17 Science of the House of Representatives, and the
18 Committee on Energy and Natural Resources of the
19 Senate.

20 (5) The term “energy laboratory” means the
21 Lawrence Livermore National Laboratory, the Los
22 Alamos National Laboratory, the Sandia National
23 Laboratories, the Argonne National Laboratory, the
24 Brookhaven National Laboratory, the Idaho Na-
25 tional Engineering Laboratory, the Lawrence Berke-

1 ley Laboratory, the Oak Ridge National Laboratory,
2 the Pacific Northwest Laboratory, the National Re-
3 newable Energy Laboratory, the Ames Laboratory,
4 the Bates Linear Accelerator Laboratory, the Bettis
5 Atomic Power Laboratory, the Continuous Electron
6 Beam Accelerator Facility, the Energy Technology
7 Engineering Center, the Environmental Measure-
8 ments Laboratory, the Fermi National Accelerator
9 Laboratory, the Inhalation Toxicology Research In-
10 stitute, the Knolls Atomic Power Laboratory, the
11 Laboratory of Radiobiology and Environmental
12 Health, the Morgantown Energy Technology Center,
13 the National Renewable Energy Laboratory, the
14 New Brunswick Laboratory, the Oak Ridge Institute
15 for Science and Education, the Pittsburgh Energy
16 Technology Center, the Princeton Plasma Physics
17 Laboratory, the Savannah River Ecology Labora-
18 tory, the Savannah River Technology Center, the
19 Specific Manufacturing Capability Facility, or the
20 Stanford Linear Accelerator Facility.

21 (6) The term “the Secretary or the Adminis-
22 trator, as appropriate” means the Secretary of En-
23 ergy, or, after the effective date stated in section
24 4019(a), the Administrator.

1 **CHAPTER 3—PRIVATIZATION OF FEDERAL**
2 **POWER MARKETING ADMINISTRATIONS**

3 **SEC. 4031. SHORT TITLE.**

4 This chapter may be cited as the “Federal Power
5 Asset Privatization Act of 1995”.

6 **SEC. 4032. FINDINGS.**

7 The Congress finds that:

8 (1) the Federal Power Marketing Administra-
9 tions, over the years, have served to help bring elec-
10 tricity to many areas in the Nation;

11 (2) they have done so with the investment of
12 the American taxpayer;

13 (3) the necessity of federally owned power gen-
14 eration and transmission facilities has passed and
15 halting this practice is in the best national interest
16 of the United States;

17 (4) in fairness to the longtime consumers of
18 Federal Power Marketing Administrations, any proc-
19 ess of sale should be open to them;

20 (5) the taxpayers, through investing in the con-
21 struction and operation, have established equity in
22 the facilities; and

23 (6) this equity entitles the American taxpayer
24 to expect the highest possible return in the sale
25 process.

1 **SEC. 4033. SALE OF ASSETS.**

2 (a) SALE OF ASSETS.—The Secretary is authorized
3 and directed to take such steps as necessary to sell all
4 electric power generation facilities and transmission facili-
5 ties, that are currently owned and operated by Federal
6 departments and agencies under the supervision of, or co-
7 ordination with, the Federal Power Marketing Administra-
8 tions. No foreign person or corporation may purchase any
9 such facilities; such facilities may be sold only to a United
10 States citizen or to a corporation or partnership organized
11 under the laws of a State. After such sales are completed
12 the Secretary shall terminate the operations of the Federal
13 Power Marketing Administrations. The heads of other af-
14 fected Federal departments and agencies shall assist the
15 Secretary of Energy in implementing the sales authorized
16 by this section.

17 (b) PRICE; STRUCTURE OF SALE.—

18 (1) PRICE.—The Secretary shall obtain the
19 highest possible price for such facilities. In determin-
20 ing the highest possible price, the value of future tax
21 revenues shall be included.

22 (2) RETENTION OF FINANCIAL ADVISOR.—In
23 order to conduct the sales authorized by this section
24 in such manner as will produce the highest possible
25 price for the facilities to be sold consistent with this
26 chapter, within 30 days of enactment of this section,

1 the Secretary shall, through a competitive bidding
2 process, retain an experienced private sector firm to
3 serve as financial advisor to the Secretary with re-
4 spect to such sales.

5 (3) FINANCIAL ADVISOR'S REPORT.—Within 90
6 days of being retained by the Secretary, the financial
7 advisor shall provide to the Secretary a report con-
8 taining—

9 (A) a description of those assets described
10 in subsection (a) which, in the opinion of the fi-
11 nancial advisor, can be successfully transferred
12 to private sector ownership or operation;

13 (B) the value of each such asset, calculated
14 on the basis of the valuation method or meth-
15 ods which the financial advisor deems most ap-
16 propriate to a particular asset;

17 (C) the appropriate alternative trans-
18 actional methods for transferring each such
19 asset to private sector ownership or operation;

20 (D) the amount of proceeds which the fi-
21 nancial advisor estimates would be paid to the
22 United States Government as a result of such
23 transaction, including the present value of fu-
24 ture revenue from taxes and any other future

1 payments to be made to the United States Gov-
2 ernment; and

3 (E) an estimate of the average market rate
4 for wholesale electric power sales within each
5 region served by a Federal Power Marketing
6 Administration.

7 (c) TIME OF SALE.—Sales of facilities under this sec-
8 tion shall be conducted in accordance with the time of sale
9 schedule set forth in section 4034. At least one year before
10 the date of any sale specified in such schedule, the Sec-
11 retary, in consultation with the Secretary of the Army and
12 the Secretary of the Interior, and based on the rec-
13 ommendations of the financial advisor, shall select the fa-
14 cilities or groups of facilities to be sold and establish the
15 terms and conditions of the sale.

16 (d) FORMER EMPLOYEES OF PMAS.—It is the sense
17 of the Congress that the purchaser of any such facilities
18 should offer to employ, where possible, former employees
19 of the Federal Power Marketing Administrations in con-
20 nection with the operation of the facilities following their
21 purchase.

22 (e) PROCEEDS.—The Secretary of Energy shall de-
23 posit sale proceeds in the Treasury of the United States
24 to the credit of miscellaneous receipts.

1 (f) PREPARATION.—The Secretary of Energy is au-
2 thorized to use funds appropriated to the Department of
3 Energy for the Federal Power Marketing Administrations
4 and funds otherwise appropriated to other Federal agen-
5 cies for power generation and related activities in order
6 to prepare these assets for sale and conveyance. Such
7 preparation shall provide sufficient title to ensure the ben-
8 efiticial use, enjoyment, and occupancy to the purchasers
9 of the assets to be sold and shall include identification of
10 all associated laws and regulations to be amended for the
11 purpose of these sales. The Secretary of Energy shall un-
12 dertake a study of the effect of sales of facilities under
13 this chapter on existing contracts for the sale of electric
14 power generated at such facilities.

15 (g) REPORTING OF SALES.—Not later than one year
16 after the sale of the assets of each Federal Power Market-
17 ing Administration in accordance with this chapter, the
18 Secretary of Energy shall—

19 (1) complete the business of, and close out,
20 such administration; and

21 (2) prepare and submit to Congress a report
22 documenting the sales.

23 (h) TREATMENT OF SALES FOR PURPOSES OF CER-
24 TAIN LAWS.—The sales of assets under this chapter shall

1 not be considered a disposal of Federal surplus property
2 under the following provisions of law:

3 (1) Section 203 of the Federal Property and
4 Administrative Services Act of 1949 (40 U.S.C.
5 484).

6 (2) Section 13 of the Surplus Property Act of
7 1944 (50 U.S.C. App. 1622).

8 **SEC. 4034. TIME OF SALES.**

9 (a) SCHEDULE.—During the next 5 years, the Sec-
10 retary of Energy shall complete the sale of the electric
11 power generation and transmission assets referred to in
12 section 4033 in accordance with the following schedule:

Power Administration	Sale Completion Date
Alaska	Before September 30, 1996
Southeastern	Before September 30, 1997
Southwestern	Before September 30, 1998
Western Area	Before September 30, 1999
Bonneville	Before September 30, 2000

13 (b) UNEXPENDED BALANCES.—Following the sale of
14 the assets of each of the Federal Power Marketing Admin-
15 istrations and their associated power generation facilities,
16 the Secretary of Energy shall return the unexpended bal-
17 ances of funds appropriated for that administration to the
18 Treasury of the United States.

1 **SEC. 4035. RATE STABILIZATION FOR AFFECTED CONSUMERS.**
2 **ERS.**

3 So that the affected consumers of each Federal
4 Power Marketing Administration are not impacted by se-
5 vere rate increases, each purchaser of electric power gen-
6 eration facilities providing electric power to customers
7 within any region shall be required, as part of the agree-
8 ment to purchase such facilities, to insure that the price
9 at which electric power is sold to such consumers does not
10 increase above the baseline price at a rate greater than
11 10 percent annually. For purposes of this section, the term
12 “baseline price” means the price for the sale of electric
13 power to a consumer that is in effect on the date of the
14 sale of the facility. The preceding sentence shall cease to
15 apply when the price at which electric power is sold to
16 a consumer is at least equal to the average market rate
17 for wholesale electric power sales within the region con-
18 cerned, as determined by the Financial Advisor.

19 **SEC. 4036. LICENSING OF PROJECTS TO PRESERVE CUR-**
20 **RENT OPERATING CONDITIONS.**

21 (a) ORIGINAL LICENSE.—Simultaneously with the
22 sale of hydroelectric generation facility under this chapter,
23 the Federal Energy Regulatory Commission shall issue an
24 original license under part 1 of the Federal Power Act
25 (16 U.S.C. 791a–823b) to the purchaser for the construc-
26 tion, operation, and maintenance of such facility. Such li-

1 cense shall expire on the date 10 years after the date of
2 the sale facility and shall contain standard terms and con-
3 ditions for hydroelectric power licenses issued under part
4 1 of such Act for facilities installed at Federal water
5 projects, together with such additional terms and condi-
6 tions as the Commission deems necessary, in consultation
7 with the department or agency which operates such water
8 project, to further the project purposes and insure that
9 the project will continue operations in the same manner
10 and subject to the same procedures, contracts, and other
11 requirements as were applicable prior to the sale. The
12 Commission shall publish such license terms and condi-
13 tions for each facility to be sold under this chapter as
14 promptly as practicable after the date of the enactment
15 of this Act but not later than one year prior to the date
16 established for the sale of the facility.

17 (b) LICENSE REQUIRED.—Notwithstanding any
18 other provision of law, the Federal Energy Regulatory
19 Commission shall have jurisdiction under part 1 of the
20 Federal Power Act over any hydroelectric generation facil-
21 ity sold under this chapter.

22 **SEC. 4037. ENABLING FEDERAL STUDIES.**

23 Section 505 of the Energy and Water Development
24 Appropriations Act of 1993 (Public Law 102–377) is
25 hereby repealed.

1 **SEC. 4038. DEFINITIONS.**

2 For purposes of this chapter:

3 (1) The term “power generation facility” means
4 a facility used for the generation of electric energy.
5 If any portion of a structure or other facility is used
6 for flood control, water supply, or other purposes in
7 addition to the generation of electric energy, such
8 term refers only to that portion of the structure or
9 facility used exclusively for the generation of electric
10 energy, including turbines, generators, controls, sub-
11 stations, and primary lines used for transmitting
12 electric energy therefrom to the point of juncture
13 with the interconnected primary transmission sys-
14 tem. Such term shall not include any portion of a fa-
15 cility used for navigation, flood control, irrigation,
16 water supply, or recreation.

17 (2) The term “Secretary” means the Secretary
18 of Energy or any successor agency. If any such
19 agency terminates prior to the complete execution of
20 all duties vested in the Secretary of Energy under
21 this chapter, such duties shall be vested in the Sec-
22 retary of the Interior.

1 **CHAPTER 4—TRANSFER AND DISPOSAL**
2 **OF RESERVES**

3 **SEC. 4041. STRATEGIC PETROLEUM RESERVE.**

4 (a) TRANSFER OF FUNCTIONS.—There are hereby
5 transferred to the Secretary of the Interior all functions
6 performed by the Department of Energy with respect to
7 the Strategic Petroleum Reserve on the day before the ef-
8 fective date of this section.

9 (b) DISPOSAL OF CERTAIN RESERVES.—The Sec-
10 retary of the Interior shall dispose of the reserves held
11 at Weeks Island, Louisiana, in a manner that provides for
12 minimal disruption of petroleum markets.

13 (c) ADVISORY BOARD.—(1) The Secretary of the In-
14 terior shall appoint an advisory board, consisting of 3 indi-
15 viduals with experience in oil markets and production and
16 international relations, which shall—

17 (A) monitor the disposal of reserves under sub-
18 section (b) and its effects on petroleum markets; and

19 (B) within 60 days after the completion of such
20 disposal, submit to the Congress a report containing
21 recommendations as described in paragraph (2).

22 (2) The advisory board shall make recommendations
23 on whether the United States should maintain or dispose
24 of the Strategic Petroleum Reserve, based on information
25 obtained pursuant to paragraph (1)(A) and any other rel-

1 evant information the advisory board obtains. If the advi-
2 sory board recommends maintaining the Strategic Petro-
3 leum Reserve, it shall include recommendations for admin-
4 istering the Reserve, and if it recommends disposing of
5 the Reserve, it shall include recommendations for proce-
6 dures for carrying out such disposal.

7 (3) Notwithstanding section 14 of the Federal Advi-
8 sory Committee Act, the advisory board established under
9 this subsection shall terminate within 30 days after it sub-
10 mits a report under paragraph (1)(B).

11 (d) EFFECTIVE DATE.—This section shall take effect
12 on the effective date stated in section 4019(a).

13 **SEC. 4042. TRANSFER OF NAVAL PETROLEUM RESERVES TO**
14 **DEPARTMENT OF THE INTERIOR WITH IN-**
15 **STRUCTIONS TO SELL THE RESERVES.**

16 (a) TRANSFER OF JURISDICTION.—The Secretary of
17 Energy shall transfer the naval petroleum reserves (as de-
18 fined in section 7420(2) of title 10, United States Code)
19 from the jurisdiction and control of the Department of En-
20 ergy to the jurisdiction and control of the Department of
21 the Interior. The transfer required by this subsection shall
22 be made without compensation or reimbursement.

23 (b) TIME FOR TRANSFER.—The transfer required by
24 subsection (a) shall be made as soon as possible after the

1 date of the enactment of this Act, but in no case later
2 than one year after that date.

3 (c) SALE OF RESERVES REQUIRED.—Chapter 641 of
4 title 10, United States Code, is amended by inserting after
5 section 7421 the following new section:

6 **“§ 7421a. Sale of naval petroleum reserves**

7 “(a) SALE REQUIRED.—Notwithstanding any other
8 provision of this chapter, the Secretary of the Interior
9 shall sell all right, title, and interest of the United States
10 in and to the naval petroleum reserves beginning on the
11 date of the enactment of this section.

12 “(b) TIME FOR SALES.—The Secretary shall com-
13 plete the sale of the naval petroleum reserves not later
14 than one year after the date of the enactment of this sec-
15 tion unless, as a result of the conditions specified in sub-
16 section (c), the Secretary determines a longer sale period
17 is necessary. The Secretary shall notify Congress of any
18 extension of the sale period.

19 “(c) CONDITIONS ON SALE.—Sales of the naval pe-
20 troleum reserves under subsection (a) may not be for less
21 than fair market value, as determined by the Secretary
22 on the basis of appraisals performed by recognized experts
23 in the field. The Secretary shall conduct sales using com-
24 petitive procedures. The Secretary may establish such bid-
25 ding terms and conditions as the Secretary considers to

1 be necessary and appropriate, including the establishment
2 of sale units and minimum bids. The Secretary shall struc-
3 ture sale units and times so as to prevent disruption of
4 world petroleum markets.

5 “(d) EFFECT ON EXISTING CONTRACTS AND
6 LEASES.—Sales of the naval petroleum reserves under
7 subsection (a) shall be subject to leases of any part of the
8 naval petroleum reserves, permits, licenses, easements,
9 grazing and agricultural leases, rights-of-way, and similar
10 contracts pertaining to use of the surface area of the naval
11 petroleum reserves and in effect on the date of the enact-
12 ment of this section. Such sales shall also be subject to
13 contracts, in effect on the date of the enactment of this
14 section, to sell the petroleum produced from any part of
15 the naval petroleum reserves.

16 “(e) PURCHASER TO BE HELD HARMLESS.—A pur-
17 chaser of any right, title, or interest of the United States
18 in the naval petroleum reserves shall be held harmless for
19 any claim of liability arising exclusively from or during
20 the ownership of the interest by the United States. Such
21 a claim of liability may be asserted against the United
22 States only to the extent and in the manner provided by
23 law.

24 “(f) REQUIREMENTS REGARDING CONSULTATION
25 AND APPROVAL.—The congressional consultation and

1 Presidential approval requirements of section 7431(a) of
2 this title regarding each individual sale of a portion of the
3 naval petroleum reserves shall not apply to sales under
4 this section.”.

5 (d) CLERICAL AMENDMENT.—The table of sections
6 at the beginning of such chapter is amended by inserting
7 after the item relating to section 7421 the following new
8 item:

“7421a. Sale of naval petroleum reserves.”.

9 (e) CONFORMING AMENDMENTS TO TITLE 10,
10 UNITED STATES CODE.—Chapter 641 of title 10, United
11 States Code, is amended—

12 (1) in section 7420(4), by striking “Secretary
13 of Energy” and inserting “Secretary of the Inte-
14 rior”;

15 (2) in section 7427, by striking “of the Inte-
16 rior”;

17 (3) in section 7430(d), by striking “, in con-
18 sultation with the Secretary of the Interior,”; and

19 (4) in section 7430(j), by striking “he, or the
20 Secretary of the Interior where the authority extends
21 to him,”.

1 **CHAPTER 5—NATIONAL SECURITY AND**
2 **ENVIRONMENTAL MANAGEMENT PRO-**
3 **GRAMS**

4 **SEC. 4051. DEFINITIONS.**

5 In this chapter:

6 (1) The term “defense nuclear programs mat-
7 ters” means matters related to the military use of
8 nuclear energy and nuclear weapons, including all
9 such matters that were under the jurisdiction of the
10 following entities on the day before the date of the
11 enactment of this subtitle:

12 (A) The Department of Energy.

13 (B) The Defense Nuclear Agency of the
14 Department of Defense.

15 (C) The Defense Nuclear Facilities Safety
16 Board.

17 (2) The term “Under Secretary” means the
18 Under Secretary of Defense for Defense Nuclear
19 Programs.

20 (3) The term “Agency” means the Defense Nu-
21 clear Programs Agency.

22 **SEC. 4052. ESTABLISHMENT AND ORGANIZATION OF DE-**
23 **FENSE NUCLEAR PROGRAMS AGENCY.**

24 (a) ESTABLISHMENT OF DEFENSE NUCLEAR PRO-
25 GRAMS AGENCY.—There is established an agency in the

1 Department of Defense to be known as the Defense Nu-
2 clear Programs Agency.

3 (b) UNDER SECRETARY.—The Agency shall be head-
4 ed by an Under Secretary for Defense Nuclear Programs,
5 who shall serve as the principal adviser to the Secretary
6 of Defense on defense nuclear programs matters. In carry-
7 ing out his duties under this chapter, the Under Secretary
8 for Defense Nuclear Programs shall, subject to the au-
9 thority, direction, and control of of the Secretary of De-
10 fense, have primary responsibility within the Government
11 for defense nuclear programs matters. The Under Sec-
12 retary shall be appointed by the President, by and with
13 the advice and consent of the Senate. A commissioned offi-
14 cer of the Armed Forces serving on active duty may not
15 be appointed Under Secretary. The Under Secretary shall
16 be compensated at the rate provided for level II of the
17 Executive Schedule under section 5313 of title 5, United
18 States Code.

19 (c) DEPUTY UNDER SECRETARY.—A Deputy Under
20 Secretary for Defense Nuclear Programs shall be ap-
21 pointed by the President, by and with the advice and con-
22 sent of the Senate. The Deputy Under Secretary shall per-
23 form such duties and exercise such powers as the Under
24 Secretary for Defense Nuclear Programs may prescribe.
25 The Deputy Under Secretary shall act for, and exercise

1 the powers of, the Under Secretary during the Under Sec-
2 retary's absence or disability or during a vacancy in such
3 office. A commissioned officer of the Armed Forces serv-
4 ing on active duty may not be appointed Deputy Under
5 Secretary. The Deputy Under Secretary shall be com-
6 pensated at the rate provided for level III of the Executive
7 Schedule under section 5314 of title 5, United States
8 Code.

9 (d) ASSISTANT SECRETARIES.—(1) Four Assistant
10 Secretaries of the Agency shall be appointed by the Presi-
11 dent, by and with the advice and consent of the Senate.
12 They shall perform such duties and exercise such powers
13 as the Under Secretary may prescribe.

14 (2) One of the Assistant Secretaries shall have as his
15 principal duty the overall supervision of environmental res-
16 toration of defense nuclear weapons facilities.

17 (3) One of the Assistant Secretaries shall have as his
18 principal duty the overall supervision of the oversight of
19 the defense and nondefense functions and budgets of the
20 Sandia National Laboratories, the Los Alamos National
21 Laboratory, and the Lawrence Livermore National Lab-
22 oratory (or whatever laboratories (or portions of labora-
23 tories) carrying out the functions of such laboratories re-
24 main after reconfiguration, privatization, or closure (if
25 any) pursuant to chapter 2).

1 (4) Each Assistant Secretary shall be compensated
2 at the rate provided for level IV of the Executive Schedule
3 under section 5315 of title 5, United States Code.

4 (e) INSPECTOR GENERAL.—There shall be an Inspec-
5 tor General of the Agency, who shall be appointed as pro-
6 vided in section 3 of the Inspector General Act of 1978
7 (5 U.S.C. App. 3). The Inspector General shall perform
8 the duties, have the responsibilities, and exercise the pow-
9 ers specified in the Inspector General Act of 1978 (5
10 U.S.C. App. 3).

11 (f) GENERAL COUNSEL.—There shall be a General
12 Counsel of the Agency, who shall be appointed by the
13 Under Secretary. The General Counsel shall be the chief
14 legal officer for all legal matters arising from the conduct
15 of the functions of the Agency. The General Counsel shall
16 be compensated at the rate provided for level V of the Ex-
17 ecutive Schedule under section 5316 of title 5, United
18 States Code.

19 **SEC. 4053. FUNCTIONS OF DEFENSE NUCLEAR PROGRAMS**
20 **AGENCY.**

21 (a) IN GENERAL.—The Under Secretary for Defense
22 Nuclear Programs shall be responsible for the exercise of
23 all powers and the discharge of all duties of the Agency.

24 (b) TRANSFERRED FUNCTIONS.—The Under Sec-
25 retary for Defense Nuclear Programs shall carry out all

1 functions transferred to the Under Secretary pursuant to
2 section 4054.

3 (c) STAFF DIRECTOR OF NUCLEAR WEAPONS COUN-
4 CIL.—Paragraph (2) of section 179(c) of title 10, United
5 States Code, is amended to read as follows:

6 “(2) The Under Secretary for Defense Nuclear Pro-
7 grams shall be the Staff Director of the Council.”.

8 **SEC. 4054. TRANSFERS OF FUNCTIONS.**

9 (a) DEPARTMENT OF ENERGY.—(1) There are here-
10 by transferred to the Under Secretary for Defense Nuclear
11 Programs all functions performed by the Department of
12 Energy on the day before the date of the enactment of
13 this subtitle relating to the national security functions of
14 the Department, including defense, nonproliferation, and
15 defense-related environmental management programs.

16 (2) There are hereby transferred to the Under Sec-
17 retary for Defense Nuclear Programs all functions per-
18 formed by the Department of Energy on the day before
19 the date of the enactment of this subtitle relating to the
20 oversight of the defense and nondefense functions and
21 budgets of the following laboratories:

22 (A) Sandia National Laboratories, Albuquerque,
23 New Mexico, and Livermore, California.

24 (B) Los Alamos National Laboratory, Los Ala-
25 mos, New Mexico.

1 (C) Lawrence Livermore National Laboratory,
2 California.

3 (b) DEFENSE NUCLEAR AGENCY.—There are hereby
4 transferred to the Under Secretary for Defense Nuclear
5 Programs all functions performed by the Defense Nuclear
6 Agency of the Department of Defense on the day before
7 the date of the enactment of this subtitle relating to nu-
8 clear weapons systems.

9 (c) DEFENSE NUCLEAR FACILITIES SAFETY
10 BOARD.—There are hereby transferred to the Under Sec-
11 retary for Defense Nuclear Programs all functions per-
12 formed by the Defense Nuclear Facilities Safety Board on
13 the day before the date of the enactment of this subtitle.

14 (d) OTHER NUCLEAR WEAPONS-RELATED FUNC-
15 TIONS.—The Secretary of Defense may transfer to the
16 Under Secretary for Defense Nuclear Programs such
17 other functions performed in the Department of Defense
18 on the day before the date of the enactment of this subtitle
19 relating to nuclear weapons as the Secretary considers ap-
20 propriate.

21 (e) CONFORMING REPEALS.—

22 (1) ASSISTANT TO THE SECRETARY OF DE-
23 FENSE FOR ATOMIC ENERGY.—Section 141 of title
24 10, United States Code, is hereby repealed. The
25 table of sections at the beginning of chapter 4 of

1 such title is amended by striking out the item relat-
2 ing to such section.

3 (2) DEFENSE NUCLEAR FACILITIES SAFETY
4 BOARD.—Chapter 21 of the Atomic Energy Act of
5 1954 (42 U.S.C. 2286) is hereby repealed.

6 (3) REFERENCES.—Any reference to the Assist-
7 ant Secretary of Defense for Atomic Energy or the
8 Defense Nuclear Facilities Safety Board in any pro-
9 vision of law or in any rule, regulation, or other
10 paper of the United States shall be treated as refer-
11 ring to the Under Secretary for Defense Nuclear
12 Programs.

13 **SEC. 4055. LIMITATION ON TRANSFERS OF FUNDS.**

14 No amount appropriated to the Agency may be trans-
15 ferred to any other account (other than another account
16 of the Agency) unless the transfer of such amount to such
17 account is specifically authorized by law. No amount ap-
18 propriated to the Department of Defense or another de-
19 partment or agency may be transferred to the Under Sec-
20 retary for Defense Nuclear Programs or to an account for
21 the Agency unless the transfer of such amount to such
22 account is specifically authorized by law.

23 **SEC. 4056. TRANSITION PROVISIONS.**

24 (a) EXERCISE OF AUTHORITIES.—Except as other-
25 wise provided by law, the Under Secretary for Defense

1 Nuclear Programs may, for purposes of performing a
2 function that is transferred to the Under Secretary by this
3 chapter, exercise all authorities under any other provision
4 of law that were available with respect to the performance
5 of that function to the official responsible for the perform-
6 ance of that function on the day before the date of the
7 enactment of this subtitle.

8 (b) AUTHORITIES TO WIND UP AFFAIRS.—

9 (1) IN GENERAL.—(A) The Director of the Of-
10 fice of Management and Budget may take such ac-
11 tions as the Director considers necessary to wind up
12 any outstanding affairs of the Department of En-
13 ergy associated with the functions that are trans-
14 ferred pursuant to section 4054(a).

15 (B) The Secretary of Defense may take such
16 actions as the Secretary considers necessary to wind
17 up any outstanding affairs of the Defense Nuclear
18 Agency associated with the functions that are trans-
19 ferred pursuant to section 4054(b), any outstanding
20 affairs of the Department of Defense associated with
21 any functions that may be transferred pursuant to
22 section 4054(d), and any outstanding affairs of the
23 Assistant to the Secretary of Defense for Atomic
24 Energy.

1 (C) The Secretary of the Navy may take such
2 actions as the Secretary considers necessary to wind
3 up any outstanding affairs of the Strategic Systems
4 Programs of the Department of the Navy associated
5 with the functions that are transferred pursuant to
6 section 4054(c).

7 (D) The Director of the Office of Management
8 and Budget may take such actions as the Director
9 considers necessary to wind up any outstanding af-
10 fairs of the Defense Nuclear Facilities Safety Board.

11 (2) TRANSFER OF ASSETS.—So much of the
12 personnel, property, records, and unexpended bal-
13 ances of appropriations, allocations, and other funds
14 employed, used, held, available, or to be made avail-
15 able in connection with a function transferred to the
16 Under Secretary for Defense Nuclear Programs by
17 this chapter are transferred to the Under Secretary
18 for use in connection with the functions transferred.

19 (3) FURTHER MEASURES AND DISPOSITIONS.—
20 Such further measures and dispositions as the Presi-
21 dent considers necessary to effectuate the transfers
22 referred to in subsection (b) shall be carried out in
23 such manner as the President directs and by the
24 heads of such agencies as the President designates.

1 **SEC. 4057. TECHNICAL AND CONFORMING AMENDMENTS.**

2 (a) INSPECTOR GENERAL ACT OF 1978.—Section 11
3 of the Inspector General Act of 1978 (5 U.S.C. App.) is
4 amended—

5 (1) in paragraph (1), by inserting after “Inter-
6 national Development,” the following: “the Defense
7 Nuclear Programs Agency,”; and

8 (2) in paragraph (2), by striking out “or the
9 Social Security Administration;” and inserting in
10 lieu thereof “the Social Security Administration, or
11 the Defense Nuclear Programs Agency;”.

12 (b) EXECUTIVE SCHEDULE.—(1) Section 5313 of
13 title 5, United States Code, is amended by adding at the
14 end the following:

15 “Under Secretary for Defense Nuclear Pro-
16 grams.”.

17 (2) Section 5314 of title 5, United States Code, is
18 amended by adding at the end the following:

19 “Deputy Under Secretary for Defense Nuclear
20 Programs.”.

21 (3) Section 5315 of title 5, United States Code, is
22 amended by adding at the end the following:

23 “Assistant Secretaries, Defense Nuclear Pro-
24 grams Agency (4).

25 “Inspector General, Defense Nuclear Programs
26 Agency.”.

1 (4) Section 5316 of title 5, United States Code, is
2 amended by adding at the end the following:

3 “General Counsel, Defense Nuclear Programs
4 Agency.”.

5 **SEC. 4058. EFFECTIVE DATE AND TRANSITION PERIOD.**

6 (a) EFFECTIVE DATE.—Except as provided in sub-
7 section (b), this chapter shall take effect on the date of
8 the enactment of this subtitle.

9 (b) DELAYED EFFECTIVE DATE FOR ESTABLISH-
10 MENT OF AGENCY AND TRANSFERS OF FUNCTIONS.—
11 Section 4052(a) and section 4054 of this chapter shall
12 take effect one year after the date of the enactment of
13 this subtitle.

14 (c) TRANSITION PERIOD.—The Secretary of Defense,
15 the Secretary of Energy, the Assistant to the Secretary
16 of Defense for Atomic Energy, and the Defense Nuclear
17 Facilities Safety Board shall, beginning as soon as prac-
18 ticable after the date of the enactment of this subtitle,
19 plan for the orderly establishment of, and transfer of func-
20 tions to, the Agency pursuant to this chapter.

21 (d) APPOINTMENT AUTHORITY.—The President may
22 make appointments under section 4052 notwithstanding
23 the delayed effective date under subsection (b) for the es-
24 tablishment of the Agency.

1 **SEC. 4059. ENVIRONMENTAL RESTORATION ACTIVITIES AT**
 2 **DEFENSE NUCLEAR FACILITIES.**

3 (a) AMENDMENT TO CERCLA.—The Comprehensive
 4 Environmental Response, Compensation, and Liability Act
 5 of 1980 (42 U.S.C. 9601 et seq.) is amended by adding
 6 at the end the following new title:

7 **“TITLE IV—ENVIRONMENTAL**
 8 **RESTORATION ACTIVITIES AT**
 9 **DEFENSE NUCLEAR FACILI-**
 10 **TIES**

“Subtitle A—General Provisions

“Sec. 401. Applicability.

“Sec. 402. Definitions.

“Subtitle B—Selection of Remedial Action

“Sec. 411. Review of ongoing and planned remedial actions.

“Sec. 412. Selection of remedial action.

“Sec. 413. Site-specific risk assessment.

“Sec. 414. Analysis of risk reduction benefits and costs.

11 **“Subtitle A—General Provisions**

12 **“SEC. 401. APPLICABILITY.**

13 “Notwithstanding section 120, the provisions of this
 14 title shall apply with respect to selection of remedial ac-
 15 tions at defense nuclear facilities.

16 **“SEC. 402. DEFINITIONS.**

17 “For purposes of this title:

18 “(1) The term ‘defense nuclear facility’
 19 means—

1 “(A) a production facility or utilization fa-
2 cility (as those terms are defined in section 11
3 of the Atomic Energy Act of 1954 (42 U.S.C.
4 2014)) that is under the control or jurisdiction
5 of the Under Secretary of Defense for Defense
6 Nuclear Programs and that is operated for na-
7 tional security purposes (including the tritium
8 loading facility at Savannah River, South Caro-
9 lina, the 236 H facility at Savannah River,
10 South Carolina; and the Mound Laboratory,
11 Ohio), but the term does not include any facil-
12 ity that does not conduct atomic energy defense
13 activities and does not include any facility or
14 activity covered by Executive Order Number
15 12344, dated February 1, 1982, pertaining to
16 the naval nuclear propulsion program;

17 “(B) a nuclear waste storage or disposal
18 facility that is under the control or jurisdiction
19 of the Under Secretary of Defense for Defense
20 Nuclear Programs;

21 “(C) a testing and assembly facility that is
22 under the control or jurisdiction of the Under
23 Secretary of Defense for Defense Nuclear Pro-
24 grams and that is operated for national security
25 purposes (including the Nevada Test Site, Ne-

1 vada; the Pinnellas Plant, Florida; and the
2 Pantex facility, Texas);

3 “(D) an atomic weapons research facility
4 that is under the control or jurisdiction of the
5 Under Secretary of Defense for Defense Nu-
6 clear Programs (including the Lawrence Liver-
7 more, Los Alamos, and Sandia National Lab-
8 oratories); or

9 “(E) any facility described in paragraphs
10 (1) through (4) that—

11 “(i) is no longer in operation;

12 “(ii) was under the control or jurisdic-
13 tion of the Department of Defense, the
14 Atomic Energy Commission, the Energy
15 Research and Development Administration,
16 or the Department of Energy; and

17 “(iii) was operated for national secu-
18 rity purposes.

19 “(2) The term ‘Under Secretary’ means the Under
20 Secretary of Defense for Defense Nuclear Programs.

21 “(3) The term ‘Administrator’ means the Adminis-
22 trator of the Environmental Protection Agency.

1 **“Subtitle B—Selection of Remedial**
2 **Action**

3 **“SEC. 411. REVIEW OF ONGOING AND PLANNED REMEDIAL**
4 **ACTIONS.**

5 “REVIEW OF ONGOING AND PLANNED ACTIVITIES.—

6 (1) Not later than one year after the date of the enactment
7 of this title, the Under Secretary shall review each reme-
8 dial action described in paragraph (2) for purposes of de-
9 termining whether the remedial action was selected in a
10 manner consistent with the requirements of this subtitle.

11 If the Under Secretary determines the selection was not
12 consistent with the requirements of this subtitle, the
13 Under Secretary shall require the remedial action to be
14 halted and a new remedial action selected in a manner
15 consistent with the requirements of this subtitle.

16 “(2) Paragraph (1) applies to any remedial action at
17 a defense nuclear facility—

18 “(A) which is ongoing as of the date of the en-
19 actment of this title, including a facility for which
20 construction is ongoing or has been completed as of
21 such date; or

22 “(B) for which construction is planned but has
23 not yet commenced as of such date of enactment.

1 **“SEC. 412. SELECTION OF REMEDIAL ACTION.**

2 “(a) IN GENERAL.—The Under Secretary shall select
3 a remedial action for a defense nuclear facility based upon
4 consideration of a site-specific risk assessment conducted
5 in accordance with section 413 and an analysis of risk re-
6 duction benefits and costs conducted in accordance with
7 section 414.

8 “(b) REQUIREMENT FOR LOWEST COST ACTION.—
9 In selecting a remedial action, the Under Secretary shall
10 select the lowest cost action which achieves a residual risk
11 that is within the risk range goal established by the Na-
12 tional Contingency Plan for protection of public health
13 and the environment, unless—

14 “(1) the incremental benefits of a more expen-
15 sive remedial action justify incurring the incremental
16 costs of the more expensive remedy, as set forth in
17 the analysis of risk reductions cost and benefits for
18 the remedial action pursuant to section 414, in
19 which case a more expensive remedy may be se-
20 lected, or

21 “(2) the benefits of the lowest cost remedy
22 which achieves a residual risk level within the risk
23 range goal are not reasonably related to the costs of
24 such remedy, in which case a less expensive remedy
25 may be selected.

1 “(c) CONSULTATION.—Before selection a remedial
2 action and before public comment under subsection (d),
3 the Under Secretary shall consult with the Administrator,
4 officials of State, local, or tribal governments having juris-
5 diction over the property or, in the case of property which
6 is exclusively under Federal jurisdiction, having jurisdic-
7 tion over the surrounding areas. Such consultation shall
8 include discussion of, at a minimum, current area demo-
9 graphics, land and water uses, and currently planned land
10 and water uses, the determination of which shall remain
11 the sole purview of the appropriate State, local, or tribal
12 government with jurisdiction.—

13 “(d) PUBLIC COMMENT.—Before selection of a reme-
14 dial action, the Under Secretary shall provide a period of
15 not less than 30 days for public comment on the remedial
16 action.

17 “(e) CERTIFICATION.—The Under Secretary shall
18 certify the following when selecting a remedial action:

19 “(1) That the analysis of risk reduction benefits
20 and costs for the remedial action pursuant to section
21 414 is based on objective and unbiased scientific and
22 economic evaluations of all significant and relevant
23 information and on risk assessments provided to the
24 agency by interested parties relating to the costs,

1 risks, and risk reduction and other benefits of the
2 remedial action selected.

3 “(2) That the incremental risk reduction or
4 other benefits of the remedial action will be likely to
5 justify, and be reasonably related to, the incremental
6 costs incurred by the Federal Government, by State,
7 local, and tribal governments, and other public and
8 private entities.

9 “(3) That other alternative remedial actions
10 identified or considered by the agency were found to
11 be less cost-effective at achieving a substantially
12 equivalent reduction in risk.

13 “(f) ADMINISTRATIVE RECORD.—All documents con-
14 sidered by the Under Secretary shall be made part of the
15 administrative record for purposes of judicial review.

16 **“SEC. 413. SITE-SPECIFIC RISK ASSESSMENT.**

17 “(a) IN GENERAL.—(1) A site-specific risk assess-
18 ment shall be performed in accordance with this section
19 before the selection of a remedial action at a defense nu-
20 clear facility. The Under Secretary shall apply the prin-
21 ciples set forth in subsection (b) in order to ensure that
22 a site-specific risk assessment—

23 “(A) distinguishes scientific findings from other
24 considerations;

1 “(B) is, to the extent feasible, scientifically ob-
2 jective, unbiased, and inclusive of all relevant data;
3 and

4 “(C) relies, to the extent available and prac-
5 ticable, on factual site-specific data.

6 “(2) Discussions or explanations required under this
7 section need not be repeated in each risk assessment docu-
8 ment as long as there is a reference to the relevant discus-
9 sions or explanation in another agency document which
10 is available to the public.

11 “(b) PRINCIPLES.—The principles to be applied in
12 conducting a site-specific risk assessment are as follows:

13 “(1) When discussing human health risks, a
14 site-specific risk assessment shall contain a discus-
15 sion of both relevant laboratory and relevant epi-
16 demiologic data of sufficient quality which finds, or
17 fails to find, a correlation between health risks and
18 a potential toxin or activity. Where conflicts among
19 such data appear to exist, or where animal data is
20 used as a basis to assess human health, the site-spe-
21 cific risk assessment shall, to the extent feasible and
22 appropriate, include discussion of possible reconcili-
23 ation of conflicting information, and, as relevant,
24 differences in study designs, comparative physiology,
25 routes of exposure, bioavailability, pharmacokinetics,

1 and any other relevant factor, including the suffi-
2 ciency of basic data for review. The discussion of
3 possible reconciliation should indicate whether there
4 is a biological basis to assume a resulting harm in
5 humans. Animal data shall be reviewed with regard
6 to its relevancy to humans.

7 “(2) Where a site-specific risk assessment in-
8 volves selection of any significant default value, as-
9 sumption, inference, or model, the risk assessment
10 document shall, to the extent feasible—

11 “(A) present a representative list and ex-
12 planation of plausible and alternative assump-
13 tions, inferences, or models;

14 “(B) explain the basis for any choices;

15 “(C) identify any policy or value judg-
16 ments;

17 “(D) fully describe any model used in the
18 risk assessment and make explicit the assump-
19 tions incorporated in the model; and

20 “(E) indicate the extent to which any sig-
21 nificant model has been validated by, or con-
22 flicts with, empirical data.

23 “(3) The site-specific risk assessment shall
24 meet each of the following requirements regarding
25 risk characterization and communication:

1 “(A) The risk characterization shall de-
2 scribe the populations or natural resources
3 which are the subject of the risk characteriza-
4 tion. If a numerical estimate of risk is provided,
5 the agency shall, to the extent feasible, pro-
6 vide—

7 “(i) the best estimate or estimates for
8 the specific populations or natural re-
9 sources which are the subject to the char-
10 acterization (based on the information
11 available to the Federal agency); and

12 “(ii) a statement of the reasonable
13 range of scientific uncertainties.

14 In addition to such best estimate or estimates,
15 the risk characterization document may present
16 plausible upper-bound or conservative estimates
17 in conjunction with plausible lower-bound esti-
18 mates. Where appropriate, the risk character-
19 ization document may present, in lieu of a sin-
20 gle best estimate, multiple best estimates based
21 on assumptions, inferences, or models which are
22 equally plausible, given current scientific under-
23 standing. To the extent practicable and appro-
24 priate, the document shall provide descriptions
25 of the distribution and probability of risk esti-

1 mates to reflect differences in exposure varia-
2 bility or sensitivity in populations and attend-
3 ance uncertainties. Sensitive subpopulations or
4 highly exposed subpopulations include, where
5 relevant and appropriate, children, the elderly,
6 pregnant women, and disabled persons.

7 “(B) Exposure scenarios shall be based on
8 actual exposure pathways and currently planned
9 future land and water uses as established by
10 any local governmental authorities with jurisdic-
11 tion over the property and shall consider the
12 availability of alternative water supplies. To the
13 extent feasible, the site-specific risk assessment
14 shall include a statement of the size of the pop-
15 ulation at risk under any proposed exposure
16 scenario and the likelihood of such scenario.
17 Exposure scenarios shall explicitly identify
18 those exposure scenarios which result in plau-
19 sible completed exposure pathways.

20 “(C) A site-specific risk assessment shall
21 contain a statement that places the magnitude
22 of risks to human health, safety, or the environ-
23 ment in context. Such statement shall, to the
24 extent feasible, provide comparisons with esti-
25 mates of greater, lesser, and substantially

1 equivalent risks that are familiar to and rou-
2 tinely encountered by the general public as well
3 as other risks, and where appropriate and
4 meaningful, comparisons of those risks with
5 other similar risks regulated by the Federal
6 agency resulting from comparable activities and
7 exposure pathways. Such comparisons should
8 consider relevant distinctions among risks, such
9 as the voluntary or involuntary nature of risks
10 and the preventability or nonpreventability of
11 risks.

12 “(D) Each site-specific risk assessment
13 shall include a statement of any significant sub-
14 stitution risks to human health, where informa-
15 tion on such risks has been provided to the
16 Under Secretary.

17 “(E) If a commenter provides the Under
18 Secretary with a relevant risk assessment and a
19 summary thereof in a timely fashion and the
20 risk assessment is consistent with the principles
21 and the guidance provided under this section,
22 the Under Secretary shall, to the extent fea-
23 sible, present such summary in connection with
24 the presentation of the site-specific risk assess-
25 ment. Nothing in this paragraph shall be con-

1 strued to limit the inclusion of any comments or
2 material supplied by any person to the adminis-
3 trative record of any proceeding.

4 “(4) A site-specific risk assessment may satisfy
5 the requirements of subparagraph (C), (D), or (E)
6 of paragraph (3) by reference to information or ma-
7 terial otherwise available to the public if the docu-
8 ment provides a brief summary of such information
9 or material.

10 **“SEC. 414. ANALYSIS OF RISK REDUCTION BENEFITS AND**
11 **COSTS.**

12 “(a) IN GENERAL.—The Under Secretary shall pre-
13 pare an analysis of risk reduction benefits and costs in
14 accordance with this section before the selection of a reme-
15 dial action at a defense nuclear facility.

16 “(b) CONTENTS OF ANALYSIS.—An analysis of risk
17 reduction benefits and costs for a remedial action shall
18 contain the following:

19 “(1) An identification of reasonable alternative
20 strategies, including strategies that are proposed
21 during a public comment period.

22 “(2) An analysis of the incremental costs and
23 incremental risk reduction or other benefits associ-
24 ated with each alternative remedial action identified
25 or considered. Costs and benefits shall be quantified

1 to the extent feasible and appropriate and may oth-
2 erwise be qualitatively described.

3 “(3) A statement that places in context the na-
4 ture and magnitude of the risks to be addressed and
5 the residual risks likely to remain for each alter-
6 native strategy identified or considered by the Under
7 Secretary. Such statement shall, to the extent fea-
8 sible, provide comparisons with estimates of greater,
9 lesser, and substantially equivalent risks that are fa-
10 miliar to and routinely encountered by the general
11 public as well as other risks and, where appropriate
12 and meaningful, comparisons of those risks with
13 other similar risks regulated by the Federal Govern-
14 ment resulting from comparable activities and expo-
15 sure pathways. Such comparisons should consider
16 relevant distinctions among risks, such as the vol-
17 untary or involuntary nature of risks and the pre-
18 ventability or nonpreventability of risks.

19 “(4) An analysis of whether the identified bene-
20 fits of the remedial action are likely to exceed the
21 identified costs of the remedial action.”.

22 (b) CONFORMING AMENDMENT.—Section 120(a)(3)
23 of the Comprehensive Environmental Response, Com-
24 pensation, and Liability Act of 1980 (42 U.S.C.
25 9620(a)(3)) is amended by inserting after the second sen-

1 tence the following: “This subsection also shall not apply
2 to the extent otherwise provided in title IV with respect
3 to selection of remedial actions at defense nuclear facili-
4 ties.”.

5 (c) RENEGOTIATION OF COMPLIANCE AGREE-
6 MENTS.—

7 (1) REQUIREMENT.—For each defense nuclear
8 facility with respect to which a compliance agree-
9 ment has been entered into by the Secretary of En-
10 ergy, the Environmental Protection Agency, and a
11 State as of the date of the enactment of this sub-
12 title, the Under Secretary of Defense for Defense
13 Nuclear Programs shall enter into negotiations with
14 the Environmental Protection Agency and the State
15 concerned to renegotiate the terms of the compliance
16 agreement to reflect title IV of the Comprehensive
17 Environmental Response, Compensation, and Liabil-
18 ity Act of 1980, as added by subsection (a).

19 (2) DEADLINE.—The Under Secretary of De-
20 fense for Defense Nuclear Programs shall complete
21 renegotiation of compliance agreements as required
22 by paragraph (1) not later than one year after the
23 date of the enactment of this subtitle.

1 **CHAPTER 6—DISPOSITION OF MIS-**
2 **CELLANEOUS PARTICULAR PRO-**
3 **GRAMS, FUNCTIONS, AND AGENCIES**
4 **OF DEPARTMENT**

5 **SEC. 4061. ENERGY RESEARCH AND DEVELOPMENT.**

6 (a) GENERAL RULE.—Except as otherwise provided
7 in this subtitle, Energy Supply Research and Development
8 activities of the Department of Energy, including Basic
9 Energy Sciences, Magnetic Fusion Energy, Solar and Re-
10 newable Energy, Nuclear Fission, and Biological and En-
11 vironmental Sciences research and development, and all
12 other research and development activities of the Depart-
13 ment of Energy other than General Science and Research
14 activities, shall be terminated within 2 years after the ef-
15 fective date stated in section 4064(a).

16 (b) CRITICAL RESEARCH.—

17 (1) ADMINISTRATOR.—Within 1 year of the
18 date of the enactment of this Act, the Administrator
19 shall identify in a report to Congress all research
20 and development activities of the Department of En-
21 ergy, other than activities carried out at energy lab-
22 oratories (as such term is defined in section 4028(5)
23 of this subtitle), that perform a critical research
24 function of importance to the long-term economic
25 wellbeing of the United States. Such report shall in-

1 clude recommendations for the transfer of such ac-
2 tivities to appropriate Federal agencies.

3 (2) ENERGY LABORATORY FACILITIES COMMIS-
4 SION.—Within 1 year of the date of the enactment
5 of this Act, the Energy Laboratory Facilities Com-
6 mission established under section 4021(a) of this
7 subtitle shall identify in a report to Congress all re-
8 search and development activities of the Department
9 of Energy carried out at energy laboratories (as
10 such term is defined in section 4028(5) of this sub-
11 title), that perform a critical research function of
12 importance to the long-term economic wellbeing of
13 the United States. Such report shall include rec-
14 ommendations for the transfer of such activities to
15 appropriate Federal agencies.

16 (3) COORDINATION.—The Administrator and
17 the Energy Laboratory Facilities Commission shall
18 coordinate the execution of their respective respon-
19 sibilities under paragraphs (1) and (2).

20 (c) TERMINATION OF PROGRAMS.—

21 (1) CLEAN COAL TECHNOLOGY.—The Secretary
22 of Energy shall terminate all clean coal technology
23 research and development activities of the Depart-
24 ment of Energy.

1 (2) FOSSIL ENERGY AND ENERGY CONSERVA-
2 TION.—There are authorized to be appropriated to
3 the Secretary of Energy—

4 (A) for fossil energy research and develop-
5 ment activities of the Department of Energy—

6 (i) \$150,000,000 for fiscal year 1996;

7 (ii) \$135,000,000 for fiscal year 1997;

8 and

9 (iii) \$120,000,000 for fiscal year
10 1998; and

11 (B) for energy conservation research and
12 development activities of the Department of En-
13 ergy—

14 (i) \$427,000,000 for fiscal year 1996;

15 (ii) \$412,000,000 for fiscal year 1997;

16 and

17 (iii) \$397,000,000 for fiscal year
18 1998.

19 The fossil energy and energy conservation research
20 and development activities of the Department of En-
21 ergy shall be terminated at the end of fiscal year
22 1998.

23 (d) TRANSFER OF PROGRAMS.—The following activi-
24 ties of the Department of Energy shall, no later than 60

1 days after the date of the enactment of this Act, be trans-
2 ferred to the Department of Defense:

3 (1) All activities described under the category
4 “Weapons Activities” in the annual budget request
5 of the President for fiscal year 1996, including
6 weapons stockpile stewardship and management.

7 (2) All activities described under the category
8 “Materials Support and Other Defense Programs”
9 in the annual budget request of the President for
10 fiscal year 1996.

11 (e) PROGRESS REPORTS.—The Secretary of Energy
12 shall, every 90 days after the date of the enactment of
13 this Act until the completion of the execution of sub-
14 sections (c) and (d), transmit to the Congress a report
15 on the progress made toward such execution.

16 **SEC. 4062. ENERGY INFORMATION ADMINISTRATION.**

17 There are hereby transferred to the Department of
18 the Treasury all functions performed by the Energy Infor-
19 mation Administration on the day before the effective date
20 of this section. There are authorized to be appropriated
21 for carrying out the activities of the Energy Information
22 Administration \$44,000,000 for each of the fiscal years
23 1996 through 2000.

1 **SEC. 4063. ENERGY REGULATORY ADMINISTRATION.**

2 (a) TRANSFER OF INTERNATIONAL REGULATORY
3 FUNCTIONS.—There are hereby transferred to the Sec-
4 retary of Agriculture all international regulatory functions
5 performed by the Energy Regulatory Administration on
6 the day before the effective date of this section.

7 (b) TRANSFER OF LITIGATION FUNCTIONS.—There
8 are hereby transferred to the Attorney General all func-
9 tions performed by the Energy Regulatory Administration
10 with respect to pending litigation on the day before the
11 effective date of this section.

12 **SEC. 4064. EFFECTIVE DATE.**

13 (a) GENERAL RULE.—Except as provided in sub-
14 section (b), this chapter shall take effect on the date speci-
15 fied in section 4019(a) of this subtitle.

16 (b) EXCEPTIONS.—Section 4061(c), (d), and (e),
17 shall take effect on the date of the enactment of this Act.

18 **CHAPTER 7—INTERIM WASTE STORAGE**

19 **SEC. 4071. WASTE SITE WORK UNDER NUCLEAR WASTE**
20 **POLICY ACT OF 1982.**

21 All work under subtitles A and B of title I of the
22 Nuclear Waste Policy Act of 1982 shall be terminated 90
23 days after the date of the enactment of this Act.

1 **SEC. 4072. OFFICE OF CIVILIAN RADIOACTIVE WASTE MAN-**
2 **AGEMENT.**

3 Effective upon the expiration of the third calendar
4 month beginning after the date of the enactment of this
5 Act, section 304 of the Nuclear Waste Policy Act of 1982
6 (42 U.S.C. 10224) is amended to read as follows:

7 “UNITED STATES GEOLOGICAL SURVEY

8 “SEC. 304. The Office of Civilian Radioactive Waste
9 Management (referred to in this section as the ‘office’)
10 is terminated and the authority and assets of the office
11 with respect to its activities under title I respecting a re-
12 pository for radioactive waste and spent nuclear fuel is
13 transferred to the United States Geological Survey (re-
14 ferred to in this section as the ‘USGS’).”.

15 **SEC. 4073. INTERIM STORAGE AT FEDERAL FACILITY.**

16 (a) AUTHORIZATION AND LOCATION OF FEDERAL
17 FACILITY.—

18 (1) SITE.—The Corps of Engineers shall de-
19 sign, construct, and operate a facility for the interim
20 storage of high-level radioactive waste and spent nu-
21 clear fuel. The Nuclear Waste Technical Review
22 Board established under title V of the Nuclear
23 Waste Policy Act of 1982 shall select the site for the
24 facility. The United States Geological Survey shall
25 conduct site characterization, in accordance with sec-
26 tion 131 of such Act (42 U.S.C. 10133), of the site

1 selected by such Board. Such site shall be at a loca-
2 tion under the jurisdiction of the Department of En-
3 ergy.

4 (2) LICENSE.—The interim storage facility
5 shall be licensed by the Commission in accordance
6 with its regulations governing the licensing of inde-
7 pendent high-level radioactive waste and spent fuel
8 storage installations, as modified in accordance with
9 this section, and shall commence operation as soon
10 as practicable.

11 (b) CAPACITY.—The interim storage facility shall be
12 designed to provide sufficient capacity to store high-level
13 radioactive waste and spent nuclear fuel from civilian nu-
14 clear power plants until the Corps of Engineers is able
15 to transfer the high-level radioactive waste and spent fuel.
16 In no event shall the design capacity of the interim storage
17 facility be less than 40,000 MTU and the capacity of such
18 facility shall be expandable.

19 (c) DESIGN.—The interim storage facility shall sat-
20 isfy the following design criteria:

21 (1) The design shall be expandable so that ad-
22 ditional storage capacity can be added as necessary.

23 (2) To the extent practicable, the design shall
24 be based on the use of multi-purpose canister sys-
25 tems developed under section 4025 and certified by

1 the Commission for the storage and transportation
2 of high-level radioactive waste and spent nuclear
3 fuel.

4 (3) Consistent with the design objective speci-
5 fied in paragraph (2), the design shall provide for
6 the use of such other storage technologies as are li-
7 censed or certified by the Commission for use at the
8 interim storage facility as necessary to ensure com-
9 patibility between the interim storage facility and
10 contract holders' high-level radioactive waste and
11 spent nuclear fuel and facilities, and to facilitate the
12 Corps of Engineers's ability to meet the Corps of
13 Engineers's obligations under this title.

14 (d) LICENSING.—

15 (1) No later than 6 months from the date of
16 enactment of this Act, the Corps of Engineers shall
17 submit to the Commission an application for a li-
18 cense for the interim storage facility pursuant to the
19 Commission's regulations governing the licensing of
20 independent high-level radioactive waste and spent
21 fuel storage installations. Such license application
22 shall be accompanied by a Safety Analysis Report
23 and an Environmental Report, as required by such
24 regulations.

1 (2) No later than 3 months from the date of
2 enactment of this Act, the Commission shall amend
3 its regulations governing the licensing of independ-
4 ent high-level radioactive waste and spent fuel stor-
5 age installations as necessary and appropriate to
6 carry out the purposes of this section. Such amend-
7 ments shall incorporate the following provisions—

8 (A) the license shall be issued in phases as
9 necessary to support the commencement of op-
10 erations at the interim storage facility as soon
11 as practicable, but no later than January 31,
12 1998;

13 (B) the license shall authorize a storage
14 capacity of no less than 40,000 MTU, except
15 that the Commission may license an initial stor-
16 age capacity of less than 40,000 MTU in ac-
17 cordance with subparagraph (A) to permit the
18 commencement of operations; and

19 (C) the license shall be issued for an initial
20 term of up to 100 years, and shall be renewable
21 for additional terms upon application of the
22 Corps of Engineers.

23 (3) The Commission shall consider the Corps of
24 Engineers's license application in accordance with
25 the provisions of this title and the Commission's reg-

1 ulations governing the licensing of independent high-
2 level radioactive waste and spent fuel storage instal-
3 lations, as amended in accordance with this title, ex-
4 cept that the Commission shall issue a final decision
5 granting or denying the license no later than 18
6 months from the date of the submittal of the license
7 application.

8 (e) ADDITIONAL AUTHORITY.—

9 (1) The Corps of Engineers is authorized to
10 commence construction of the interim storage facil-
11 ity subsequent to submittal of the license applica-
12 tion. The Commission shall issue an order suspend-
13 ing such construction at any time if the Commission
14 determines that such construction poses an unrea-
15 sonable risk to public health and safety or the envi-
16 ronment. The Commission shall terminate all or part
17 of such order upon a determination that the Corps
18 of Engineers has taken appropriate action to elimi-
19 nate such risk.

20 (2) For a temporary period beginning with issu-
21 ance of the license for the interim storage facility,
22 the Commission shall authorize the Corps of Engi-
23 neers, at the Corps of Engineers' request, to utilize
24 any facility owned by the Federal Government on
25 the date of enactment of this Act and within the

1 boundaries of the interim storage facility site,
2 whether or not such facility is licensed by the Com-
3 mission, in connection with the storage, transpor-
4 tation, and handling of high-level radioactive waste
5 and spent nuclear fuel at the interim storage facility
6 if the Commission establishes reasonable terms and
7 conditions for use of such facility in the license for
8 the interim storage facility and if the Commission
9 oversees the use of such facility to assure that such
10 use does not pose an unreasonable risk to public
11 health and safety and the environment.

12 (f) NATIONAL ENVIRONMENTAL POLICY ACT OF
13 1969.—

14 (1) The Corps of Engineers shall comply with
15 any environmental requirements imposed by Com-
16 mission regulations applicable to the licensing of
17 independent high-level radioactive waste and spent
18 fuel storage installations, including the required sub-
19 mission of environmental reports, in like manner as
20 a private applicant. No activity of the Corps of En-
21 gineers under this section, including the selection of
22 a site for the interim storage facility, the prepara-
23 tion and submittal of a license application for such
24 facility, and the construction and operation of such
25 facility shall be considered a major Federal action

1 significantly affecting the quality of the human envi-
2 ronment for purposes of the National Environmental
3 Policy Act of 1969 (42 U.S.C. 4321 et seq.). No
4 such activity shall require the preparation of an en-
5 vironmental impact statement under section
6 102(2)(C) of the National Environmental Policy Act
7 of 1969 (42 U.S.C. 4332(2)(C)) or require any envi-
8 ronmental review under subparagraph (E) or (F) of
9 such Act.

10 (2)(A) Any licensing action by the Commission
11 under this section shall be accompanied by an Envi-
12 ronmental Impact Statement prepared under section
13 102(2)(C) of the National Environmental Policy Act
14 of 1969 (42 U.S.C. 4332(2)(C)). In preparing such
15 Environmental Impact Statement, the Commis-
16 sion—

17 (i) shall assume that 100,000 MTU will be
18 stored at the facility; and

19 (ii) shall analyze the impacts of the trans-
20 portation of high-level radioactive waste and
21 spent nuclear fuel to the interim storage facility
22 in a generic manner.

23 (B) Such Environmental Impact Statement
24 shall not consider—

1 (i) the need for the interim storage facility,
2 including any individual component thereof;

3 (ii) the time of the initial availability of the
4 interim storage facility;

5 (iii) any alternatives to the storage of high-
6 level radioactive waste and spent nuclear fuel at
7 the interim storage facility;

8 (iv) any alternatives to the site of the facil-
9 ity as designated by the Corps of Engineers in
10 accordance with subsection (a);

11 (v) any alternatives to the design criteria
12 for such facility or any individual component
13 thereof, as specified by the Corps of Engineers
14 in the license application; or

15 (vi) the environmental impacts of the stor-
16 age of high-level radioactive waste and spent
17 nuclear fuel at the interim storage facility be-
18 yond the initial term of the license or the term
19 of the renewal period for which a license re-
20 newal application is made.

21 (g) STORAGE OF HIGH-LEVEL RADIOACTIVE WASTE
22 AND SPENT NUCLEAR FUEL.—The Corps of Engineers
23 shall begin storing high-level radioactive waste and spent
24 nuclear fuel at the interim storage facility at the earliest
25 practicable date, but no later than January 31, 1998. Sub-

1 ject to the budget priorities established in section 4041,
2 all actions by the Corps of Engineers, the Commission,
3 the Corps of Engineers of the Interior, or any Federal
4 agency or officer with respect to consideration of applica-
5 tions or requests for the issuance or grant of any author-
6 ization related to the interim storage facility, including the
7 certification of multi-purpose canister systems, shall be ex-
8 pedited, and any such application or request shall take
9 precedence over any other activity not related to the in-
10 terim storage facility.

11 (h) JUDICIAL REVIEW.—

12 (1) The Corps of Engineers' actions under this
13 section, including to the Corps of Engineers' siting
14 and design of the interim storage facility, application
15 for a facility license, issuance of a Safety Analysis
16 Report and Environmental Report, and construction
17 of the facility, shall not be subject to judicial review
18 under any law.

19 (2) Judicial review of the Commission's Envi-
20 ronmental Impact Statement shall be consolidated
21 with judicial review of the Commission's licensing
22 decision.

23 (3) No court shall have jurisdiction to enjoin
24 the construction or operation of the interim storage

1 facility prior to its final decision on review of the
2 Commission's licensing action.

3 (i) WASTE CONFIDENCE.—The Corps of Engineers'
4 obligation to construct and operate the interim storage fa-
5 cility in accordance with this section and the Corps of En-
6 gineers' obligation to develop an integrated high-level ra-
7 dioactive waste and spent nuclear fuel management sys-
8 tem in accordance with the provisions of this title, shall
9 provide sufficient and independent grounds for any further
10 findings by the Commission of reasonable assurance that
11 high-level radioactive waste and spent nuclear fuel and
12 high-level radioactive waste will be disposed of safely for
13 purposes of the Commission's decision to grant or amend
14 any license to operate any civilian nuclear power reactor
15 under the Atomic Energy Act of 1954 (42 U.S.C. 2011
16 et seq.).

17 (j) STORAGE OF MATERIAL OTHER THAN COMMER-
18 CIAL HIGH-LEVEL RADIOACTIVE WASTE AND SPENT NU-
19 CLEAR FUEL.—

20 (1) Nothing contained in this section shall pro-
21 hibit—

22 (A) the Commission from establishing cri-
23 teria for the issuance of an amendment to the
24 interim storage facility license authorizing stor-
25 age of high-level radioactive waste or spent nu-

1 clear fuel from atomic energy defense activities
2 in the interim storage facility; and

3 (B) the Corps of Engineers from seeking a
4 license amendment to allow for the storage of
5 high-level radioactive waste or spent nuclear
6 fuel from atomic energy defense activities at the
7 interim storage facility.

8 (2) The acceptance at the interim storage facil-
9 ity of high-level radioactive waste or spent nuclear
10 fuel resulting from atomic energy defense activities
11 shall not affect the acceptance of high-level radio-
12 active waste and spent nuclear fuel in accordance
13 with the acceptance schedule.

14 **CHAPTER 8—MISCELLANEOUS**
15 **PROVISIONS**

16 **SEC. 4081. REFERENCES.**

17 Any reference in any other Federal law, Executive
18 order, rule, regulation, or delegation of authority, or any
19 document of or pertaining to an office from which a func-
20 tion is transferred by this subtitle—

21 (1) to the Secretary of Energy or an officer of
22 the Department of Energy, is deemed to refer to the
23 head of the department or office to which such func-
24 tion is transferred; or

1 (2) to the Department of Energy is deemed to
2 refer to the department or office to which such func-
3 tion is transferred.

4 **SEC. 4082. EXERCISE OF AUTHORITIES.**

5 Except as otherwise provided by law, a Federal offi-
6 cial to whom a function is transferred by this subtitle may,
7 for purposes of performing the function, exercise all au-
8 thorities under any other provision of law that were avail-
9 able with respect to the performance of that function to
10 the official responsible for the performance of the function
11 immediately before the effective date of the transfer of the
12 function under this subtitle.

13 **SEC. 4083. SAVINGS PROVISIONS.**

14 (a) LEGAL DOCUMENTS.—All orders, determinations,
15 rules, regulations, permits, grants, loans, contracts, agree-
16 ments, certificates, licenses, and privileges—

17 (1) that have been issued, made, granted, or al-
18 lowed to become effective by the President, the Sec-
19 retary of Energy, any officer or employee of any of-
20 fice transferred by this subtitle, or any other Gov-
21 ernment official, or by a court of competent jurisdic-
22 tion, in the performance of any function that is
23 transferred by this subtitle, and

24 (2) that are in effect on the effective date of
25 such transfer (or become effective after such date

1 pursuant to their terms as in effect on such effective
2 date),
3 shall continue in effect according to their terms until
4 modified, terminated, superseded, set aside, or revoked in
5 accordance with law by the President, any other author-
6 ized official, a court of competent jurisdiction, or operation
7 of law.

8 (b) PROCEEDINGS.—This subtitle shall not affect any
9 proceedings or any application for any benefits, service,
10 license, permit, certificate, or financial assistance pending
11 on the date of the enactment of this Act before an office
12 transferred by this subtitle, but such proceedings and ap-
13 plications shall be continued. Orders shall be issued in
14 such proceedings, appeals shall be taken therefrom, and
15 payments shall be made pursuant to such orders, as if this
16 subtitle had not been enacted, and orders issued in any
17 such proceeding shall continue in effect until modified, ter-
18 minated, superseded, or revoked by a duly authorized offi-
19 cial, by a court of competent jurisdiction, or by operation
20 of law. Nothing in this subsection shall be considered to
21 prohibit the discontinuance or modification of any such
22 proceeding under the same terms and conditions and to
23 the same extent that such proceeding could have been dis-
24 continued or modified if this subtitle had not been enacted.

1 (c) SUITS.—This subtitle shall not affect suits com-
2 menced before the date of the enactment of this Act, and
3 in all such suits, proceeding shall be had, appeals taken,
4 and judgments rendered in the same manner and with the
5 same effect as if this subtitle had not been enacted.

6 (d) NONABATEMENT OF ACTIONS.—No suit, action,
7 or other proceeding commenced by or against the Depart-
8 ment of Energy or the Secretary of Energy, or by or
9 against any individual in the official capacity of such indi-
10 vidual as an officer or employee of an office transferred
11 by this subtitle, shall abate by reason of the enactment
12 of this subtitle.

13 (e) CONTINUANCE OF SUITS.—If any officer of the
14 Department of Energy or the Energy Programs Resolu-
15 tion Agency in the official capacity of such officer is party
16 to a suit with respect to a function of the officer, and
17 under this subtitle such function is transferred to any
18 other officer or office, then such suit shall be continued
19 with the other officer or the head of such other office, as
20 applicable, substituted or added as a party.

21 **SEC. 4084. TRANSFER OF ASSETS.**

22 Except as otherwise provided in this subtitle, so much
23 of the personnel, property, records, and unexpended bal-
24 ances of appropriations, allocations, and other funds em-
25 ployed, used, held, available, or to be made available in

1 connection with a function transferred to an official by
2 this subtitle shall be available to the official at such time
3 or times as the Director of the Office of Management and
4 Budget directs for use in connection with the functions
5 transferred.

6 **SEC. 4085. DELEGATION AND ASSIGNMENT.**

7 Except as otherwise expressly prohibited by law or
8 otherwise provided in this subtitle, an official to whom
9 functions are transferred under this subtitle (including the
10 head of any office to which functions are transferred under
11 this subtitle) may delegate any of the functions so trans-
12 ferred to such officers and employees of the office of the
13 official as the official may designate, and may authorize
14 successive redelegations of such functions as may be nec-
15 essary or appropriate. No delegation of functions under
16 this section or under any other provision of this subtitle
17 shall relieve the official to whom a function is transferred
18 under this subtitle of responsibility for the administration
19 of the function.

20 **SEC. 4086. AUTHORITY OF OFFICE OF MANAGEMENT AND**
21 **BUDGET WITH RESPECT TO FUNCTIONS**
22 **TRANSFERRED.**

23 (a) DETERMINATIONS.—If necessary, the Office of
24 Management and Budget shall make any determination of
25 the functions that are transferred under this subtitle.

1 (b) INCIDENTAL TRANSFERS.—The Director of the
2 Office of Management and Budget, at such time or times
3 as the Director shall provide, may make such determina-
4 tions as may be necessary with regard to the functions
5 transferred by this subtitle, and to make such additional
6 incidental dispositions of personnel, assets, liabilities,
7 grants, contracts, property, records, and unexpended bal-
8 ances of appropriations, authorizations, allocations, and
9 other funds held, used, arising from, available to, or to
10 be made available in connection with such functions, as
11 may be necessary to carry out the provisions of this sub-
12 title. The Director of the Office of Management and Budg-
13 et shall provide for the termination of the affairs of all
14 entities terminated by this subtitle and for such further
15 measures and dispositions as may be necessary to effec-
16 tuate the purposes of this subtitle.

17 **SEC. 4087. PROPOSED CHANGES IN LAW.**

18 Not later than one year after the date of the enact-
19 ment of this Act, the Director of the Office of Manage-
20 ment and Budget shall submit to the Congress a descrip-
21 tion of any changes in Federal law necessary to reflect
22 abolishments, transfers, terminations, and disposals under
23 this subtitle.

1 **SEC. 4088. CERTAIN VESTING OF FUNCTIONS CONSIDERED**
2 **TRANSFER.**

3 For purposes of this chapter, the vesting of a func-
4 tion in a department or office pursuant to reestablishment
5 of an office shall be considered to be the transfer of the
6 function.

7 **SEC. 4089. DEFINITIONS.**

8 Except as otherwise provided in this subtitle, for pur-
9 poses of this subtitle the following definitions apply:

10 (1) ADMINISTRATOR.—The term “Adminis-
11 trator” means the Administrator of the Energy Pro-
12 grams Resolution Agency.

13 (2) AGENCY.—The term “Agency” means the
14 Energy Programs Resolution Agency.

15 (3) FUNCTION.—The term “function” includes
16 any duty, obligation, power, authority, responsibility,
17 right, privilege, activity, or program.

18 (4) OFFICE.—The term “office” includes any
19 office, administration, agency, institute, council,
20 unit, organizational entity, or component thereof.

21 (5) TERMINATION DATE.—The term “termi-
22 nation date” means the termination date under sec-
23 tion 4016(d).

24 (6) WIND-UP PERIOD.—The term “wind-up pe-
25 riod” means the period beginning on the effective

1 date specified in section 4019(a) and ending on the
2 termination date.

3 **Subtitle B—Reform Federal**
4 **Petroleum Reserve Programs**

5 **SEC. 4101. SALE OF NAVAL PETROLEUM RESERVES.**

6 (a) FINDING.—Congress finds the following:

7 (1) The continued control and use of the naval
8 petroleum reserves (as defined in section 7420(2) of
9 title 10, United States Code) by the United States
10 is no longer necessary to promote the national secu-
11 rity interests of the United States.

12 (2) The sale of the naval petroleum reserves by
13 the United States would eliminate the costs cur-
14 rently incurred by the Secretary of Energy to oper-
15 ate the naval petroleum reserves and would be a
16 source of revenue to reduce the Federal budget defi-
17 cit.

18 (b) SALE REQUIRED.—The Secretary of Energy shall
19 sell all right, title, and interest of the United States in
20 and to naval petroleum reserves. The Secretary shall com-
21 plete the sale of the naval petroleum reserves not later
22 than the end of the ____-year period beginning on the date
23 of the enactment of this Act. The Secretary may extend
24 such time period if the Secretary notifies Congress before
25 the end of such period that, as a result of the condition

1 specified in subsection (c)(1), the Secretary will be unable
2 to complete the sale of the naval petroleum reserves within
3 such time period.

4 (c) CONDITIONS ON SALE.—(1) Notwithstanding
5 subsection (b), the naval petroleum reserves may not be
6 sold for less than the fair market value, as determined
7 by the Secretary of Energy.

8 (2) The Secretary of Energy shall conduct sales
9 under subsection (b) using competitive procedures. All
10 sales shall be made to the highest responsible qualified
11 bidder or bidders, as determined by the Secretary. The
12 Secretary may establish such bidding terms and conditions
13 as the Secretary considers to be necessary and appro-
14 priate, including the establishment of sale units and mini-
15 mum bids.

16 (d) PURCHASER TO BE HELD HARMLESS.—No pur-
17 chaser under this section of any right, title, or interest
18 of the United States in the naval petroleum reserves shall
19 be liable for any claim of liability arising exclusively from
20 or during the ownership of the interest by the United
21 States. Such a claim of liability may be asserted only
22 against the United States to the extent and in the manner
23 provided by law.

24 (e) CONGRESSIONAL CONSULTATION.—(1) The Sec-
25 retary of Energy shall periodically notify Congress of the

1 progress of the Secretary in selling the naval petroleum
2 reserves under this section.

3 (2) The Congressional consultation and Presidential
4 approval requirements of section 7431(a) of title 10,
5 United States Code, regarding each individual sale of a
6 portion of the naval petroleum reserves shall not apply to
7 sales under this section.

8 (f) PROCEEDS OF SALE.—(1) The Secretary of En-
9 ergy may use the proceeds resulting from sales of the
10 naval petroleum reserves under this section to satisfy any
11 contractual obligations of the United States directly relat-
12 ed to the sales, and to pay any liability of the Department
13 of Energy arising under any relevant Federal law concern-
14 ing the environment with respect to the interests sold.

15 (2) Funds remaining following operation of para-
16 graph (1) from the sales of the naval petroleum reserves
17 shall be deposited into the general fund of the Treasury
18 for the purpose of reducing the Federal budget deficit.

19 **SEC. 4102. STRATEGIC PETROLEUM RESERVE ACQUI-**
20 **TIONS.**

21 Notwithstanding part B of title I of the Energy Pol-
22 icy and Conservation Act (42 U.S.C. 6231 et seq.), after
23 the date of enactment of this Act the Secretary of Energy
24 shall not obligate any funds for the acquisition of petro-
25 leum products for the Strategic Petroleum Reserve.

1 **Subtitle C—Reform Fossil Fuel and**
2 **Mineral Research Development**
3 **Programs**

4 **SEC. 4201. PRIVATIZATION OF UNITED STATES ENRICH-**
5 **MENT CORPORATION.**

6 (a) REFERENCE.—Except as otherwise expressly pro-
7 vided, whenever in this section an amendment or repeal
8 is expressed in terms of an amendment to, or repeal of,
9 a section or other provision, the reference shall be consid-
10 ered to be made to a section or other provision of the
11 Atomic Energy Act of 1954 (42 U.S.C. 2011 et seq.).

12 (b) PRODUCTION FACILITY.—Paragraph v. of section
13 11 (42 U.S.C. 2014 v.) is amended by striking “or the
14 construction and operation of a uranium enrichment pro-
15 duction facility using Atomic Vapor Laser Isotope Separ-
16 tion technology”.

17 (c) DEFINITIONS.—Section 1201 (42 U.S.C. 2297)
18 is amended—

19 (1) in paragraph (4), by inserting before the pe-
20 riod the following: “and any successor corporation
21 established through privatization of the Corpora-
22 tion”;

23 (2) by redesignating paragraphs (10) through
24 (13) as paragraphs (14) through (17), respectively,

1 and by inserting after paragraph (9) the following
2 new paragraphs:

3 “(10) The term ‘low-level radioactive waste’ has
4 the meaning given such term in section 102(9) of
5 the Low-Level Radioactive Waste Policy Amend-
6 ments Act of 1985 (42 U.S.C. 2021b(9)).

7 “(11) The term ‘mixed waste’ has the meaning
8 given such term in section 1004(41) of the Solid
9 Waste Disposal Act (42 U.S.C. 6903(41)).

10 “(12) The term ‘privatization’ means the trans-
11 fer of ownership of the Corporation to private inves-
12 tors pursuant to chapter 25.

13 “(13) The term ‘privatization date’ means the
14 date on which 100 percent of ownership of the Cor-
15 poration has been transferred to private investors.”;

16 (3) by inserting after paragraph (17) (as redesi-
17 gnated) the following new paragraph:

18 “(18) The term ‘transition date’ means July 1,
19 1993.”; and

20 (4) by redesignating the unredesignated para-
21 graph (14) as paragraph (19).

22 (d) EMPLOYEES OF THE CORPORATION.—

23 (1) PARAGRAPH (2).—Paragraphs (1) and (2)
24 of section 1305(e) (42 U.S.C. 2297b-4(e)(1)(2)) are
25 amended to read as follows:

1 “(A) IN GENERAL.—It is the purpose of
2 this subsection to ensure that the privatization
3 of the Corporation shall not result in any ad-
4 verse effects on the pension benefits of employ-
5 ees at facilities that are operated, directly or
6 under contract, in the performance of the func-
7 tions vested in the Corporation.

8 “(B) APPLICABILITY OF EXISTING COL-
9 LECTIVE BARGAINING AGREEMENT.—The Cor-
10 poration shall abide by the terms of the collec-
11 tive bargaining agreement in effect on the pri-
12 vatization date at each individual facility.”.

13 (2) PARAGRAPH (4).—Paragraph (4) of section
14 1305(e) (42 U.S.C. 2297b-4(e)(4)) is amended—

15 (A) by striking “AND DETAILEES” in the
16 heading;

17 (B) by striking the first sentence;

18 (C) in the second sentence, by inserting
19 “from other Federal employment” after “trans-
20 fer to the Corporation”; and

21 (D) by striking the last sentence.

22 (e) MARKETING AND CONTRACTING AUTHORITY.—

23 (1) MARKETING AUTHORITY.—Section 1401(a)
24 (42 U.S.C. 2297c(a)) is amended effective on the

1 privatization date (as defined in section 1201(13) of
2 the Atomic Energy Act of 1954)—

3 (A) by amending the subsection heading to
4 read “MARKETING AUTHORITY.—”; and

5 (B) by striking the first sentence.

6 (2) TRANSFER OF CONTRACTS.—Section
7 1401(b) (42 U.S.C. 2297c(b)) is amended—

8 (A) in paragraph (2)(B), by adding at the
9 end the following: “The privatization of the
10 Corporation shall not affect the terms of, or the
11 rights or obligations of the parties to, any such
12 power purchase contract.”; and

13 (B) by adding at the end the following:

14 “(3) EFFECT OF TRANSFER.—

15 “(A) As a result of the transfer pursuant
16 to paragraph (1), all rights, privileges, and ben-
17 efits under such contracts, agreements, and
18 leases, including the right to amend, modify, ex-
19 tend, revise, or terminate any of such contracts,
20 agreements, or leases were irrevocably assigned
21 to the Corporation for its exclusive benefit.

22 “(B) Notwithstanding the transfer pursu-
23 ant to paragraph (1), the United States shall
24 remain obligated to the parties to the contracts,
25 agreements, and leases transferred pursuant to

1 paragraph (1) for the performance of the obli-
2 gations of the United States thereunder during
3 the term thereof. The Corporation shall reim-
4 burse the United States for any amount paid by
5 the United States in respect of such obligations
6 arising after the privatization date to the extent
7 such amount is a legal and valid obligation of
8 the Corporation then due.

9 “(C) After the privatization date, upon any
10 material amendment, modification, extension,
11 revision, replacement, or termination of any
12 contract, agreement, or lease transferred under
13 paragraph (1), the United States shall be re-
14 leased from further obligation under such con-
15 tract, agreement, or lease, except that such ac-
16 tion shall not release the United States from
17 obligations arising under such contract, agree-
18 ment, or lease prior to such time.”.

19 (3) PRICING.—Section 1402 (42 U.S.C. 2297c-
20 1) is amended to read as follows:

21 **“SEC. 1402. PRICING.**

22 “The Corporation shall establish prices for its prod-
23 ucts, materials, and services provided to customers on a
24 basis that will allow it to attain the normal business objec-
25 tives of a profitmaking corporation.”.

1 (4) LEASING OF GASEOUS DIFFUSION FACILI-
2 TIES OF DEPARTMENT.—Effective on the privatiza-
3 tion date (as defined in section 1201(13) of the
4 Atomic Energy Act of 1954), section 1403 (42
5 U.S.C. 2297c-2) is amended by adding at the end
6 the following:

7 “(h) LOW-LEVEL RADIOACTIVE WASTE AND MIXED
8 WASTE.—

9 “(1) RESPONSIBILITY OF THE DEPARTMENT;
10 COSTS.—

11 “(A) With respect to low-level radioactive
12 waste and mixed waste generated by the Cor-
13 poration as a result of the operation of the fa-
14 cilities and related property leased by the Cor-
15 poration pursuant to subsection (a) or as a re-
16 sult of treatment of such wastes at a location
17 other than the facilities and related property
18 leased by the Corporation pursuant to sub-
19 section (a) the Department, at the request of
20 the Corporation, shall—

21 “(i) accept for treatment or disposal
22 of all such wastes for which treatment or
23 disposal technologies and capacities exist,
24 whether within the Department or else-
25 where; and

1 “(ii) accept for storage (or ultimately
2 treatment or disposal) all such wastes for
3 which treatment and disposal technologies
4 or capacities do not exist, pending develop-
5 ment of such technologies or availability of
6 such capacities for such wastes.

7 “(B) All low-level wastes and mixed wastes
8 that the Department accepts for treatment,
9 storage, or disposal pursuant to subparagraph
10 (A) shall, for the purpose of any permits, li-
11 censes, authorizations, agreements, or orders
12 involving the Department and other Federal
13 agencies or State or local governments, be
14 deemed to be generated by the Department and
15 the Department shall handle such wastes in ac-
16 cordance with any such permits, licenses, au-
17 thorizations, agreements, or orders. The De-
18 partment shall obtain any additional permits, li-
19 censes, or authorizations necessary to handle
20 such wastes, shall amend any such agreements
21 or orders as necessary to handle such wastes,
22 and shall handle such wastes in accordance
23 therewith.

24 “(C) The Corporation shall reimburse the
25 Department for the treatment, storage, or dis-

1 disposal of low-level radioactive waste or mixed
2 waste pursuant to subparagraph (A) in an
3 amount equal to the Department's costs but in
4 no event greater than an amount equal to that
5 which would be charged by commercial, State,
6 regional, or interstate compact entities for
7 treatment, storage, or disposal of such waste.

8 “(2) AGREEMENTS WITH OTHER PERSONS.—

9 The Corporation may also enter into agreements for
10 the treatment, storage, or disposal of low-level radio-
11 active waste and mixed waste generated by the Cor-
12 poration as a result of the operation of the facilities
13 and related property leased by the Corporation pur-
14 suant to subsection (a) with any person other than
15 the Department that is authorized by applicable laws
16 and regulations to treat, store, or dispose of such
17 wastes.”.

18 (5) LIABILITIES.—

19 (A) Subsection (a) of section 1406 (42
20 U.S.C. 2297c-5(a)) is amended—

21 (i) by inserting “AND PRIVATIZA-
22 TION” after “TRANSITION” in the heading;
23 and

24 (ii) by adding at the end the follow-
25 ing: “As of the privatization date, all liabil-

1 ities attributable to the operation of the
2 Corporation from the transition date to the
3 privatization date shall be direct liabilities
4 of the United States.”.

5 (B) Subsection (b) of section 1406 (42
6 U.S.C. 2297c-5(b)) is amended—

7 (i) by inserting “AND PRIVATIZA-
8 TION” after “TRANSITION” in the heading;
9 and

10 (ii) by adding at the end the follow-
11 ing: “As of the privatization date, any
12 judgment entered against the Corporation
13 imposing liability arising out of the oper-
14 ation of the Corporation from the transi-
15 tion date to the privatization date shall be
16 considered a judgment against the United
17 States.”.

18 (C) Subsection (d) of section 1406 (42
19 U.S.C. 2297c-5(d)) is amended—

20 (i) by inserting “AND PRIVATIZA-
21 TION” after “TRANSITION” in the heading;
22 and

23 (ii) by striking “the transition date”
24 and inserting “the privatization date (or,

1 in the event the privatization date does not
2 occur, the transition date)”.
3

4 (6) TRANSFER OF URANIUM.—Title II (42
5 U.S.C. 2297 et seq.) is amended by redesignating
6 section 1408 as section 1409 and by inserting after
7 section 1407 the following:

8 **“SEC. 1408. TRANSFER OF URANIUM.**

9 “The Secretary may, before the privatization date,
10 transfer to the Corporation without charge raw uranium,
11 low-enriched uranium, and highly enriched uranium.”.

12 (f) PRIVATIZATION OF THE CORPORATION.—

13 (1) ESTABLISHMENT OF PRIVATE CORPORA-
14 TION.—Chapter 25 (42 U.S.C. 2297d et seq.) is
15 amended by adding at the end the following new sec-
16 tion:

17 **“SEC. 1503. ESTABLISHMENT OF PRIVATE CORPORATION.**

18 “(a) ESTABLISHMENT.—

19 “(1) IN GENERAL.—In order to facilitate pri-
20 vatization, the Corporation may provide for the es-
21 tablishment of a private corporation organized under
22 the laws of any of the several States. Such corpora-
23 tion shall have among its purposes the following:

24 “(A) To help maintain a reliable and eco-
25 nomical domestic source of uranium enrichment
 services.

1 “(B) To undertake any and all activities as
2 provided in its corporate charter.

3 “(2) AUTHORITIES.—The corporation estab-
4 lished pursuant to paragraph (1) shall be authorized
5 to—

6 “(A) enrich uranium, provide for uranium
7 to be enriched by others, or acquire enriched
8 uranium (including low-enriched uranium de-
9 rived from highly enriched uranium);

10 “(B) conduct, or provide for conducting,
11 those research and development activities relat-
12 ed to uranium enrichment and related processes
13 and activities the corporation considers nec-
14 essary or advisable to maintain itself as a com-
15 mercial enterprise operating on a profitable and
16 efficient basis;

17 “(C) enter into transactions regarding ura-
18 nium, enriched uranium, or depleted uranium
19 with—

20 “(i) persons licensed under section 53,
21 63, 103, or 104 in accordance with the li-
22 censes held by those persons;

23 “(ii) persons in accordance with, and
24 within the period of, an agreement for co-
25 operation arranged under section 123; or

1 “(iii) persons otherwise authorized by
2 law to enter into such transactions;

3 “(D) enter into contracts with persons li-
4 censed under section 53, 63, 103, or 104, for
5 as long as the corporation considers necessary
6 or desirable, to provide uranium or uranium en-
7 richment and related services;

8 “(E) enter into contracts to provide ura-
9 nium or uranium enrichment and related serv-
10 ices in accordance with, and within the period
11 of, an agreement for cooperation arranged
12 under section 123 or as otherwise authorized by
13 law; and

14 “(F) take any and all such other actions as
15 are permitted by the law of the jurisdiction of
16 incorporation of the corporation.

17 “(3) TRANSFER OF ASSETS.—For purposes of
18 implementing the privatization, the Corporation may
19 transfer some or all of its assets and obligations to
20 the corporation established pursuant to this section,
21 including—

22 “(A) all of the Corporation’s assets, includ-
23 ing all contracts, agreements, and leases, in-
24 cluding all uranium enrichment contracts and
25 power purchase contracts;

1 “(B) all funds in accounts of the Corpora-
2 tion held by the Treasury or on deposit with
3 any bank or other financial institution;

4 “(C) all of the Corporation’s rights, duties,
5 and obligations, accruing subsequent to the pri-
6 vatization date, under the power purchase con-
7 tracts covered by section 1401(b)(2)(B); and

8 “(D) all of the Corporation’s rights, duties,
9 and obligations, accruing subsequent to the pri-
10 vatization date, under the lease agreement be-
11 tween the Department and the Corporation exe-
12 cuted by the Department and the Corporation
13 pursuant to section 1403.

14 “(4) MERGER OR CONSOLIDATION.—For pur-
15 poses of implementing the privatization, the Cor-
16 poration may merge or consolidate with the corpora-
17 tion established pursuant to subsection (a)(1) if such
18 action is contemplated by the plan for privatization
19 approved by the President under section 1502(b).
20 The Board shall have exclusive authority to approve
21 such merger or consolidation and to take all further
22 actions necessary to consummate such merger or
23 consolidation, and no action by or in respect of
24 shareholders shall be required. The merger or con-
25 solidation shall be effected in accordance with, and

1 have the effects of a merger or consolidation under,
2 the laws of the jurisdiction of incorporation of the
3 surviving corporation, and all rights and benefits
4 provided under this title to the Corporation shall
5 apply to the surviving corporation as if it were the
6 Corporation.

7 “(5) TAX TREATMENT OF PRIVATIZATION.—

8 “(A) TRANSFER OF ASSETS OR MERGER.—

9 No income, gain, or loss shall be recognized by
10 any person by reason of the transfer of the Cor-
11 poration’s assets to, or the Corporation’s merg-
12 er with, the corporation established pursuant to
13 subsection (a)(1) in connection with the privat-
14 ization.

15 “(B) CANCELLATION OF DEBT AND COM-
16 MON STOCK.—No income, gain, or loss shall be
17 recognized by any person by reason of any can-
18 cellation of any obligation or common stock of
19 the Corporation in connection with the privat-
20 ization.

21 “(b) OSHA REQUIREMENTS.—For purposes of the
22 regulation of radiological and nonradiological hazards
23 under the Occupational Safety and Health Act of 1970,
24 the corporation established pursuant to subsection (a)(1)
25 shall be treated in the same manner as other employers

1 licensed by the Nuclear Regulatory Commission. Any
2 interagency agreement entered into between the Nuclear
3 Regulatory Commission and the Occupational Safety and
4 Health Administration governing the scope of their respec-
5 tive regulatory authorities shall apply to the corporation
6 as if the corporation were a Nuclear Regulatory Commis-
7 sion licensee.

8 “(c) LEGAL STATUS OF PRIVATE CORPORATION.—

9 “(1) NOT FEDERAL AGENCY.—The corporation
10 established pursuant to subsection (a)(1) shall not
11 be an agency, instrumentality, or establishment of
12 the United States Government and shall not be a
13 Government corporation or Government-controlled
14 corporation.

15 “(2) NO RECOURSE AGAINST UNITED
16 STATES.—Obligations of the corporation established
17 pursuant to subsection (a)(1) shall not be obliga-
18 tions of, or guaranteed as to principal or interest by,
19 the Corporation or the United States, and the obli-
20 gations shall so plainly state.

21 “(3) NO CLAIMS COURT JURISDICTION.—No ac-
22 tion under section 1491 of title 28, United States
23 Code, shall be allowable against the United States
24 based on the actions of the corporation established
25 pursuant to subsection (a)(1).

1 “(d) BOARD OF DIRECTOR’S ELECTION AFTER PUB-
2 LIC OFFERING.—In the event that the privatization is im-
3 plemented by means of a public offering, an election of
4 the members of the board of directors of the Corporation
5 by the shareholders shall be conducted before the end of
6 the 1-year period beginning the date shares are first of-
7 fered to the public pursuant to such public offering.

8 “(e) ADEQUATE PROCEEDS.—The Secretary of En-
9 ergy shall not allow the privatization of the Corporation
10 unless before the sale date the Secretary determines that
11 the estimated sum of the gross proceeds from the sale of
12 the Corporation will be an adequate amount.”.

13 (2) OWNERSHIP LIMITATIONS.—Chapter 25 (as
14 amended by paragraph (1)) is amended by adding at
15 the end the following new section:

16 **“SEC. 1504. OWNERSHIP LIMITATIONS.**

17 “(a) SECURITIES LIMITATION.—In the event that the
18 privatization is implemented by means of a public offering,
19 during a period of 3 years beginning on the privatization
20 date, no person, directly or indirectly, may acquire or hold
21 securities representing more than 10 percent of the total
22 votes of all outstanding voting securities of the Corpora-
23 tion.

24 “(b) APPLICATION.—Subsection (a) shall not apply—

1 “(1) to any employee stock ownership plan of
2 the Corporation,

3 “(2) to underwriting syndicates holding shares
4 for resale, or

5 “(3) in the case of shares beneficially held for
6 others, to commercial banks, broker-dealers, clearing
7 corporations, or other nominees.

8 “(c) No director, officer, or employee of the Corpora-
9 tion may acquire any securities, or any right to acquire
10 securities, of the Corporation—

11 “(1) in the public offering of securities of the
12 Corporation in the implementation of the privatiza-
13 tion,

14 “(2) pursuant to any agreement, arrangement,
15 or understanding entered into before the privatiza-
16 tion date, or

17 “(3) before the election of directors of the Cor-
18 poration under section 1503(d) on any terms more
19 favorable than those offered to the general public.”.

20 (3) EXEMPTION FROM LIABILITY.—Chapter 25
21 (as amended by paragraph (2)) is amended by add-
22 ing at the end the following new section:

23 **“SEC. 1505. EXEMPTION FROM LIABILITY.**

24 “(a) IN GENERAL.—No director, officer, employee, or
25 agent of the Corporation shall be liable, for money dam-

1 ages or otherwise, to any party if, with respect to the sub-
2 ject matter of the action, suit, or proceeding, such person
3 was fulfilling a duty, in connection with any action taken
4 in connection with the privatization, which such person in
5 good faith reasonably believed to be required by law or
6 vested in such person.

7 “(b) EXCEPTION.—The privatization shall be subject
8 to the Securities Act of 1933 and the Securities Exchange
9 Act of 1934. The exemption set forth in subsection (a)
10 shall not apply to claims arising under such Acts or under
11 the Constitution or laws of any State, territory, or posses-
12 sion of the United States relating to transactions in secu-
13 rities, which claims are in connection with a public offer-
14 ing implementing the privatization.”

15 (4) RESOLUTION OF CERTAIN ISSUES.—Chap-
16 ter 25 (as amended by paragraph (3)) is amended
17 by adding at the end the following new section:

18 **“SEC. 1506. RESOLUTION OF CERTAIN ISSUES.**

19 “(a) CORPORATION ACTIONS.—Notwithstanding any
20 provision of any agreement to which the Corporation is
21 a party, the Corporation shall not be considered to be in
22 breach, default, or violation of any such agreement be-
23 cause of any provision of this chapter or any action the
24 Corporation is required to take under this chapter.

1 “(b) RIGHT TO SUE WITHDRAWN.—The United
2 States hereby withdraws any stated or implied consent for
3 the United States, or any agent or officer of the United
4 States, to be sued by any person for any legal, equitable,
5 or other relief with respect to any claim arising out of,
6 or resulting from, acts or omissions under this chapter.”.

7 (5) APPLICATION OF PRIVATIZATION PRO-
8 CEEDS.—Chapter 25 (as amended by paragraph (4))
9 is amended by adding at the end the following new
10 section:

11 **“SEC. 1507. APPLICATION OF PRIVATIZATION PROCEEDS.**

12 “The proceeds from the privatization shall be in-
13 cluded in the budget baseline required by the Balanced
14 Budget and Emergency Deficit Control Act of 1985 and
15 shall be counted as an offset to direct spending for pur-
16 poses of section 252 of such Act, notwithstanding section
17 257(e) of such Act.”.

18 (6) CONFORMING AMENDMENT.—The table of
19 contents for chapter 25 is amended by inserting
20 after the item for section 1502 the following:

“Sec. 1503. Establishment of private corporation.

“Sec. 1504. Ownership limitations.

“Sec. 1505. Exemption from liability.

“Sec. 1506. Resolution of certain issues.

“Sec. 1507. Application of privatization proceeds.”.

21 (7) Section 193 (42 U.S.C. 2243) is amended
22 by adding at the end the following:

1 “(f) LIMITATION.—If the privatization of the United
2 States Enrichment Corporation results in the Corporation
3 being—

4 “(1) owned, controlled, or dominated by a for-
5 eign corporation or a foreign government, or

6 “(2) otherwise inimical to the common defense
7 or security of the United States,

8 any license held by the Corporation under sections 53 and
9 63 shall be terminated.”.

10 (8) PERIOD FOR CONGRESSIONAL REVIEW.—

11 Section 1502(d) (42 U.S.C. 2297d–1(d)) is amended
12 by striking “less than 60 days after notification of
13 the Congress” and inserting “less than 60 days after
14 the date of the report to Congress by the Comptrol-
15 ler General under subsection (c)”.

16 (g) PERIODIC CERTIFICATION OF COMPLIANCE.—

17 Section 1701(c)(2) (42 U.S.C. 2297f(c)(2)) is amended by
18 striking “ANNUAL APPLICATION FOR CERTIFICATE OF
19 COMPLIANCE.—The Corporation shall apply at least annu-
20 ally to the Nuclear Regulatory Commission for a certifi-
21 cate of compliance under paragraph (1).” and inserting
22 “PERIODIC APPLICATION FOR CERTIFICATE OF COMPLI-
23 ANCE.—The Corporation shall apply to the Nuclear Regu-
24 latory Commission for a certificate of compliance under

1 paragraph (1) periodically, as determined by the Nuclear
2 Regulatory Commission, but not less than every 5 years.”.

3 (h) LICENSING OF OTHER TECHNOLOGIES.—Sub-
4 section (a) of section 1702 (42 U.S.C. 2297f-1(a)) is
5 amended by striking “other than” and inserting “includ-
6 ing”.

7 (i) CONFORMING AMENDMENTS.—

8 (1) REPEALS IN ATOMIC ENERGY ACT OF 1954
9 AS OF THE PRIVATIZATION DATE.—

10 (A) REPEALS.—As of the privatization
11 date (as defined in section 1201(13) of the
12 Atomic Energy Act of 1954), the following sec-
13 tions (as in effect on such privatization date) of
14 the Atomic Energy Act of 1954 are repealed:

15 (i) Section 1202.

16 (ii) Sections 1301 through 1304.

17 (iii) Sections 1306 through 1316.

18 (iv) Sections 1404 and 1405.

19 (v) Section 1601.

20 (vi) Sections 1603 through 1607.

21 (B) CONFORMING AMENDMENT.—The
22 table of contents of such Act is amended by re-
23 pealing the items referring to sections repealed
24 by paragraph (1).

1 (2) STATUTORY MODIFICATIONS.—As of such
2 privatization date, the following shall take effect:

3 (A) For purposes of title I of the Atomic
4 Energy Act of 1954, all references in such Act
5 to the “United States Enrichment Corporation”
6 shall be deemed to be references to the corpora-
7 tion established pursuant to section 1503 of the
8 Atomic Energy Act of 1954 (as added by sub-
9 section (f)(1)).

10 (B) Section 1018(1) of the Energy Policy
11 Act of 1992 (42 U.S.C. 2296b–7(1)) is amend-
12 ed by striking “the United States” and all that
13 follows through the period and inserting “the
14 corporation referred to in section 1201(4) of
15 the Atomic Energy Act of 1954.”.

16 (C) Section 9101(3) of title 31, United
17 States Code, is amended by striking subpara-
18 graph (N), as added by section 902(b) of Public
19 Law 102–486.

20 (3) REVISION OF SECTION 1305.—As of such
21 privatization date, section 1305 of the Atomic En-
22 ergy Act of 1954 (42 U.S.C 2297b–4) is amended—

23 (A) by repealing subsections (a), (b), (c),
24 and (d), and

25 (B) in subsection (e)—

1 (i) by striking the subsection designa-
2 tion and heading,

3 (ii) by redesignating paragraphs (1)
4 and (2) (as added by subsection (d)(1)) as
5 subsections (a) and (b) and by moving the
6 margins 2-ems to the left,

7 (iii) by striking paragraph (3), and

8 (iv) by redesignating paragraph (4)
9 (as amended by subsection (d)(2)) as sub-
10 section (c), and by moving the margins 2-
11 ems to the left.

12 **SEC. 4202. RESEARCH AND DEVELOPMENT.**

13 (a) FOSSIL FUEL RESEARCH AND DEVELOPMENT.—

14 There are authorized to be appropriated to the Secretary
15 of Energy for fossil fuel research and development—

16 (1) \$420,483,300 for fiscal year 1996;

17 (2) \$398,352,600 for fiscal year 1997;

18 (3) \$376,221,900 for fiscal year 1998;

19 (4) \$354,091,200 for fiscal year 1999; and

20 (5) \$331,960,500 for fiscal year 2000.

21 (b) ENERGY CONSERVATION RESEARCH AND DEVEL-

22 OPMENT.—There are authorized to be appropriated to the

23 Secretary of Energy for energy conservation research and

24 development—

25 (1) \$713,874,600 for fiscal year 1996;

- 1 (2) \$634,555,200 for fiscal year 1997;
- 2 (3) \$555,235,800 for fiscal year 1998;
- 3 (4) \$475,916,400 for fiscal year 1999; and
- 4 (5) \$396,597,000 for fiscal year 2000.

5 (c) MAGNETIC FUSION RESEARCH AND DEVELOP-
6 MENT.—There are authorized to be appropriated to the
7 Secretary of Energy for magnetic fusion research and de-
8 velopment—

- 9 (1) \$335,306,700 for fiscal year 1996;
- 10 (2) \$298,050,400 for fiscal year 1997;
- 11 (3) \$260,794,100 for fiscal year 1998;
- 12 (4) \$000,000,000 for fiscal year 1999; and
- 13 (5) \$186,281,500 for fiscal year 2000.

14 (d) SOLAR AND RENEWABLE ENERGY RESEARCH
15 AND DEVELOPMENT.—There are authorized to be appro-
16 priated to the Secretary of Energy for solar and renewable
17 energy research and development—

- 18 (1) \$349,297,200 for fiscal year 1996;
- 19 (2) \$310,486,400 for fiscal year 1997;
- 20 (3) \$271,675,600 for fiscal year 1998;
- 21 (4) \$232,864,800 for fiscal year 1999; and
- 22 (5) \$194,054,000 for fiscal year 2000.

23 (e) NUCLEAR ENERGY RESEARCH AND DEVELOP-
24 MENT.—There are authorized to be appropriated to the

1 Secretary of Energy for nuclear energy research and de-
2 velopment—

3 (1) \$293,228,000 for fiscal year 1996;

4 (2) \$293,228,000 for fiscal year 1997;

5 (3) \$293,228,000 for fiscal year 1998;

6 (4) \$293,228,000 for fiscal year 1999; and

7 (5) \$293,228,000 for fiscal year 2000.

8 **SEC. 4203. TERMINATION OF CLEAN COAL TECHNOLOGY**
9 **PROGRAM.**

10 (a) IN GENERAL.—The United States shall not obli-
11 gate any funds for the Clean Coal Technology program.

12 (b) REPEAL.—

13 (1) IN GENERAL.—Except as provided in para-
14 graph (2), the matter under the heading “DEPART-
15 MENT OF ENERGY, CLEAN COAL TECHNOLOGY”
16 in the Act entitled “An Act making appropriations
17 for the Department of the Interior and Related
18 Agencies for the fiscal year ending September 30,
19 1986, and for other purposes” enacted by section
20 101(d) of the Joint Resolution entitled “Joint Reso-
21 lution making further continuing appropriations for
22 the fiscal year 1986, and for other purposes” (Public
23 Law 99–190; 99 Stat. 1251) is repealed.

24 (2) EXCEPTION.—The authority provided in the
25 matter repealed by paragraph (1) of this subsection

1 shall be preserved to the extent necessary to carry
2 out obligations of the United States with respect to
3 clean coal technology projects selected by the Sec-
4 retary of Energy pursuant to the fifth general re-
5 quest for proposals issued by the Secretary under
6 such section 101(d) (and pursuant to any such gen-
7 eral request issued before the fifth general request).

8 **SEC. 4204. TERMINATION OF ATOMIC VAPOR ISOTOPE SEP-**
9 **ARATION PROGRAM.**

10 No amount of funds provided for any fiscal year may
11 be obligated by the Secretary of Energy after the date of
12 the enactment of this Act for the atomic vapor laser iso-
13 tope separation program.

14 **Subtitle D—Reform Energy**
15 **Conservation Programs**

16 **SEC. 4301. WEATHERIZATION.**

17 (a) REPEAL.—Part A of title IV of the Energy Con-
18 servation and Production Act (42 U.S.C. 6861–6872), and
19 the items relating thereto in the table of contents of such
20 Act, are repealed.

21 (b) CONFORMING AMENDMENTS.—(1) Section
22 2605(b)(4) of the Low-Income Home Energy Assistance
23 Act of 1981 (42 U.S.C. 8624(b)(4)) is amended by strik-
24 ing “under the low-income weatherization assistance pro-

1 gram under title IV of the Energy Conservation and Pro-
2 duction Act,”.

3 (2) Section 504(c) of the Housing Act of 1949 (42
4 U.S.C. 1474(c)) is amended—

5 (A) in paragraph (3), by inserting “(as such
6 provision was in effect on January 1, 1995)” after
7 “Buildings Act of 1976”; and

8 (B) in paragraph (4), by inserting “(as such
9 provisions were in effect on January 1, 1995)” after
10 “Buildings Act of 1976”.

11 (3) Section 2(a)(2) of the National Housing Act (12
12 U.S.C. 1703(a)(2)) is amended by inserting “(as such pro-
13 vision was in effect on January 1, 1995)” after “Buildings
14 Act of 1976”.

15 (4) Section 203(b) of the Older Americans Act of
16 1965 (42 U.S.C. 3013(b)) is amended by striking para-
17 graph (12) and redesignating the subsequent paragraphs
18 accordingly.

19 (5) Section 233 of the National Energy Conservation
20 Policy Act (42 U.S.C. 6873) is amended by striking
21 “weatherization programs conducted under part A of the
22 Energy Conservation in Existing Buildings Act of 1976,”.

23 (6) Section 3803(c)(2)(C) of title 31, United States
24 Code, is amended—

1 (A) by inserting “and” at the end of clause
2 (xiv);

3 (B) by striking “; and” at the end of clause
4 (xv) and inserting in lieu thereof a period; and

5 (C) by striking clause (xvi).

6 **SEC. 4302. STATE ENERGY CONSERVATION PROGRAM.**

7 (a) REPEAL.—Part D of title III of the Energy Policy
8 and Conservation Act (42 U.S.C. 6321–6326), and the
9 items relating thereto in the table of contents of such Act,
10 are repealed.

11 (b) CONFORMING AMENDMENTS.—(1) Section 509(i)
12 of the Housing and Urban Development Act of 1970 (12
13 U.S.C. 1701z–8(i)) is amended—

14 (A) in paragraph (2), by striking “pursuant to
15 section 365(e)(1) of the Energy Policy and Con-
16 servation Act”; and

17 (B) in paragraph (3), by inserting “(as such
18 provision was in effect on January 1, 1995)” after
19 “Policy and Conservation Act”.

20 (2) Section 912(f) of the Housing and Community
21 Development Act of 1992 (42 U.S.C. 5511a(f)) is amend-
22 ed by striking “State agencies responsible” and all that
23 follows through “any other” and inserting in lieu thereof
24 “any”.

1 **SEC. 4303. INSTITUTIONAL CONSERVATION.**

2 (a) REPEAL.—Parts G and H of the Energy Policy
3 and Conservation Act (42 U.S.C. 6371–6372i), and the
4 items relating thereto in the table of contents of such Act,
5 are repealed.

6 (b) CONFORMING AMENDMENT.—Title III of the Na-
7 tional Energy Conservation Policy Act, and the items re-
8 lating thereto in the table of contents of such Act, are
9 repealed.

10 **TITLE V—ENVIRONMENT**
11 **Subtitle A—Public Land Use and**
12 **Purchase Reforms**

13 **SEC. 5001. MORATORIUM ON LAND ACQUISITION BY CER-**
14 **TAIN AGENCIES.**

15 (a) IN GENERAL.—

16 (1) PURCHASE WITH APPROPRIATED FUNDS.—
17 During the 5-year period beginning on October 1,
18 1996—

19 (A) the Secretary of the Interior may not
20 obligate or expend any appropriated funds to
21 acquire lands or interests in lands which are to
22 be administered by the National Park Service
23 or by the United States Fish and Wildlife Serv-
24 ice;

25 (B) the Secretary of Agriculture may not
26 obligate or expend any appropriated funds to

1 acquire lands or interests in lands which are to
2 be administered by the Forest Service; and

3 (C) no other Federal agency may obligate
4 or expend appropriated funds to acquire lands
5 or interests in lands for the purpose of transfer-
6 ring the lands or interests to the administrative
7 jurisdiction of the National Park Service, the
8 United States Fish and Wildlife Service, or the
9 Forest Service.

10 (2) EXCHANGE.—During the 5-year period re-
11 ferred to in paragraph (1), the Secretary of the Inte-
12 rior may not exchange lands or interests in lands ad-
13 ministered by or to be administered by the National
14 Park Service or the United States Fish and Wildlife
15 Service, and the Secretary of Agriculture may not
16 exchange lands or interests in lands administered by
17 or to be administered by the Forest Service, if the
18 exchange would result in budget outlays (as defined
19 in section 3 of the Congressional Budget and Im-
20 poundment Control Act of 1974 (2 U.S.C. 622)) by
21 the National Park Service, United States Fish and
22 Wildlife Service, or Forest Service, as the case may
23 be.

24 (b) EXCEPTION.—Subsection (a) shall not apply with
25 respect to the acquisition (by exchange or otherwise) of

1 any lands or interests in lands if the President submits
2 written certification to the Congress that the lands or in-
3 terests, as the case may be, are vital to national security
4 interests of the United States.

5 (c) APPLICATION TO PREVIOUS AGREEMENTS.—Sub-
6 section (a) shall not apply with respect to any otherwise
7 binding agreement that is entered into before the date of
8 the enactment of this Act and that obligates the United
9 States to acquire lands or interests in lands by purchase
10 or exchange in whole or in part with appropriated funds.

11 **SEC. 5002. PROHIBITION ON TIMBER SALES IN UNITS OF**
12 **THE NATIONAL FOREST SYSTEM IN WHICH**
13 **TIMBER SALE EXPENSES CONSISTENTLY EX-**
14 **CEED TIMBER SALE REVENUES.**

15 (a) IN GENERAL.—The National Forest Management
16 Act of 1976 is amended by inserting after section 14 (16
17 U.S.C. 472a) the following new section:

18 **“SEC. 14A. PROHIBITION ON BELOW-COST TIMBER SALE**
19 **PROGRAMS.**

20 “(a) ANNUAL DETERMINATION OF REVENUES AND
21 COSTS OF TIMBER SALE PROGRAMS.—As soon as possible
22 after the end of each fiscal year, the Secretary of Agri-
23 culture shall determine for each unit of the National For-
24 est System the total revenues derived or to be derived by
25 the Federal Government, and the total costs incurred or

1 to be incurred by the Federal Government, as a direct re-
2 sult of the timber sale program conducted in that unit dur-
3 ing that fiscal year. For purposes of determining revenues
4 and costs under this subsection, the Secretary shall con-
5 tinue to use the definitions of revenues and costs, and the
6 accounting practices used to measure such revenues and
7 costs, in effect for the Forest Service as of December 31,
8 1994.

9 “(b) TERMINATION OF CONSISTENTLY BELOW-COST
10 TIMBER SALE PROGRAMS.—If, for three consecutive fiscal
11 years in which timber sales are conducted in a unit of the
12 National Forest System, the Secretary determines pursu-
13 ant to subsection (a) that the total costs for the timber
14 sale program of that unit exceed the total revenues for
15 the program, the Secretary shall immediately terminate
16 the timber sale program for that unit and may not enter
17 into any contract for the sale of national forest materials
18 from that unit. Notwithstanding the termination of the
19 timber sale program for a unit of the National Forest Sys-
20 tem under this subsection, the Secretary may permit the
21 continued performance of a contract related to a specific
22 sale of national forest materials from that unit if the con-
23 tract was executed before the date of the termination.

1 “(c) REINSTATEMENT OF TIMBER SALE PRO-
2 GRAM.—The Secretary may reinstate a timber sale pro-
3 gram terminated under subsection (b) if the Secretary—

4 “(1) develops a timber sale program for the
5 unit of the National Forest System involved that, in
6 the judgment of the Secretary, will produce revenues
7 that exceed costs for such program; and

8 “(2) notifies Congress of the reinstatement of
9 the timber sale program not later than 60 days be-
10 fore the date on which the program is to be rein-
11 stated.

12 “(d) EFFECT OF SUBSEQUENT DETERMINATION OF
13 BELOW-COST SALES.—If, for any of the three fiscal years
14 immediately following the reinstatement under subsection
15 (c) of a timber sale program for a unit of the National
16 Forest System, the Secretary determines pursuant to sub-
17 section (a) that the total costs for the program exceed the
18 total revenues for the program, the Secretary shall imme-
19 diately terminate the timber sale program of that unit of
20 the National Forest System. A timber sale program of a
21 unit of the National Forest System terminated under this
22 subsection may not be reinstated, and the Secretary shall
23 prohibit all further sales of national forest materials from
24 that unit. If a timber sale program successfully completes
25 this three-fiscal year period without being terminated, the

1 Secretary shall apply the termination policy specified in
2 subsection (b) in evaluating the operation of the timber
3 sale program in subsequent fiscal years.”.

4 (b) EFFECTIVE DATE.—Section 14A of the National
5 Forest Management Act of 1976, as added by subsection
6 (a), shall take effect on the date of the enactment of this
7 Act, except that the suspension of the timber sale program
8 of a unit of the National Forest System under subsection
9 (b) of such section may not begin before October 1, 1995.
10 As soon as possible after the date of the enactment of this
11 Act, the Secretary of Agriculture shall make the deter-
12 mination required by subsection (a) of such section with
13 respect to fiscal years 1992, 1993, and 1994.

14 **SEC. 5003. PERMANENT LIMITATIONS ON AMOUNTS AU-**
15 **THORIZED TO BE APPROPRIATED FOR THE**
16 **NATIONAL FOREST SYSTEM AND RELATED**
17 **AGRICULTURE CONSERVATION AND FOR-**
18 **ESTRY PROGRAMS.**

19 (a) NATIONAL FOREST SYSTEM.—Section 11 of the
20 Forest and Rangeland Renewable Resources Planning Act
21 of 1974 (16 U.S.C. 1609) is amended by adding at the
22 end the following new subsection:

23 “(c) LIMITATION ON NATIONAL FOREST SYSTEM
24 FUNDING.—Notwithstanding any other authorization of
25 appropriations to the contrary, the total amount author-

1 ized to be appropriated for a fiscal year for necessary ex-
2 penses of the Forest Service for management, protection,
3 improvement, and utilization of the National Forest Sys-
4 tem and for all other purposes specified under the heading
5 ‘NATIONAL FOREST SYSTEM’ in title II of the Department
6 of the Interior and Related Agencies Appropriations Act,
7 1995 (Public Law 103–332; 108 Stat. 2520), shall not
8 exceed \$1,304,891,000.’’.

9 (b) STATE AND PRIVATE FORESTRY.—The Forest
10 Stewardship Act of 1990 (title XII of Public Law 101–
11 624; 104 Stat. 3521) is amended by adding after section
12 1201 the following new section:

13 **“SEC. 1202. LIMITATION ON FUNDING FOR STATE AND PRI-
14 VATE FORESTRY.**

15 “Notwithstanding any other authorization of appro-
16 priations to the contrary, the total amount authorized to
17 be appropriated for a fiscal year for necessary expenses
18 of State and private forestry activities to cooperate with,
19 and provide technical and financial assistance to, States,
20 Territories, possessions, and others and for forest pest
21 management activities, cooperative forestry and education
22 and land conservation activities shall not exceed
23 \$161,264,000.’’.

24 (c) RESOURCE CONSERVATION AND DEVELOPMENT
25 FUNDING.—

1 (1) FUNDING LIMITATION.—Section 6 of the
2 Soil Conservation and Domestic Allotment Act (16
3 U.S.C. 590f) is amended by striking the section
4 heading and the first undesignated paragraph and
5 inserting the following:

6 **“SEC. 6. LIMITATION ON RESOURCE CONSERVATION AND**
7 **DEVELOPMENT FUNDING.**

8 “Notwithstanding any other authorization of appro-
9 priations to the contrary, the total amount authorized to
10 be appropriated for a fiscal year for necessary expenses
11 in planning and carrying out projects for resource con-
12 servation and development and for sound land use pursu-
13 ant to the first section and sections 2 and 3 of this Act
14 (16 U.S.C. 590a–590c), section 32(e) of the Bankhead-
15 Jones Farm Tenant Act (7 U.S.C. 1011(e), and subtitle
16 H of title XV of the Agriculture and Food Act of 1981
17 (16 U.S.C. 3451–3461) shall not exceed \$28,900,000, ex-
18 cept that not more than \$15,000,000 may be appropriated
19 for loans in any fiscal year under such subtitle. Such
20 amounts shall remain available until expended.”.

21 (2) CONFORMING AMENDMENTS.—(A) Section
22 34 of the Bankhead-Jones Farm Tenant Act (7
23 U.S.C. 1013) is amended by adding at the end the
24 following new sentence: “For the authorization of
25 appropriations to carry out section 32(e), see section

1 6 of the Soil Conservation and Domestic Allotment
2 Act (16 U.S.C. 590f).”.

3 (B) Section 1538 of the Agriculture and Food
4 Act of 1981 (16 U.S.C. 3461) is amended to read
5 as follows:

6 **“SEC. 1538. AUTHORIZATION OF APPROPRIATIONS.**

7 “For the authorization of appropriations to carry out
8 this subtitle, see section 6 of the Soil Conservation and
9 Domestic Allotment Act (16 U.S.C. 590f).”.

10 (d) AGRICULTURAL CONSERVATION PROGRAM.—

11 (1) FUNDING LIMITATION.—Section 15 of the
12 Soil Conservation and Domestic Allotment Act (16
13 U.S.C. 590o) is amended by striking the first sen-
14 tence and inserting the following:

15 “(a) LIMITATION ON AGRICULTURAL CONSERVATION
16 PROGRAM FUNDING.—Notwithstanding any other author-
17 ization of appropriations to the contrary, the total amount
18 authorized to be appropriated for a fiscal year for nec-
19 essary expenses to carry into effect the agricultural con-
20 servation program authorized in sections 7 through 14,
21 section 16 (other than subsection (b)), and section 17 of
22 this Act (16 U.S.C. 590g–590n, 590p, and 590q) and title
23 X of the Agricultural Act of 1970, other than section 1005
24 (16 U.S.C. 1501–1504, 1506–1510), shall not exceed
25 \$100,000,000.”.

1 (2) CONFORMING AMENDMENTS.—(A) Such
2 section is further amended by inserting “(b) DIS-
3 TRIBUTION OF FUNDS.—” before “Notwithstanding
4 the foregoing”.

5 (B) Section 1010 of the Agricultural Act of
6 1970 (16 U.S.C. 1510) is amended to read as fol-
7 lows:

8 **“SEC. 1010. AUTHORIZATION OF APPROPRIATIONS.**

9 “For the authorization of appropriations to carry out
10 this title, other than section 1005, see section 15(a) of
11 the Soil Conservation and Domestic Allotment Act (16
12 U.S.C. 590o(a)).”.

13 (e) GREAT PLAINS CONSERVATION PROGRAM.—Sec-
14 tion 16(b)(7) of the Soil Conservation and Domestic Allot-
15 ment Act (16 U.S.C. 590p(b)(7)) is amended by striking
16 “such sums as may be necessary” and inserting
17 “\$11,000,000 each fiscal year”.

18 (f) FORESTRY INCENTIVES PROGRAM.—Section 4(j)
19 of the Cooperative Forestry Assistance Act of 1978 (16
20 U.S.C. 2103(j)) is amended by striking “such sums as
21 may be needed to implement this section, including funds
22 necessary for” and inserting “\$6,625,000 to implement
23 this section and cover the costs of”.

1 **SEC. 5004. HETCH HETCHY.**

2 In accordance with the discretionary authority pro-
3 vided in section 7 of the Act of December 19, 1913 (38
4 Stat. 242, 245) commonly known as the “Raker Act”, the
5 annual amounts to be paid to the United States under
6 that section shall be increased to the amount determined
7 by the Secretary of the Interior to be equal to the fair
8 market value of the electric power generated within the
9 area described in such Act.

10 **SEC. 5005. MINERAL LEASING OF LANDS WITHIN ARCTIC**
11 **NATIONAL WILDLIFE REFUGE.**

12 (a) REPEAL OF LEASING PROHIBITION.—(1) The
13 heading for section 1003 of the Alaska National Interest
14 Conservation Act (16 U.S.C. 3143) is amended to read
15 as follows:

16 **“SEC. 1003. MINERAL LEASING OF LANDS WITHIN ARCTIC**
17 **NATIONAL WILDLIFE REFUGE.”.**

18 (2) Such section 1003 is further amended by adding
19 the following at the end thereof: “The preceding sentence
20 shall not apply to such area or areas within the refuge,
21 the aggregate acreage of which does not exceed one and
22 one-half million acres, as the Secretary of the Interior may
23 designate. Notwithstanding any other provision of law, all
24 lands owned by the United States and located within such
25 designated area or areas shall be available for mineral
26 leasing under the Mineral Leasing Act.”.

1 (b) DEPOSIT OF LEASING REVENUES IN TREAS-
2 URY.—Section 35 of the Mineral Leasing Act is amended
3 by adding the following at the end thereof: “The preceding
4 provisions of this section shall not apply to lands within
5 the Arctic National Wildlife Refuge, and 100 percent of
6 all monies received from sales, bonuses, royalties from any
7 mineral leasing activities carried out with respect to such
8 lands shall be deposited in the Treasury as miscellaneous
9 receipts.”.

10 **SEC. 5006. NATIONAL PARK SERVICE USER FEES AND EN-**
11 **TRANCE FEES.**

12 (a) DEFINITIONS.—As used in this section:

13 (1) The term “park” means a unit of the Na-
14 tional Park System.

15 (2) The term “Secretary” means the Secretary
16 of the Interior.

17 (b) FEES.—

18 (1) ADMISSION FEES.—

19 (A) IN GENERAL.—The Secretary shall es-
20 tablish reasonable admission fees to be charged
21 at units of the National Park System where the
22 Secretary determines that such fees are appro-
23 priate and feasible.

24 (B) ANNUAL PASSES.—For admission or
25 entrance into any unit of the National Park

1 System designated by the Secretary pursuant to
2 this section, or into several specific units lo-
3 cated in a particular geographic area, or for en-
4 trance to all units where an admission fee is
5 charged, the Secretary is authorized to make
6 available annual admission permits for reason-
7 able fees to be determined by the Secretary.

8 (C) SINGLE VISITS.—The Secretary shall
9 establish reasonable admission fees for a single
10 visit at any unit of the National Park System
11 designated by the Secretary pursuant to this
12 section for persons who choose not to purchase
13 an annual pass.

14 (2) RECREATION USE FEES.—The Secretary
15 shall establish reasonable fees for specialized outdoor
16 recreation sites, facilities, equipment, or services
17 that are provided or furnished at Federal expense.

18 (3) SPECIAL PARK USES.—The Secretary shall
19 establish reasonable fees for uses of park units that
20 require special arrangements including permits. The
21 fees shall cover all costs of providing necessary serv-
22 ices associated with special uses and shall be cred-
23 ited to the appropriation current at that time.

24 (4) RETENTION OF FEES.—(A) Except as pro-
25 vided below, fees collected pursuant to paragraphs

1 (1) and (2) of this subsection shall be deposited in
2 the special fund account established in Section 4 of
3 the Land and Water Conservation Fund Act of 1965
4 (16 U.S.C. 460l-6a(i)(4)).

5 (B) Notwithstanding any other provision of law,
6 beginning in fiscal year 1996 and thereafter, an
7 amount equal to 15 percent of the total fees col-
8 lected in the immediate preceding fiscal year pursu-
9 ant to paragraphs (1) and (2) shall be deducted
10 from the current year collections and shall be depos-
11 ited into a special fund established in the Treasury
12 of the United States titled “Fee Collection Sup-
13 port—National Park System” and shall be available
14 to the Secretary without further appropriation to
15 cover the costs of collection of the fees, to remain
16 available until expended.

17 (5) Notwithstanding any other provision of law,
18 beginning in fiscal year 1998 and thereafter, 50 per-
19 cent of the difference in additional receipts collected
20 during the immediate preceding fiscal year as com-
21 pared to total receipts collected in fiscal year 1993
22 shall be deducted from the current year collections
23 and shall be covered into a special fund established
24 in the Treasury of the United States titled “Na-
25 tional Park Renewal Fund”, and shall be available

1 to the Secretary without further appropriation for
2 infrastructure needs at parks, including but not lim-
3 ited to facility refurbishment, repair and replace-
4 ment, resource protection, interpretive/educational
5 media (exhibits), and other infrastructure projects
6 beneficial to park resources, to remain available
7 until expended.

8 (6) In fiscal year 1997 only, fees authorized to
9 be collected pursuant to paragraphs (1) and (2) may
10 be collected only to the extent provided in advance
11 in appropriations acts and shall be credited to the
12 appropriate special fund accounts described in this
13 section. In addition, said fees shall be available for
14 the purposes of this section only to the extent pro-
15 vided in advance in appropriations acts and are au-
16 thorized to be appropriated to remain available until
17 expended. In fiscal year 1998 and thereafter, fees
18 collected as authorized to be collected pursuant to
19 paragraphs (1) and (2) may be collected as author-
20 ized by this section and shall be available as pro-
21 vided in this section without further provision in ap-
22 propriations Acts.

23 (c) USE OF FEES.—The Secretary shall develop pro-
24 cedures for the use of these receipts that ensure account-
25 ability and demonstrated results consistent with the pur-

1 poses of this section. The Secretary shall report annually
2 to Congress on the expenditure of funds from fees col-
3 lected, beginning after the first full fiscal year following
4 enactment of this section.

5 (d) DISCOUNTS.—In establishing the fees authorized
6 in this section, the Secretary shall establish appropriate
7 discounts for educational groups, persons sixty-two years
8 of age older, or persons who are blind or permanently dis-
9 abled. The Secretary may also establish criteria when the
10 fees may be waived for these groups or individuals.

11 (e) CRITERIA.—All fees established pursuant to this
12 section shall be fair and equitable, taking into consider-
13 ation the direct and indirect cost to the Government, the
14 benefits to the recipient, the public policy or interest
15 served, the comparable fees charged by non-Federal public
16 and private agencies, the economic and administrative fea-
17 sibility of fee collection and other pertinent factors. The
18 Secretary shall from time to time review the fees for con-
19 sistency with the provisions of this subsection and provide
20 timely public notice of any proposed changes in the fees.

21 (f) DONATIONS.—

22 (1) REQUESTS FOR DONATIONS.—In addition to
23 other authorities the Secretary may have to accept
24 the donation of lands, buildings, other property,
25 services, and moneys for the purposes of the Na-

1 tional Park System, the Secretary is authorized to
2 solicit donations of money, property, and services
3 from individuals, corporations, foundations and
4 other potential donors who the Secretary believes
5 would wish to make such donations as an expression
6 of support for the national parks. Such donations
7 may be accepted and used for any authorized pur-
8 pose or program of the National Park Service, and
9 donations of money shall remain available for ex-
10 penditure without fiscal year limitation. Any employ-
11 ees of the Department to whom this authority is del-
12 egated shall be set forth in regulations issued by the
13 Secretary pursuant to paragraph (4).

14 (2) EMPLOYEE PARTICIPATION.—Employees of
15 the National Park Service may solicit donations only
16 if the request is incidental to or in support of, and
17 does not interfere with their primary duty of protect-
18 ing and administering the parks or administering
19 authorized programs, and only for the purpose of
20 providing a level of resource protection, visitor facili-
21 ties, or services for health and safety projects, recur-
22 ring maintenance activities, or for other routine ac-
23 tivities normally funded through annual agency ap-
24 propriations. Such requests must be in accordance
25 with guidelines issued pursuant to paragraph (d).

1 (3) PROHIBITIONS.—(A) A donation may not
2 be accepted in exchange for a commitment to the
3 donor on the part of the National Park Service or
4 which attaches conditions inconsistent with applica-
5 ble laws and regulations or that is conditioned upon
6 or will require the expenditure of appropriated funds
7 that are not available to the Department, or which
8 compromises a criminal or civil position of the
9 United States or any of its departments or agencies
10 or the administrative authority of any agency of the
11 United States.

12 (B) In utilizing the authorities contained in this
13 section employees of the National Park Service shall
14 not directly conduct or execute major fund raising
15 campaigns, but may cooperate with others whom the
16 Secretary may designate to conduct such campaigns
17 on behalf of the National Park Service.

18 (4) REGULATIONS AND GUIDANCE.—The Sec-
19 retary shall issue regulations setting forth those po-
20 sitions to which he has delegated his authority under
21 paragraph (1) and the categories of employees of the
22 National Park Service that are authorized to request
23 donations pursuant to paragraph (2). Such regula-
24 tions shall also set forth any limitations on the types

1 of donations that will be requested or accepted as
2 well as the sources of those donations.

3 (5) GUIDELINES.—The Secretary shall publish
4 guidelines which set forth the criteria to be used in
5 determining whether the solicitation or acceptance of
6 contributions of lands, buildings, other property,
7 services, moneys and other gifts or donations au-
8 thorized by this section would reflect unfavorably
9 upon the ability of the Department of the Interior
10 or any employee to carry out its responsibilities or
11 official duties in a fair and objective manner, or
12 would compromise the integrity or the appearance of
13 the integrity of its programs or any official involved
14 in those programs. The Secretary shall also issue
15 written guidance on the extent of the cooperation
16 that may be provided by National Park Service em-
17 ployees in any major fund raising campaign which
18 the Secretary has designated others to conduct pur-
19 suant to paragraph (3)(B).

20 (g) CHALLENGE COST-SHARE AGREEMENTS.—

21 (1) AGREEMENTS.—The Secretary is authorized
22 to negotiate and enter into challenge cost-share
23 agreements with cooperators. For purposes of this
24 section, the term—

1 (A) “challenge cost-share agreement”
2 means any agreement entered into between the
3 Secretary and any cooperator for the purpose of
4 sharing costs or services in carrying out author-
5 ized functions and responsibilities of the Sec-
6 retary with respect to the National Park Sys-
7 tem; and

8 (B) “cooperator” means any State or local
9 government, public or private agency, organiza-
10 tion, institution, corporation, individual, or
11 other entity.

12 (2) USE OF FEDERAL FUNDS.—In carrying out
13 challenge cost-share agreements, the Secretary is au-
14 thorized, subject to appropriation, to provide the
15 Federal funding share from any funds available to
16 the National Park Service.

17 (h) COST RECOVERY FOR DAMAGE TO PARK RE-
18 SOURCES.—Any funds payable to the United States as res-
19 titution on account of damage to park resources or prop-
20 erty shall be paid to the Secretary. Any such funds, and
21 any other funds received by the Secretary as a result of
22 forfeiture, compromise, or settlement on account of dam-
23 age to park resources or property shall be available with-
24 out appropriation and may be expended by the Secretary
25 without regard to fiscal year limitation to improve, pro-

1 tect, or rehabilitate any park resources or property which
2 have been damaged by the action of a permittee or any
3 unauthorized person.

4 (i) CONSISTENCY WITH OTHER LAWS.—

5 (1) Except as provided in subsection (2), to the
6 extent that the provisions of this section are incon-
7 sistent with section 4 of the Land and Water Con-
8 servation Act of 1965 as amended (16 U.S.C. 460l-
9 6a) or any other provision of law, including any pro-
10 vision that prohibits or limits the charging of a rea-
11 sonable recreation or other fee, the provisions of this
12 section shall prevail.

13 (2) The following sections of the Land and
14 Water Conservation Act of 1965 as amended (16
15 U.S.C. 460l-6a) will apply to this section:

16 (A) RULES AND REGULATIONS; ESTAB-
17 LISHMENT; ENFORCEMENT POWERS; PENALTY
18 FOR VIOLATIONS.—In accordance with the pro-
19 visions of this section, the Secretary may pre-
20 scribe rules and regulations for areas under his
21 or her administration for the collection of any
22 fee established pursuant to this section. Persons
23 authorized to enforce any such rules or regula-
24 tions issued under this subsection may, within
25 areas under the administration or authority of

1 the Secretary and with or, if the offense is com-
2 mitted in his presence, without a warrant, ar-
3 rest any person who violates such rules and reg-
4 ulations. Any person so arrested may be tried
5 and sentenced by the United States magistrate
6 judge specifically designated for that purpose
7 by the court by which he was appointed, in the
8 same manner and subject to the same condi-
9 tions as provided in subsection (b), (c), (d), and
10 (e) of section 3401 of title 18. Any violations of
11 the rules and regulations issued under this sub-
12 section shall be punishable by a fine of not
13 more than \$1,000.

14 (B) CRITERIA, POSTING AND UNIFORMITY
15 OF FEES.—Clear notice that a fee has been es-
16 tablished pursuant to this section shall be
17 prominently posted at each area and at appro-
18 priate locations therein and shall be included in
19 publications distributed at such areas.

20 (C) CONTRACTS WITH PUBLIC OR PRIVATE
21 ENTITIES FOR VISITOR RESERVATION SERV-
22 ICES.—The Secretary, under such terms and
23 conditions as he deems appropriate, may con-
24 tract with any public or private entity to pro-
25 vide visitor reservation services. Any such con-

1 tract may provide that the contractor shall be
2 permitted to deduct a commission to be fixed by
3 the agency head from the amount charged the
4 public for providing such services and to remit
5 the net proceeds therefrom to the contracting
6 agency.

7 (D) FEDERAL AND STATE LAWS UNAF-
8 FECTED.—Nothing in this section shall author-
9 ize Federal hunting or fishing licenses or fees
10 or charges for commercial or other activities not
11 related to recreation, nor shall it affect any
12 rights or authority of the States with respect to
13 fish and wildlife, nor shall it repeal or modify
14 any provision of law that permits States or po-
15 litical subdivisions to share in the revenues
16 from Federal lands or any provision of law that
17 provides that any fees or charges collected at
18 particular Federal areas shall be used for or
19 credited to specific purposes or special funds as
20 authorized by that provision of law.

21 (E) SELLING OF PERMITS AND COLLEC-
22 TION OF FEES BY VOLUNTEERS AT DES-
23 IGNATED AREAS; COLLECTING AGENCY DUTIES;
24 SURETY BONDS; SELLING OF ANNUAL ADMIS-
25 SION PERMITS BY PUBLIC AND PRIVATE ENTI-

1 TIES UNDER ARRANGEMENTS WITH COLLECT-
2 ING AGENCY HEAD.—When authorized by the
3 Secretary, volunteers at designated areas may
4 sell permits and collect fees authorized or estab-
5 lished pursuant to this section. The Secretary
6 shall ensure that such volunteers have adequate
7 training regarding—

8 (i) the sale of permits and the collec-
9 tion of fees,

10 (ii) the purposes and resources of the
11 areas in which they are assigned, and

12 (iii) the provision of assistance and in-
13 formation to visitors to the designated
14 area.

15 The Secretary shall require a surety bond for
16 any such volunteer performing services under
17 this subsection. Funds available to the collect-
18 ing agency may be used to cover the cost of any
19 such surety bond. The head of the collecting
20 agency may enter into arrangements with quali-
21 fied public or private entities pursuant to which
22 such entities may well (without cost to the
23 United States) annual admission permits (in-
24 cluding Golden Eagle Passports) at any appro-
25 priate location.

1 **Subtitle B—Environmental Con-**
2 **servation, Cleanup, and Re-**
3 **search Reforms**

4 **SEC. 5101. PREFERENCE FOR INTERIM MEASURES IN**
5 **SUPERFUND RESPONSE ACTIONS.**

6 (a) AMENDMENT OF CERCLA.—Section 121(a) of
7 the Comprehensive Environmental Response, Compensa-
8 tion, and Liability Act of 1980 (42 U.S.C. 9621(a)) is
9 amended by adding at the end the following: “Notwith-
10 standing any other provision of this Act, in selecting ap-
11 propriate remedial actions in any record of decision issued
12 on or after October 1, 1995, the President shall give a
13 preference to the use of institutional controls (such as
14 deed and access restrictions, monitoring, and provision of
15 alternate water supplies), containment methods (including
16 caps, slurry walls, and surface water diversion), and other
17 interim measures, rather than permanent treatment tech-
18 nologies, if such measures are sufficient to assure the pro-
19 tection of human health and the environment.”.

20 (b) CLEANUP STANDARDS.—Section 121(d)(2) of the
21 Comprehensive Environmental Response, Compensation,
22 and Liability Act of 1980 (42 U.S.C. 9621(d)(2)) shall
23 not apply to any remedial action described in the amend-
24 ment made by subsection (a).

1 (c) AUTHORIZATION OF APPROPRIATIONS.—(1) Sec-
2 tion 517(b) of the Superfund Amendments and Reauthor-
3 ization Act of 1986 is amended—

4 (A) by striking the period at the end of para-
5 graph (9) and inserting in lieu thereof a comma; and

6 (B) by adding after paragraph (9) the following
7 new paragraphs:

8 “(10) 1996, \$1,065,536,000,

9 “(11) 1997, \$1,100,198,000,

10 “(12) 1998, \$1,254,824,000, and

11 “(13) 1999, \$1,321,018,000.”.

12 (2) Section 9507(c) of the Internal Revenue Code of
13 1986 is amended by adding the following new paragraph
14 at the end thereof:

15 “(3) LIMITATION ON APPROPRIATIONS FROM
16 FUND.—For fiscal years 1996, 1997, 1998, and
17 1999, the total of all amounts authorized to be ap-
18 propriated from the Superfund shall not exceed the
19 amounts specified in paragraphs (10) through (13)
20 of the Superfund Amendments and Reauthorization
21 Act of 1986.”.

22 (d) REPORT REQUIREMENT.—(1) The President
23 shall submit to Congress a report, during each of the 5
24 years listed in paragraph (2), on the use of measures
25 under the last sentence of section 121(a) of the Com-

1 prehensive Environmental Response, Compensation, and
2 Liability Act of 1980 (42 U.S.C. 9621), as required by
3 the amendment made by subsection (a). The report shall
4 cover the preceding fiscal year and shall include the esti-
5 mated savings resulting from the use of such measures
6 in comparison to using permanent treatment technologies.

7 (2) The President shall submit the report required
8 by paragraph (1) by December 1 of 1996, 1997, 1998,
9 1999, and 2000.

10 **SEC. 5102. ELIMINATION OF THE CONSERVATION RESERVE**
11 **PROGRAM.**

12 (a) IN GENERAL.—Subchapter B of chapter 1 of sub-
13 title D of title XII of the Food Security Act of 1985 (16
14 U.S.C. 3831–3836) is hereby repealed.

15 (b) CONFORMING AMENDMENTS.—

16 (1) Section 1201(a) of such Act (16 U.S.C.
17 3801(a)) is amended by striking paragraph (3).

18 (2) Sections 1211(3) and 1221(a)(3) of such
19 Act (16 U.S.C. 3811(3) and 3821(a)(3)) are each
20 amended by striking subparagraph (C) and by redesi-
21 gnating subparagraphs (D), (E), and (F) as sub-
22 paragraphs (C), (D), and (E), respectively.

23 (3) Section 1230 of such Act (16 U.S.C. 3830)
24 is amended—

1 (A) in subsection (a), by striking “highly”
2 and all that follows through “contamination),
3 and”;

4 (B) in subsection (b), by striking “sub-
5 chapters B and C” and inserting “subchapter
6 C”; and

7 (C) in subsection (c)—

8 (i) by striking “the conservation re-
9 serve program and”; and

10 (ii) by striking “subchapters B and C,
11 respectively” and inserting “subchapter
12 C”.

13 (4) Section 1237 of such Act (16 U.S.C. 3837)
14 is amended by striking subsection (f).

15 (5) Section 1239(b) of such Act (16 U.S.C.
16 3839(b)) is amended by striking paragraph (3).

17 (6) Section 1247 of such Act (16 U.S.C. 3847)
18 is amended—

19 (A) by striking “(a) IN GENERAL.—”; and

20 (B) by striking subsection (b).

21 (7) Section 1305 of the Omnibus Budget Rec-
22 onciliation Act of 1987 (Public Law 100–203; 101
23 Stat. 1330–18) is amended by striking subsection
24 (d).

1 (8) Section 10 of the Farm Disaster Assistance
2 Act of 1987 (Public Law 100-45; 101 Stat. 323) is
3 hereby repealed.

4 (c) NO EFFECT ON OUTSTANDING CONTRACTS.—
5 The repeal and amendments made by this section shall
6 not be construed to affect the terms of any contract en-
7 tered into under subchapter B of chapter 1 of subtitle D
8 of title XII of the Food Security Act of 1985 before the
9 effective date of this Act.

10 **SEC. 5103. ELIMINATION OF FUNDING FOR STATE WATER**
11 **POLLUTION CONTROL REVOLVING FUNDS.**

12 No funds may be appropriated to carry out title VI
13 of the Federal Water Pollution Control Act for fiscal years
14 beginning after September 30, 1995.

15 **SEC. 5104. ELIMINATION OF FUNDING FOR WATERSHED**
16 **AND FLOOD PREVENTION OPERATIONS.**

17 For fiscal years beginning after September 30, 1995,
18 no funds may be appropriated for any of the following pur-
19 poses:

20 (1) Watershed operations and loan services au-
21 thorized by section 13 of the Flood Control Act ap-
22 proved December 22, 1944 (58 Stat. 905-906).

23 (2) Emergency watershed protection operations
24 conducted by the Secretary of Agriculture.

1 (3) Loan services authorized by section 8 of the
2 Watershed Protection and Flood Prevention Act (16
3 U.S.C. 1006a).

4 **SEC. 5105. OBLIGATION LIMITATION FOR FLOOD CONTROL**
5 **AND COASTAL EMERGENCIES.**

6 The total of obligations incurred in fiscal year 1996
7 for expenses of the Corps of Engineers described under
8 the heading “Flood Control and Coastal Emergencies” in
9 title I of the Energy and Water Development Appropria-
10 tions Act, 1995 (Public Law 103–316; 108 Stat. 1710)
11 may not exceed \$15,000,000.

12 **SEC. 5106. OBLIGATION LIMITATION FOR FLOOD CONTROL,**
13 **MISSISSIPPI RIVER AND TRIBUTARIES.**

14 The total of obligations incurred in fiscal year 1996
15 for expenses of the Corps of Engineers described under
16 the heading “Flood Control, Mississippi River and Tribu-
17 taries, Arkansas, Illinois, Kentucky, Louisiana, Mis-
18 sissippi, Missouri, and Tennessee” in title I of the Energy
19 and Water Development Appropriations Act, 1995 (Public
20 Law 103–316; 108 Stat. 1709) may not exceed
21 \$320,000,000.

1 **Subtitle C—Restructuring of**
2 **Department of the Interior**

3 **SEC. 5201. LIMITATION ON ACQUISITION OF LANDS BY BU-**
4 **REAU OF LAND MANAGEMENT.**

5 (a) CONGRESSIONAL FINDINGS.—The Congress finds
6 that—

7 (1) the Bureau of Land Management presently
8 holds title to 1,800,000,000 acres of public land;

9 (2) much of this land is marginal in value and
10 left over from the 19th century;

11 (3) in many cases, the costs of maintaining and
12 surveying this land far exceed the actual value of
13 these parcels;

14 (4) the agency is presently facing a sizable
15 budget backlog which is hampering its ability to
16 properly manage all of this property;

17 (5) under the Federal Land Policy and Man-
18 agement Act of 1976, the Bureau is required to
19 identify public lands suitable for sale, exchange, or
20 transfer; and

21 (6) the transfer of some of these parcels could
22 effect budget savings and greater management effi-
23 ciencies for the Bureau.

24 (b) ACQUISITION OF LANDS BY BUREAU OF LAND
25 MANAGEMENT.—

1 (1) PROHIBITION.—Except as provided by sub-
2 section (c), amounts appropriated or otherwise made
3 available after the date of the enactment of this Act
4 may not be obligated or expended by the Secretary
5 of the Interior (hereafter in this section referred to
6 as the “Secretary”) for the acquisition of any lands
7 or interests therein which are to be administered by
8 the Bureau of Land Management.

9 (2) ACQUISITION BY DONATION OR EXCHANGE
10 OR WITH AMOUNTS FROM FUND.—After the date of
11 the enactment of this Act, the Secretary may acquire
12 lands or interests therein for administration by the
13 Bureau of Land Management only by exchange, by
14 donation, or from amounts made available from the
15 Fund pursuant to subsection (c).

16 (c) BUREAU OF LAND MANAGEMENT LAND SALE
17 AND ACQUISITION FUND.—

18 (1) ESTABLISHMENT.—There is established in
19 the Department of the Interior a fund to be known
20 as the “Bureau of Land Management Land Sale
21 and Acquisition Fund” (hereafter in this section re-
22 ferred to as the “Fund”).

23 (2) ADMINISTRATION.—The Fund shall be ad-
24 ministered by the Secretary.

1 (3) DEPOSITS INTO FUND.—There shall be de-
2 posited into the Fund—

3 (A) all amounts received by the Secretary
4 from the disposal of any lands or interests
5 therein administered by the Bureau of Land
6 Management; and

7 (B) all amounts received by the United
8 States by gift for acquisition of lands to be ad-
9 ministered by the Bureau of Land Manage-
10 ment.

11 (4) EXPENDITURES FROM FUND.—Amounts
12 may be made available from the Fund, subject to ap-
13 propriation, for the acquisition of lands or interests
14 therein to be administered by the Bureau of Land
15 Management.

16 (d) INFORMATION REQUIRED TO BE INCLUDED IN
17 ANNUAL BUDGET REQUESTS RELATING TO TRANSFER
18 OR DISPOSAL OF PUBLIC LANDS.—Each annual budget
19 request submitted by the Secretary to the Congress shall
20 be accompanied by information as to whether the Bureau
21 of Land Management, through preparation of land-use
22 plans pursuant to the Federal Land Policy and Manage-
23 ment Act of 1976, has identified public lands which are
24 suitable for transfer to other management or for disposal
25 through exchange or otherwise, the transfer or disposal

1 of which has been delayed because of incomplete surveys
2 or other reasons. If enactment of additional legislation
3 would be desirable in order to facilitate the transfer or
4 disposal of public lands described in the request, the Sec-
5 retary may include a proposal for such additional legisla-
6 tion in such request.

7 **SEC. 5202. ABOLITION OF BUREAU OF MINES.**

8 (a) TERMINATION OF FUNCTIONS, POSITIONS, AND
9 OFFICES.—Upon the effective date of this Act, the Bureau
10 of Mines shall be terminated and all functions of the Bu-
11 reau and all positions and offices within the Bureau shall
12 be terminated. As promptly as possible after the effective
13 date of this Act the Administrator of the General Services
14 Administration shall dispose of all facilities and property
15 of the Bureau (including all research facilities and equip-
16 ment owned by the Bureau) in accordance with the Fed-
17 eral Property and Administrative Services Act and other
18 applicable provisions of law.

19 (b) ADMINISTRATIVE PROVISIONS.—The provisions
20 of this section shall not affect suits commenced prior to
21 the date this section takes effect. In all such suits, pro-
22 ceedings shall be had, appeals taken, and judgments ren-
23 dered in the same manner and effect as if this section had
24 not been enacted. No suit, action, or other proceeding
25 commenced by or against any officer in his official capac-

1 ity as an officer of the Bureau of Mines shall abate by
2 reason of the enactment of this section. No cause of action
3 by or against the Bureau of Mines or by or against any
4 officer thereof in his official capacity shall abate by reason
5 of the enactment of this section. Any suit, action, or other
6 proceeding brought against the Bureau of Mines or and
7 officer thereof in his official capacity shall be continued
8 with the Secretary of the Interior substituted as the de-
9 fendant.

10 **SEC. 5203. SALE OF HELIUM PROCESSING AND STORAGE**
11 **FACILITY.**

12 (a) REFERENCES.—Except as otherwise expressly
13 provided, whenever in this section an amendment or repeal
14 is expressed in terms of an amendment to, or repeal of,
15 a section or other provision, the reference shall be consid-
16 ered to be made to a section or other provision of the He-
17 lium Act (50 U.S.C. 167 to 167n).

18 (b) AUTHORITY OF SECRETARY.—Sections 3, 4, and
19 5 are amended to read as follows:

20 **“SEC. 3. AUTHORITY OF SECRETARY.**

21 “(a) EXTRACTION AND DISPOSAL OF HELIUM ON
22 FEDERAL LANDS.—(1) The Secretary may enter into
23 agreements with private parties for the recovery and dis-
24 posal of helium on Federal lands upon such terms and
25 conditions as he deems fair, reasonable and necessary. The

1 Secretary may grant leasehold rights to any such helium.
2 The Secretary may not enter into any agreement by which
3 the Secretary sells such helium other than to a private
4 party with whom the Secretary has an agreement for re-
5 covery and disposal of helium. Such agreements may be
6 subject to such rules and regulations as may be prescribed
7 by the Secretary.

8 “(2) Any agreement under this subsection shall be
9 subject to the existing rights of any affected Federal oil
10 and gas lessee. Each such agreement (and any extension
11 or renewal thereof) shall contain such terms and condi-
12 tions as deemed appropriate by the Secretary.

13 “(3) This subsection shall not in any manner affect
14 or diminish the rights and obligations of the Secretary and
15 private parties under agreements to dispose of helium pro-
16 duced from Federal lands in existence at the enactment
17 of the Helium Act of 1994 except to the extent that such
18 agreements are renewed or extended after such date.

19 “(b) STORAGE, TRANSPORTATION AND SALE.—The
20 Secretary is authorized to store, transport, and sell helium
21 only in accordance with this Act.

22 “(c) MONITORING AND REPORTING.—The Secretary
23 is authorized to monitor helium production and helium re-
24 serves in the United States and to periodically prepare re-

1 ports regarding the amounts of helium produced and the
2 quantity of crude helium in storage in the United States.

3 **“SEC. 4. STORAGE AND TRANSPORTATION OF CRUDE**
4 **HELIUM.**

5 “(a) STORAGE AND TRANSPORTATION.—The Sec-
6 retary is authorized to store and transport crude helium
7 and to maintain and operate existing crude helium storage
8 at the Bureau of Mines Cliffside Field, together with relat-
9 ed helium transportation and withdrawal facilities.

10 “(b) CESSATION OF PRODUCTION, REFINING, AND
11 MARKETING.—Effective one year after the date of enact-
12 ment of the Helium Act of 1994, the Secretary shall cease
13 producing, refining and marketing refined helium and
14 shall cease carrying out all other activities relating to he-
15 lium which the Secretary was authorized to carry out
16 under this Act before the date of enactment of the Helium
17 Act of 1994, except those activities described in subsection
18 (a).

19 “(c) DISPOSAL OF FACILITIES.—(1) Within one year
20 after the date of enactment of the Helium Act of 1994,
21 the Secretary shall dispose of all facilities, equipment, and
22 other real and personal property, together with all inter-
23 ests therein, held by the United States for the purpose
24 of producing, refining and marketing refined helium. The
25 disposal of such property shall be in accordance with the

1 provisions of law governing the disposal of excess or sur-
2 plus properties of the United States.

3 “(2) All proceeds accruing to the United States by
4 reason of the sale or other disposal of such property shall
5 be treated as moneys received under this chapter for pur-
6 poses of section 6(f). All costs associated with such sale
7 and disposal (including costs associated with termination
8 of personnel) and with the cessation of activities under
9 subsection (b) shall be paid from amounts available in the
10 helium production fund established under section 6(f).

11 “(3) Paragraph (1) shall not apply to any facilities,
12 equipment, or other real or personal property, or any in-
13 terest therein, necessary for the storage and transpor-
14 tation of crude helium.

15 “(d) EXISTING CONTRACTS.—All contracts which
16 were entered into by any person with the Secretary for
17 the purchase by such person from the Secretary of refined
18 helium and which are in effect on the date of the enact-
19 ment of the Helium Act of 1994 shall remain in force and
20 effect until the date on which the facilities referred to in
21 subsection (c) are disposed of. Any costs associated with
22 the termination of such contracts shall be paid from the
23 helium production fund established under section 6(f).

1 **“SEC. 5. FEES FOR STORAGE, TRANSPORTATION AND WITH-**
2 **DRAWAL.**

3 “Whenever the Secretary provides helium storage,
4 withdrawal, or transportation services to any person, the
5 Secretary is authorized and directed to impose fees on
6 such person to reimburse the Secretary for the full costs
7 of providing such storage, transportation, and withdrawal.
8 All such fees received by the Secretary shall be treated
9 as moneys received under this Act for purposes of section
10 6(f).”.

11 (c) SALE OF CRUDE HELIUM.—Section 6 is amended
12 as follows:

13 (1) Subsection (a) is amended by striking out
14 “from the Secretary” and inserting “from persons
15 who have entered into enforceable contracts to pur-
16 chase an equivalent amount of crude helium from
17 the Secretary”.

18 (2) Subsection (b) is amended by inserting
19 “crude” before “helium” and by adding the follow-
20 ing at the end thereof: “Except as may be required
21 by reason of subsection (a), the Secretary shall not
22 make sales of crude helium under this section in
23 such amounts as will disrupt the market price of
24 crude helium.”.

25 (3) Subsection (c) is amended by inserting
26 “crude” before “helium” after the words “Sales of”

1 and by striking “together with interest as provided
2 in this subsection” and all that follows down
3 through the period at the end of such subsection and
4 inserting the following: “all funds required to be re-
5 paid to the United States as of October 1, 1993
6 under this section (hereinafter referred to as ‘repay-
7 able amounts’). The price at which crude helium is
8 sold by the Secretary shall not be less than the
9 amount determined by the Secretary as follows:

10 “(1) Divide the outstanding amount of such re-
11 payable amounts by the volume (in mcf) of crude he-
12 lium owned by the United States and stored in the
13 Bureau of Mines Cliffside Field at the time of the
14 sale concerned.

15 “(2) Adjust the amount determined under para-
16 graph (1) by the Consumer Price Index for years be-
17 ginning after December 31, 1993.”.

18 (4) Subsection (d) is amended to read as fol-
19 lows:

20 “(d) EXTRACTION OF HELIUM FROM DEPOSITS ON
21 FEDERAL LANDS.—All moneys received by the Secretary
22 from the sale or disposition of helium on Federal lands
23 shall be paid to the Treasury and credited against the
24 amounts required to be repaid to the Treasury under sub-
25 section (c) of this section.”.

1 (5) Subsection (e) is repealed.

2 (6) Subsection (f) is amended by inserting
3 “(1)” after “(f)” and by adding the following at the
4 end thereof:

5 “(2) Within 7 days after the commencement of each
6 fiscal year after the disposal of the facilities referred to
7 in section 4(c), all amounts in such fund in excess of
8 \$2,000,000 (or such lesser sum as the Secretary deems
9 necessary to carry out this Act during such fiscal year)
10 shall be paid to the Treasury and credited as provided in
11 paragraph (1). Upon repayment of all amounts referred
12 to in subsection (c), the fund established under this sec-
13 tion shall be terminated and all moneys received under this
14 Act shall be deposited in the Treasury as General Reve-
15 nues.”.

16 (d) ELIMINATION OF STOCKPILE.—Section 8 is
17 amended to read as follows:

18 **“SEC. 8. ELIMINATION OF STOCKPILE.**

19 “(a) REVIEW OF RESERVES.—Not later than Janu-
20 ary 1, 2014 the Secretary shall review the known helium
21 reserves in the United States and make a determination
22 as to the expected life of the domestic helium reserves
23 (other than federally owned helium stored at the Cliffside
24 Reservoir) at that time.

1 “(b) RESERVES BELOW 1 BCF IN 2014.—Not later
2 than January 1, 2014, if the Secretary determines that
3 domestic helium reserves (other than federally owned he-
4 lium stored at the Cliffside Reservoir) are less than 1 bil-
5 lion cubic feet (bcf), the Secretary shall commence making
6 sales of crude helium from helium reserves owned by the
7 United States in such amounts as may be necessary to
8 dispose of all such helium reserves in excess of 600 million
9 cubic feet (mcf) by January 1, 2019. The sales shall be
10 at such times and in such lots as the Secretary determines,
11 in consultation with the helium industry, necessary to
12 carry out this subsection. The price for all such sales, as
13 determined by the Secretary in consultation with the he-
14 lium industry, shall be such as will ensure repayment of
15 the amounts required to be repaid to the Treasury under
16 section 6(c) by the year 2019 with minimum market dis-
17 ruption. The date specified in this subsection for comple-
18 tion of such sales and for repayment of debt may be ex-
19 tended by the Secretary for a period of not to exceed 5
20 additional years if necessary in order to assure repayment
21 of such debt with minimum market disruption.

22 “(c) RESERVES ABOVE 1 BCF IN 2014.—Not later
23 than January 1, 2014, if the Secretary determines that
24 domestic helium reserves (other than federally owned he-
25 lium stored at the Cliffside Reservoir) are more than 1

1 billion cubic feet (bcf), the Secretary shall commence mak-
2 ing sales of crude helium from helium reserves owned by
3 the United States in such amounts as may be necessary
4 to dispose of all such helium reserves in excess of 600 mil-
5 lion cubic feet (mcf) by January 1, 2024. The sales shall
6 be at such times and in such lots as the Secretary deter-
7 mines, in consultation with the helium industry, necessary
8 to carry out this subsection with minimum disruption of
9 the market for crude helium.

10 “(d) DISCOVERY OF ADDITIONAL RESERVES.—The
11 discovery of additional helium reserves after the year 2014
12 shall not affect the duty of the Secretary to make sales
13 of helium as provided in subsection (b) or (c), as the case
14 may be.”

15 (e) REPEAL OF AUTHORITY TO BORROW.—Sections
16 12 and 15 are repealed.

17 **SEC. 5204. ABOLITION OF GEOLOGICAL SURVEY.**

18 (a) TRANSFER OF BASIC RESEARCH FUNCTIONS TO
19 NATIONAL SCIENCE FOUNDATION.—Upon the effective
20 date of this section there shall be transferred to and vested
21 in the National Science Foundation all basic research
22 functions of the United States Geological Survey.

23 (b) TRANSFER OF STREAM MONITORING FUNC-
24 TIONS.—Upon the effective date of this Act there shall be
25 transferred to and vested in the Administrator of the En-

1 vironmental Protection Agency all stream monitoring
2 functions of the United States Geological Survey, (to-
3 gether with all other water resources and water quality
4 investigation functions of the Survey).

5 (c) TERMINATION OF OTHER FUNCTIONS, POSI-
6 TIONS, AND OFFICES.—Upon the effective date of this sec-
7 tion, the United States Geological Survey shall be termi-
8 nated and all functions of the Survey not transferred
9 under this section shall be terminated. As promptly as pos-
10 sible after the effective date of this Act the Administrator
11 of the General Services Administration shall dispose of all
12 facilities and property of the Survey (including all research
13 facilities and equipment owned by the Survey and used
14 for purposes of basic research, such as the seismic network
15 and volcano observatories) in accordance with the Federal
16 Property and Administrative Services Act and other appli-
17 cable provisions of law. Each position and office within
18 the United States Geological Survey which was performing
19 a function terminated by this subsection shall terminate.

20 (d) ADMINISTRATIVE PROVISIONS.—

21 (1) AUTHORITIES TRANSFERRED.—To the ex-
22 tent necessary or appropriate to perform any func-
23 tion transferred by this section, the head of the
24 agency or instrumentality to which such function is
25 transferred may exercise, in carrying out the func-

1 tion so transferred, any authority or part thereof
2 available by law, including appropriation Acts, to the
3 United States Geological Survey or any official
4 thereof.

5 (2) TRANSFER AND ALLOCATIONS OF APPRO-
6 PRIATIONS AND PERSONNEL.—(A) Except as other-
7 wise provided in this section, the personnel employed
8 in connection with, and the assets, liabilities, con-
9 tracts, property, records, and unexpended balance of
10 appropriations authorizations, allocations, and other
11 funds employed, held, used, arising from, available
12 to or to be made available in connection with the
13 functions transferred by this section, are hereby
14 transferred to the National Science Foundation (in
15 the case of functions referred to in subsection (a))
16 or to the Administrator of the Environmental Pro-
17 tection Agency (in the case of functions referred to
18 in subsection (b)) for appropriate allocation. Unex-
19 pended funds transferred pursuant to this subsection
20 shall only be used for the purposes for which the
21 funds were originally authorized and appropriated.

22 (3) EFFECT ON PERSONNEL.—(A) Except as
23 otherwise provided in this section, the transfer pur-
24 suant to this section of full-time personnel (except
25 special Government employees) and part-time per-

1 sonnel holding permanent positions pursuant to this
2 section shall not cause any such employee to be sep-
3 arated or reduced in grade or compensation for one
4 year after the date of enactment of this Act.

5 (B) Any person who, on the effective date of
6 this section, held a position compensated in accord-
7 ance with the Executive Schedule prescribed in chap-
8 ter 53 of title 5, United States Code, and who, with-
9 out a break in service, is appointed in National
10 Science Foundation or the Environmental Protection
11 Agency to a position having duties comparable to
12 those performed immediately preceding his appoint-
13 ment shall continue to be compensated in his new
14 position at not less than the rate provided for his
15 previous position, for the duration of his service in
16 the new position.

17 (e) INCIDENTAL TRANSFERS.—The Director of the
18 Office of Management and Budget, in consultation with
19 the Secretary of the Interior, is authorized and directed
20 to make such determinations as may be necessary with
21 regard to the transfer of functions which relate to or are
22 utilized by the United States geological Survey, to make
23 such additional incidental dispositions of personnel, assets,
24 liabilities, contracts, property, records, and unexpended
25 balances of appropriations, authorizations, allocations,

1 and other funds held, used, arising from, available to or
2 to be made available in connection with the functions
3 transferred by this section, as he may deem necessary to
4 accomplish the purposes of this section.

5 (f) SAVINGS PROVISIONS.—(1) All orders, determina-
6 tions, rules, regulations, permits, contracts, certificates, li-
7 censes, and privileges—

8 (A) which have been issued, made, granted, or
9 allowed to become effective in the performance of
10 functions which are transferred under this section,
11 and

12 (B) which are in effect at the time this section
13 takes effect,

14 shall continue in effect according to their terms until
15 modified, terminated, superseded, set aside, or revoked in
16 accordance with law by the President, the Secretary of the
17 Interior, the National Science Foundation, the Adminis-
18 trator of the Environmental Protection Agency, or other
19 authorized officials, a court of competent jurisdiction, or
20 by operation of law.

21 (2) Except as provided in paragraph (4)—

22 (A) the provisions of this section shall not af-
23 fect suits commenced prior to the date this section
24 takes effect, and

1 (B) in all such suits, proceedings shall be had,
2 appeals taken, and judgments rendered in the same
3 manner and effect as if this section had not been en-
4 acted.

5 (3) No suit, action, or other proceeding commenced
6 by or against any officer in his official capacity as an offi-
7 cer of the United States Geological Survey shall abate by
8 reason of the enactment of this section. No cause of action
9 by or against the United States Geological Survey or by
10 or against any officer thereof in his official capacity shall
11 abate by reason of the enactment of this section.

12 (4) If, before the date on which this section takes ef-
13 fect, the United States Geological Survey or officer thereof
14 in his official capacity is a party to a suit, and under this
15 section, any function of the Survey or of such officer is
16 transferred to the National Science Foundation or the Ad-
17 ministrator of the Environmental Protection Agency, then
18 such suit shall be continued with the National Science
19 Foundation or the Administrator, as the case may be, sub-
20 stituted.

21 (g) REFERENCES.—With respect to any functions
22 transferred by this section, any reference in any other
23 Federal law to the United States Geological Survey or any
24 officer or office the functions of which are so transferred
25 shall be deemed to refer to the National Science Founda-

1 tion or the Administrator of the Environmental Protection
2 Agency or the officer or office thereof in which this section
3 vests such functions.

4 **SEC. 5205. DOWNSIZING OF MINERALS MANAGEMENT SERV-**
5 **ICE.**

6 Upon the enactment of this Act, the functions of the
7 Outer Continental Shelf Regional Offices of the Minerals
8 Management Service serving Alaska, the Pacific Coast and
9 the Atlantic regions shall be transferred to such officer
10 within the Department of the Interior as may be des-
11 ignated by the Secretary of the Interior and the Secretary
12 shall take such actions as may be necessary to terminate
13 those regional offices.

14 **SEC. 5206. DOWNSIZING OF BUREAU OF RECLAMATION**

15 Notwithstanding any other provision of law, amounts
16 appropriated for the fiscal year 1996 and for each of the
17 4 following fiscal years (not including spending authority
18 from offsetting collections) for the construction program
19 of the Bureau of Reclamation shall not exceed
20 \$249,573,000. Notwithstanding any other provision of
21 law, amounts appropriated for the fiscal year 1996 and
22 for each of the 4 following fiscal years (not including
23 spending authority from offsetting collections) for the op-
24 eration and maintenance of reclamation projects or parts

1 thereof and other facilities of the Bureau of Reclamation
2 shall not exceed \$282,898,000.

3 **SEC. 5207. CONSOLIDATION OF BUREAU OF INDIAN AF-**
4 **FAIRS.**

5 Not later than one year after the date of the enact-
6 ment of this Act, the Secretary of the Interior shall con-
7 solidate the area service offices of the Bureau of Indian
8 Affairs into six offices, of which four shall be regional serv-
9 ice centers and two shall be special service offices. In car-
10 rying out this section, the Secretary shall consult with the
11 Task Force on Bureau of Indian Affairs Reorganization,
12 as provided in the Department of the Interior and Related
13 Agencies Appropriations Act, 1994 (Public Law 103-
14 138).

15 **SEC. 5208. ABOLITION OF OFFICE OF TERRITORIAL AND**
16 **INTERNATIONAL AFFAIRS.**

17 (a) IN GENERAL.—The Office of Territorial and
18 International Affairs of the Department of the Interior,
19 established pursuant to the Order of the Secretary of the
20 Interior 3046, of February 14, 1980, as amended, is here-
21 by abolished.

22 (b) TRANSFER OF RESPONSIBILITIES.—All respon-
23 sibilities of the Office of Territorial and International Af-
24 fairs relating to the administration or termination of the
25 Trust Territory of the Pacific Islands, to the implementa-

1 tion of the Compact of Free Association between the Gov-
2 ernment of the United States of America and the Govern-
3 ment of Palau (48 U.S.C. 1681 note), or to the implemen-
4 tation of the Compact of Free Association between the
5 Government of the United States of America and the Gov-
6 ernments of the Marshall Islands and the Federated
7 States of Micronesia (48 U.S.C. 1681 note), are hereby
8 transferred to the Office of East Asian and Pacific Affairs
9 of the Department of State. All responsibilities of the Of-
10 fice of Territorial and International Affairs relating to
11 technical operations, or management assistance and not
12 described in the preceding sentence are hereby transferred
13 to the Department of Commerce.

14 (c) ELIMINATION OF POSITION OF ASSISTANT SEC-
15 RETARY.—

16 (1) IN GENERAL.—The position of Assistant
17 Secretary for Territorial and International Affairs at
18 the Department of the Interior is hereby eliminated.

19 (2) CONFORMING AMENDMENT.—Section 5315
20 of title 5, United States Code, is amended by strik-
21 ing “Assistant Secretaries of the Interior (6).” and
22 inserting “Assistant Secretaries of the Interior (5).”.

23 (d) EFFECTIVE DATE.—This subsection shall take
24 effect on October 1, 1995.

1 **SEC. 5209. ABOLITION OF NATIONAL BIOLOGICAL SURVEY.**

2 (a) IN GENERAL.—The National Biological Survey is
3 hereby abolished.

4 (b) PROHIBITION OF APPROPRIATIONS.—No funds
5 are authorized to be appropriated for the National Biologi-
6 cal Survey.

7 **SEC. 5210. HARDROCK MINING ROYALTIES.**

8 (a) DEFINITIONS.—As used in this section:

9 (1) The term “locatable mineral” means any
10 mineral not subject to disposition under any of the
11 following:

12 (A) The Mineral Leasing Act (30 U.S.C.
13 181 and following).

14 (B) The Geothermal Steam Act of 1970
15 (30 U.S.C. 100 and following).

16 (C) The Act of July 31, 1947, commonly
17 known as the Materials Act of 1947 (30 U.S.C.
18 601 and following).

19 (D) The Mineral Leasing for Acquired
20 Lands Act (30 U.S.C. 351 and following).

21 (2) The term “mineral activities” means any
22 activity for, related to or incidental to mineral explo-
23 ration, mining, beneficiation and processing activi-
24 ties for any locatable mineral, including access.
25 When used with respect to this term:

1 (A) The term “exploration” means those
2 techniques employed to locate the presence of a
3 locatable mineral deposit and to establish its
4 nature, position, size, shape, grade and value.

5 (B) The term “mining” means the proc-
6 esses employed for the extraction of a locatable
7 mineral from the earth.

8 (C) The term “beneficiation” means the
9 crushing and grinding of locatable mineral ore
10 and such processes are employed to free the
11 mineral from other constituents, including but
12 not necessarily limited to, physical and chemical
13 separation techniques.

14 (D) The term “processing” means proc-
15 esses downstream of beneficiation employed to
16 prepare locatable mineral ore into the final
17 marketable product, including but not limited
18 to, smelting and electrolytic refining.

19 (3) The term “mining claim” means a claim for
20 the purposes of mineral activities.

21 (4) The term “Secretary” means, unless other-
22 wise provided in this section, the Secretary of the
23 Interior acting through the Director of the Minerals
24 Management Service.

1 (b) RESERVATION OF ROYALTY.—Production of all
2 locatable minerals from any mining claim located under
3 the general mining laws, or mineral concentrates or prod-
4 ucts derived from locatable minerals from any mining
5 claim located under the general mining laws, as the case
6 may be, shall be subject to a royalty of 8 percent of the
7 gross income from such production. The claimholder and
8 any operator to whom the claimholder has assigned the
9 obligation to make royalty payments under the claim and
10 any person who controls such claimholder or operator shall
11 be jointly and severally liable for payment of such royal-
12 ties.

13 (c) DUTIES OF CLAIM HOLDERS, OPERATORS, AND
14 TRANSPORTERS.—(1) A person—

15 (A) who is required to make any royalty pay-
16 ment under this section shall make such payments
17 to the United States at such times and in such man-
18 ner as the Secretary may by rule prescribe; and

19 (B) shall notify the Secretary, in the time and
20 manner as may be specified by the Secretary, of any
21 assignment that such person may have made of the
22 obligation to make any royalty or other payment
23 under a mining claim.

24 (2) Any person paying royalties under this section
25 shall file a written instrument, together with the first roy-

1 alty payment, affirming that such person is liable to the
2 Secretary for making proper payments for all amounts due
3 for all time periods for which such person as a payment
4 responsibility. Such liability for the period referred to in
5 the preceding sentence shall include any and all additional
6 amounts billed by the Secretary and determined to be due
7 by final agency or judicial action. Any person liable for
8 royalty payments under this section who assigns any pay-
9 ment obligation shall remain jointly and severally liable
10 for all royalty payments due for the claim for the period.

11 (3) A person conducting mineral activities shall—

12 (A) develop and comply with the site security
13 provisions in operations permit designed to protect
14 from theft the locatable minerals, concentrates or
15 products derived therefrom which are produced or
16 stored on a mining claim, and such provisions shall
17 conform with such minimum standards as the Sec-
18 retary may prescribe by rule, taking into account the
19 variety of circumstances on mining claims; and

20 (B) not later than the 5th business day after
21 production begins anywhere on a mining claim, or
22 production resumes after more than 90 days after
23 production was suspended, notify the Secretary, in
24 the manner prescribed by the Secretary, of the date
25 on which such production has begun or resumed.

1 (4) The Secretary may by rule require any person en-
2 gaged in transporting a locatable mineral, concentrate, or
3 product derived therefrom to carry on his or her person,
4 in his or her vehicle, or in his or her immediate control,
5 documentation showing, at a minimum, the amount, ori-
6 gin, and intended destination of the locatable mineral, con-
7 centrate, or product derived therefrom in such cir-
8 cumstances as the Secretary determines is appropriate.

9 (d) RECORDKEEPING AND REPORTING REQUIRE-
10 MENTS.—(1) A claim holder, operator, or other person di-
11 rectly involved in developing, producing, processing, trans-
12 porting, purchasing, or selling locatable minerals, con-
13 centrates, or products derived therefrom, subject to this
14 Act, through the point of royalty computation shall estab-
15 lish and maintain any records, make any reports, and pro-
16 vide any information that the Secretary may reasonably
17 require for the purposes of implementing this section or
18 determining compliance with rules or orders under this
19 section. Such records shall include, but not be limited to,
20 periodic reports, records, documents, and other data. Such
21 reports may also include, but not be limited to, pertinent
22 technical and financial data relating to the quantity, qual-
23 ity, composition volume, weight, and assay of all minerals
24 extracted from the mining claim. Upon the request of any
25 officer or employee duly designated by the Secretary or

1 any State conducting an audit or investigation pursuant
2 to this section, the appropriate records, reports, or infor-
3 mation which may be required by this section shall be
4 made available for inspection and duplication by such offi-
5 cer or employee or State.

6 (2) Records required by the Secretary under this sec-
7 tion shall be maintained for 6 years after cessation of all
8 mining activity at the claim concerned unless the Sec-
9 retary notifies the operator that he or she has initiated
10 an audit or investigation involving such records and that
11 such records must be maintained for a longer period. In
12 any case when an audit or investigation is underway,
13 records shall be maintained until the Secretary releases
14 the operator of the obligation to maintain such records.

15 (e) AUDITS.—The Secretary is authorized to conduct
16 such audits of all claim holders, operators, transporters,
17 purchasers, processors, or other persons directly or indi-
18 rectly involved in the production or sales of minerals cov-
19 ered by this section, as the Secretary deems necessary for
20 the purposes of ensuring compliance with the require-
21 ments of this section. For purposes of performing such
22 audits, the Secretary shall, at reasonable times and upon
23 request, have access to, and may copy, all books, papers
24 and other documents that relate to compliance with any
25 provision of this section by any person.

1 (f) COOPERATIVE AGREEMENTS.—(1) The Secretary
2 is authorized to enter into cooperative agreements with the
3 Secretary of Agriculture to share information concerning
4 the royalty management of locatable minerals, con-
5 centrates, or products derived therefrom, to carry out in-
6 spection, auditing, investigation, or enforcement (not in-
7 cluding the collection of royalties, civil or criminal pen-
8 alties, or other payments) activities under this section in
9 cooperation with the Secretary, and to carry out any other
10 activity described in this section.

11 (2) Except as provided in paragraph (4)(A) of this
12 subsection (relating to trade secrets), and pursuant to a
13 cooperative agreement, the Secretary of Agriculture shall,
14 upon request, have access to all royalty accounting infor-
15 mation in the possession of the Secretary respecting the
16 production, removal, or sale of locatable minerals, con-
17 centrates, or products derived therefrom from claims on
18 lands open to location under the general mining laws.

19 (3) Trade secrets, proprietary, and other confidential
20 information shall be made available by the Secretary pur-
21 suant to a cooperative agreement under this subsection to
22 the Secretary of Agriculture upon request only if—

23 (A) the Secretary of Agriculture consents in
24 writing to restrict the dissemination of the informa-
25 tion to those who are directly involved in an audit

1 or investigation under this section and who have a
2 need to know;

3 (B) the Secretary of Agriculture accepts liabil-
4 ity for wrongful disclosure; and

5 (C) the Secretary of Agriculture demonstrates
6 that such information is essential to the conduct of
7 an audit or investigation under this subsection.

8 (g) INTEREST AND SUBSTANTIAL UNDERREPORTING
9 ASSESSMENTS.—(1) In the case of mining claims where
10 royalty payments are not received by the Secretary on the
11 date that such payments are due, the Secretary shall
12 charge interest on such under payments at the same inter-
13 est rate as is applicable under section 6621(a)(2) of the
14 Internal Revenue Code of 1986. In the case of an
15 underpayment, interest shall be computed and charged
16 only on the amount of the deficiency and not on the total
17 amount.

18 (2) If there is any underreporting of royalty owed on
19 production from a claim for any production month by any
20 person liable for royalty payments under this section, the
21 Secretary may assess a penalty of 10 percent of the
22 amount of that underreporting.

23 (3) If there is a substantial underreporting of royalty
24 owed on production from a claim for any production
25 month by any person responsible for paying the royalty,

1 the Secretary may assess a penalty of 10 percent of the
2 amount of that underreporting.

3 (4) For the purposes of this subsection, the term
4 “substantial underreporting” means the difference be-
5 tween the royalty on the value of the production which
6 should have been reported and the royalty on the value
7 of the production which was reported, if the value which
8 should have been reported is greater than the value which
9 was reported. An underreporting constitutes a “substan-
10 tial underreporting” if such difference exceeds 10 percent
11 of the royalty on the value of production which should
12 have been reported.

13 (5) The Secretary shall not impose the assessment
14 provided in paragraphs (2) or (3) of this subsection if the
15 person liable for royalty payments under this section cor-
16 rects the underreporting before the date such person re-
17 ceives notice from the Secretary that an underreporting
18 may have occurred, or before 90 days after the date of
19 the enactment of this section, whichever is later.

20 (6) The Secretary shall waive any portion of an as-
21 sessment under paragraph (2) or (3) of this subsection
22 attributable to that portion of the underreporting for
23 which the person responsible for paying the royalty dem-
24 onstrates that—

1 (A) such person had written authorization from
2 the Secretary to report royalty on the value of the
3 production on basis on which it was reported,

4 (B) such person had substantial authority for
5 reporting royalty on the value of the production on
6 the basis on which it was reported,

7 (C) such person previously had notified the Sec-
8 retary, in such manner as the Secretary may by rule
9 prescribe, of relevant reasons or facts affecting the
10 royalty treatment of specific production which led to
11 the underreporting, or

12 (D) such person meets any other exception
13 which the Secretary may, by rule, establish.

14 (7) All penalties collected under this subsection shall
15 be deposited in the Treasury.

16 (h) EFFECTIVE DATE.—The royalty under this sec-
17 tion shall take effect with respect to the production of
18 locatable minerals after the enactment of this Act, but any
19 royalty payments attributable to production during the
20 first 12 calendar months after the enactment of this Act
21 shall be payable at the expiration of such 12-month period.

1 **Subtitle D—Administrative Reform**

2 **SEC. 5301. REDUCTION IN OVERHEAD EXPENSES OF ENVI-** 3 **RONMENTAL PROTECTION AGENCY.**

4 (a) IN GENERAL.—The amount obligated by the En-
5 vironmental Protection Agency during fiscal year 1996 for
6 overhead expenses shall not exceed an amount sufficient
7 to reduce outlays for such expenses during such fiscal year
8 (as compared to such outlays during fiscal year 1995) by
9 \$151,000,000.

10 (b) OVERHEAD EXPENSES.—For purposes of this
11 section, the term “overhead expenses” means expenses
12 within the following object classifications established by
13 the Director of the Office of Management and Budget:

- 14 (1) 21.0 (travel and transportation of persons).
- 15 (2) 22.0 (transportation of things).
- 16 (3) 23.1 (rental payments to GSA).
- 17 (4) 23.3 (communications, utilities, and mis-
18 cellaneous charges).
- 19 (5) 24.0 (printing and reproduction).
- 20 (6) 25.1 (consulting services).
- 21 (7) 25.2 (other services).
- 22 (8) 25.5 (research and development contracts).
- 23 (9) 26.0 (supplies and materials).
- 24 (10) 31 (equipment).

1 **Subtitle E—National Marine**
2 **Program Reforms**

3 **SEC. 5401. TERMINATION OF NATIONAL COASTAL ZONE**
4 **MANAGEMENT GRANTS AND NATIONAL SEA**
5 **GRANT COLLEGE PROGRAM GRANTS.**

6 (a) TERMINATION OF GRANT AUTHORITY.—Notwith-
7 standing any other provision of law, no grant may be made
8 under—

9 (1) the Coastal Zone Management Act of 1972
10 (16 U.S.C. 1451 et seq.); or

11 (2) the National Sea Grant College Program
12 Act (33 U.S.C. 1121 et seq.).

13 (b) EXISTING GRANT AGREEMENTS NOT AF-
14 FECTED.—This section shall not affect any grant agree-
15 ment in effect before the date of the enactment of this
16 Act.

17 **SEC. 5402. DISPOSAL OF NATIONAL OCEANIC AND ATMOS-**
18 **PHERIC ADMINISTRATION FLEET.**

19 (a) DISPOSAL OF NOAA FLEET.—The Secretary of
20 Commerce—

21 (1) shall expeditiously dispose of all ownership
22 interest of the United States in all vessels in the Na-
23 tional Oceanic and Atmospheric Administration
24 fleet;

1 (2) may not acquire any ownership interest in
2 any vessel for use by the National Oceanic and
3 Atmospheric Administration;

4 (3) may obtain vessels for use by the National
5 Oceanic and Atmospheric Administration only by
6 charter of privately-owned vessels; and

7 (4) may obtain vessel operation services for the
8 National Oceanic and Atmospheric Administration
9 only under contracts with private-sector sources.

10 (b) EXISTING CONTRACTS NOT AFFECTED.—This
11 section shall not affect any contract in effect before the
12 date of the enactment of this Act.

13 **SEC. 5403. RESCISSION OF FUNDS AVAILABLE FOR NA-**
14 **TIONAL OCEANIC AND ATMOSPHERIC ADMIN-**
15 **ISTRATION PROCUREMENT AND MODERNIZA-**
16 **TION.**

17 Of the funds made available in appropriations Acts
18 for fiscal year 1995 for procurement and modernization
19 for the National Oceanic and Atmospheric Administration,
20 there are rescinded so much as exceed the amount avail-
21 able for those purposes for fiscal year 1994.

1 **SEC. 5404. RESCISSION OF FUNDS AVAILABLE FOR NA-**
2 **TIONAL OCEANIC AND ATMOSPHERIC ADMIN-**
3 **ISTRATION CONSTRUCTION.**

4 Of the funds made available in appropriations Acts
5 for fiscal year 1995 for construction for the National Oce-
6 anic and Atmospheric Administration, there are rescinded
7 so much as exceed the amount available for that purpose
8 for fiscal year 1994.

9 **Subtitle F—Corps of Engineers**
10 **Reform**

11 **SEC. 5501. REORGANIZATION OF CORPS OF ENGINEERS.**

12 The Secretary of the Army shall reorganize the Corps
13 of Engineers by reorganizing the headquarters offices, re-
14 ducing the number of division offices from 11 to not more
15 than 6, and restructuring the district functions so as to
16 increase the efficiency of the Corps of Engineers and re-
17 duce staff and costs, to achieve at least \$50,000,000 in
18 net annual savings by fiscal year 1998.

19 **SEC. 5502. OBLIGATION LIMITATION FOR CORPS OF ENGI-**
20 **NEERS CONSTRUCTION.**

21 The total of obligations incurred in fiscal year 1996
22 for expenses of the Corps of Engineers described under
23 the heading “Construction, General” in title I of the En-
24 ergy and Water Development Appropriations Act, 1995
25 (Public Law 103–316; 108 Stat. 1709–1710) may not ex-
26 ceed \$959,000,000.

1 **SEC. 5503. OBLIGATION LIMITATION FOR CORPS OF ENGI-**
2 **NEERS OPERATION AND MAINTENANCE.**

3 The total of obligations incurred in fiscal year 1996
4 for expenses of the Corps of Engineers described under
5 the heading "Operations and Maintenance, General" in
6 title I of the Energy and Water Development Appropria-
7 tions Act, 1995 (Public Law 103-316; 108 Stat. 1709-
8 1710) may not exceed \$1,611,600,000.

9 **SEC. 5504. OBLIGATION LIMITATION FOR CORPS OF ENGI-**
10 **NEERS GENERAL INVESTIGATIONS.**

11 The total of obligations incurred in fiscal year 1996
12 for expenses of the Corps of Engineers described under
13 the heading "General Investigations" in title I of the En-
14 ergy and Water Development Appropriations Act, 1995
15 (Public Law 103-316; 108 Stat. 1707) may not exceed
16 \$148,000,000.

17 **TITLE VI—AGRICULTURE**
18 **Subtitle A—Agriculture Research**
19 **and Extension**

20 **SEC. 6001. CONSOLIDATION OF AGRICULTURAL RESEARCH**
21 **SERVICE, COOPERATIVE STATE RESEARCH**
22 **SERVICE, AND EXTENSION SERVICE.**

23 (a) CONSOLIDATION REQUIRED.—The Secretary of
24 Agriculture shall consolidate the agricultural research
25 agencies of the Department of Agriculture specified in
26 subsection (b) for the purpose of reducing the number of

1 personnel in these agencies and eliminating duplicative
2 overhead expenses in these agencies. In accomplishing this
3 consolidation, the Secretary shall pursue the objective of
4 reducing the annual administrative expenses of the con-
5 solidated agricultural research agency by an amount equal
6 to at least 50 percent of the administrative expenses of
7 these agencies in fiscal year 1995.

8 (b) AGENCIES SUBJECT TO CONSOLIDATION.—Sub-
9 section (a) shall apply with respect to the Agricultural Re-
10 search Service, the Cooperative State Research Service,
11 and the Extension Service of the Department of Agri-
12 culture (including personnel and field, regional, and na-
13 tional offices of these agencies).

14 **SEC. 6002. TERMINATION OF COOPERATIVE AGRICUL-**
15 **TURAL EXTENSION WORK IN DISTRICT OF**
16 **COLUMBIA.**

17 (a) EXTENSION WORK TERMINATION.—Section 208
18 of the District of Columbia Public Postsecondary Edu-
19 cation Reorganization Act (Public Law 93-471; 88 Stat.
20 1428; Sec. 31-1518, D.C. Code) is amended by striking
21 subsections (c) and (d) relating to the authorization of ap-
22 propriations of funds for the provision of cooperative agri-
23 cultural extension work in District of Columbia.

24 (b) CONFORMING AMENDMENT.—Section 3 of the
25 Act of May 8, 1914 (commonly known as the Smith-Lever

1 Act; 7 U.S.C. 343), is amended by adding at the end the
2 following new subsection:

3 “(g) The District of Columbia shall not be eligible
4 to receive any sums appropriated under this section.”.

5 **SEC. 6003. RURAL TECHNOLOGY GRANTS.**

6 Section 310B of the Consolidated Farm and Rural
7 Development Act (7 U.S.C. 1932) is amended by striking
8 subsections (f), (g), and (h) relating to the provision of
9 grants to nonprofit institutions for the purpose of enabling
10 such institutions to establish and operate centers for rural
11 technology or cooperative development.

12 **SEC. 6004. CAP ON AUTHORIZATION OF APPROPRIATIONS**
13 **FOR AGRICULTURAL TELECOMMUNICATIONS**
14 **PROGRAM.**

15 Section 1673(h) of the Food, Agriculture, Conserva-
16 tion, and Trade Act of 1990 (7 U.S.C. 5926) is amended
17 by striking “\$12,000,000” and inserting “\$1,037,850”.

18 **SEC. 6005. CAP ON AUTHORIZATION OF APPROPRIATIONS**
19 **FOR RENEWABLE RESOURCES EXTENSION**
20 **PROGRAM.**

21 Section 6 of the Renewable Resources Extension Act
22 of 1978 (16 U.S.C. 1675) is amended by striking the first
23 sentence and inserting the following: “There are author-
24 ized to be appropriated to implement this Act \$2,839,850
25 for each of the fiscal years 1996 through 2000.”.

1 **Subtitle B—Agricultural Trade**

2 **SEC. 6101. REDUCTION OF SPENDING FOR EXPORT MAR-**
3 **KETING AND INTERNATIONAL ACTIVITIES.**

4 Notwithstanding any other provision of law, the co-
5 operator market development program of the Foreign Ag-
6 ricultural Service shall be discontinued. The Secretary of
7 Agriculture may provide for the orderly phase out of this
8 program.

9 **SEC. 6102. ELIMINATION OF EXPORT ENHANCEMENT PRO-**
10 **GRAM.**

11 (a) REPEAL.—Title III of the Agricultural Trade Act
12 of 1978 (7 U.S.C. 5651 et seq.) is repealed.

13 (b) EFFECT OF REPEAL ON EXISTING AGREE-
14 MENTS.—The repeal by subsection (a) of the export en-
15 hancement program under title III of the Agricultural
16 Trade Act of 1978 shall not affect the validity or contin-
17 ued operation of an agreement entered into before the date
18 of the enactment of this Act under such title.

19 **SEC. 6103. REDUCTION OF LOAN GUARANTEE PROGRAM.**

20 Subparagraph (A) of section 211(b)(1) of The Agri-
21 cultural Trade Act of 1978 (7 U.S.C. 5641(b)(1)) is
22 amended to read as follows:

23 “(A) MAXIMUM AMOUNTS.—The Com-
24 modity Credit Corporation shall make
25 available for each of the fiscal years 1994

1 through 1995 not more than
2 \$3,600,000,000 in credit guarantees under
3 section 202(a).”.

4 **SEC. 6104. ELIMINATION OF MARKET PROMOTION PRO-**
5 **GRAM.**

6 (a) REPEAL.—Section 203 of the Agricultural Trade
7 Act of 1978 (7 U.S.C. 5623) is repealed.

8 (b) CONFORMING AMENDMENTS.—The Agricultural
9 Trade Act of 1978 is amended—

10 (1) in section 211 (7 U.S.C. 5641), by striking
11 subsection (c); and

12 (2) in section 402(a)(1) (7 U.S.C. 5662(a)(1)),
13 by striking “203,”.

14 (c) EFFECT OF REPEAL ON EXISTING AGREE-
15 MENTS.—The repeal by subsection (a) of the market pro-
16 motion program established pursuant to section 203 of the
17 Agricultural Trade Act of 1978 shall not affect the validity
18 or continued operation of an agreement entered into be-
19 fore the date of the enactment of this Act to provide as-
20 sistance under such section.

1 **Subtitle C—Department of**
2 **Agriculture Overhead Reduction**

3 **SEC. 6201. REDUCTION IN OVERHEAD EXPENSES OF DE-**
4 **PARTMENT OF AGRICULTURE.**

5 (a) IN GENERAL.—The amount obligated by the De-
6 partment of Agriculture during fiscal year 1996 for over-
7 head expenses shall not exceed an amount sufficient to re-
8 duce outlays for such expenses during such fiscal year (as
9 compared to such outlays during fiscal year 1995) by
10 \$400,000,000.

11 (b) OVERHEAD EXPENSES.—For purposes of this
12 section, the term “overhead expenses” means expenses
13 within the following object classifications established by
14 the Director of the Office of Management and Budget:

- 15 (1) 21.0 (travel and transportation of persons).
16 (2) 22.0 (transportation of things).
17 (3) 23.1 (rental payments to GSA).
18 (4) 23.3 (communications, utilities, and mis-
19 cellaneous charges).
20 (5) 24.0 (printing and reproduction).
21 (6) 25.1 (consulting services).
22 (7) 25.2 (other services).
23 (8) 25.5 (research and development contracts).
24 (9) 26.0 (supplies and materials).
25 (10) 31 (equipment).

1 **Subtitle D—Loan Reform**

2 **SEC. 6301. TERMINATION OF GRANT PROGRAM TO ASSIST**
3 **STATE MEDIATION PROGRAMS.**

4 (a) **TERMINATION.**—Subtitle A of title V of the Agri-
5 cultural Credit Act of 1987 (7 U.S.C. 5101–5106) relating
6 to matching grants for State mediation programs is re-
7 pealed.

8 (b) **EFFECT OF TERMINATION.**—The amendment
9 made by subsection (a) shall not affect any grant made
10 under section 502 of the Agricultural Credit Act of 1987
11 (7 U.S.C. 5102) before the date of the enactment of this
12 Act, or any conditions or requirements in connection with
13 the use of such a grant imposed before such date.

14 (c) **CONFORMING AMENDMENT.**—The table of con-
15 tents in section 1(b) of the Agricultural Credit Act of 1987
16 (Public Law 100–233; 101 Stat. 1568) is amended by
17 striking the items related to subtitle A of title V of such
18 Act.

1 **Subtitle F—Crop Commodity**
2 **Reform**

3 **SEC. 6401. ELIMINATION OF PRICE SUPPORT PROGRAMS**
4 **FOR AGRICULTURAL COMMODITIES AND RE-**
5 **LATED MARKETING QUOTAS.**

6 (a) ELIMINATION OF PRICE SUPPORT PROGRAMS.—

7 (1) Except as provided in paragraph (2), the Agricultural
8 Act of 1949 (7 U.S.C. 1421 et seq.) is repealed.

9 (2) Paragraph (1) shall not apply to the following
10 sections of the Agricultural Act of 1949:

11 (A) The first section (7 U.S.C. 1421 note), con-
12 taining the short title of the Act.

13 (B) Section 204 (7 U.S.C. 1446e), relating to
14 the milk price support program.

15 (C) Section 404 (7 U.S.C. 1424), relating to
16 utilization of services and facilities of Commodity
17 Credit Corporation.

18 (D) Section 405 (7 U.S.C. 1425), relating to
19 personal liability of producers for deficiencies.

20 (E) Section 407 (7 U.S.C. 1427), relating to
21 Commodity Credit Corporation sales price restric-
22 tions.

23 (F) Section 407A (7 U.S.C. 1427–1), relating
24 to quality requirements for Commodity Credit Cor-
25 poration owned grain.

1 (G) Section 412 (7 U.S.C. 1429), relating to
2 determinations by the Secretary of Agriculture.

3 (H) Section 421 (7 U.S.C. 1431), relating to
4 penalties for misuse of feed intended to relieve dis-
5 tress or preserve foundation herds.

6 (I) Section 422 (7 U.S.C. 1431a), relating to
7 forgiveness of violations.

8 (J) Title VI (7 U.S.C. 1471–1471j), relating to
9 emergency livestock feed assistance.

10 (b) ELIMINATION OF MARKETING QUOTAS.—(1) Ex-
11 cept as provided in paragraph (2), title III of the Agricul-
12 tural Adjustment Act of 1938 (7 U.S.C. 1301 et seq.) is
13 repealed.

14 (2) Paragraph (1) shall not apply to subtitle F of
15 such title relating to miscellaneous provisions and author-
16 ization of appropriations.

17 (c) CONFORMING AMENDMENTS REGARDING OTHER
18 COMMODITIES.—(1) Subtitle E of title XI of the Food,
19 Agriculture, Conservation, and Trade Act of 1990 (Public
20 Law 101–624; 7 U.S.C. 1421 note), relating to an options
21 pilot program, is repealed.

22 (2) Section 403 of the Food Security Act of 1985
23 (7 U.S.C. 1444e–1), relating to price support for corn si-
24 lage, is repealed.

1 (d) SAVINGS PROVISION.—A repeal made by this sec-
2 tion shall not affect the liability of any person under any
3 provision of law as in effect before the date of the enact-
4 ment of this Act.

5 **SEC. 6402. ELIMINATING FEDERAL SUPPORT FOR HONEY.**

6 (a) IN GENERAL.—Subsection (a) of section 207 of
7 the Agricultural Act of 1949 (7 U.S.C. 1446h) is amended
8 to read as follows:

9 “(a) PRICE SUPPORT.—

10 “(1) IN GENERAL.—For each of the 1991
11 through 1995 crops of honey, the price of honey
12 shall be supported through loans, purchases, or
13 other operations, except that for the 1995 crops, the
14 price of honey shall be supported through recourse
15 loans.

16 “(2) RATE OF SUPPORT FOR CROP YEARS BE-
17 FORE 1994.—For the 1991 through 1993 crop years,
18 the rate of support shall be not less than 53.8 cents
19 per pound.

20 “(3) RATE OF SUPPORT FOR CROP YEARS
21 AFTER 1994.—For the 1995 crop year, the Secretary
22 shall provide recourse loans to producers at such a
23 rate that minimizes costs and forfeitures, except that
24 such rate shall not be less than 44 cents a pound.

25 Section 407 of this Act shall not apply to honey for-

1 feited to the Commodity Credit Corporation under
2 loans made under this paragraph.

3 “(4) EFFECT OF FAILURE TO REPAY.—A pro-
4 ducer who fails to repay a loan made under para-
5 graph (3) by the end of the crop year following the
6 crop year for which such loan was made shall be in-
7 eligible for a loan under this section for subsequent
8 crop years, except that the Secretary may waive this
9 provision in any case where in which the Secretary
10 determines that the failure to repay the loan was
11 due to hardship conditions or circumstances beyond
12 the control of the producer.”.

13 (b) MARKETING LOAN PROVISIONS.—Subsection (b)
14 of such section is amended by striking “for a crop” and
15 inserting “for the 1991 through 1993 crops”.

16 (c) LOAN DEFICIENCY PAYMENTS.—Subsection (c)
17 of such section is amended by striking “1998” and insert-
18 ing “1994”.

19 (d) PAYMENT LIMITATIONS.—Subsection (e) of such
20 section is amended—

21 (1) by striking subparagraphs (E) through (G);

22 (2) by inserting “and” after the semicolon at
23 the end of subparagraph (C); and

24 (3) by striking the semicolon at the end of sub-
25 paragraph (D) and inserting a period.

1 (e) TERMINATION.—Subsection (j) of such section is
2 amended by striking “1998” and inserting “1995”.

3 (f) CONFORMING AMENDMENTS.—(1) Section 405(a)
4 of the Agricultural Act of 1949 (7 U.S.C. 1425(a)) is
5 amended by striking in the first sentence “section 405A”
6 and inserting “sections 207 and 405A”.

7 (2) Section 405A(a) of the Agricultural Act of 1949
8 (7 U.S.C. 1425a(a)) is amended by striking “in each of
9 the 1994” and all that follows and inserting “in the 1994
10 crop year.”.

11 (g) TRANSITION.—A provision of this section shall
12 not affect the liability of any person under any provision
13 of law as in effect before the date of the enactment of
14 this Act.

15 **TITLE VII—COMMERCE AND**
16 **HOUSING CREDIT**

17 **Subtitle A—Small Business**
18 **Administration Reform**

19 **CHAPTER 1—REORGANIZATION OF SMALL**
20 **BUSINESS FUNCTIONS**

21 **SEC. 7001. TERMINATION OF SMALL BUSINESS ADMINIS-**
22 **TRATION.**

23 The Small Business Administration shall terminate
24 on December 31, 1995.

1 **SEC. 7002. ESTABLISHMENT OF OFFICE OF SMALL BUSI-**
2 **NESS ADVOCACY IN EXECUTIVE OFFICE OF**
3 **THE PRESIDENT.**

4 (a) ESTABLISHMENT.—There is established in the
5 Executive Office of the President an Office of Small Busi-
6 ness Advocacy.

7 (b) DIRECTOR.—The Office shall be headed by a Di-
8 rector who shall be appointed by the President, by and
9 with the advice and consent of the Senate, and who shall
10 be compensated at the rate provided for level IV of the
11 Executive Schedule in section 5315 of title 5, United
12 States Code.

13 (c) FUNCTIONS OF THE DIRECTOR.—The Director is
14 authorized to carry out any of the functions assigned to
15 the Chief Counsel of Advocacy of the Small Business Ad-
16 ministration under the Small Business Act, as in effect
17 on the day before the effective date of this subtitle.

18 **SEC. 7003. CONFORMING AMENDMENTS TO TITLE 5, UNITED**
19 **STATES CODE.**

20 (a) SECTION 5314.—Section 5314 of title 5, United
21 States Code, is amended by striking “Administrator of the
22 Small Business Administration.”.

23 (b) SECTION 5315.—Section 5315 of title 5, United
24 States Code, is amended—

25 (1) by striking “Deputy Administrator of the
26 Small Business Administration.”;

1 (2) by striking “Chief Counsel for Advocacy,
2 Small Business Administration.” and inserting “Di-
3 rector of the Office of Small Business Advocacy.”;
4 and

5 (3) by striking “Inspector General, Small Busi-
6 ness Administration.”.

7 (c) SECTION 5316.—Section 5316 of title 5, United
8 States Code, is amended by striking “Associate Adminis-
9 trators of the Small Business Administration (4).”.

10 **CHAPTER 2—REPEALS**

11 **SEC. 7010. REPEAL OF SMALL BUSINESS ACT AND SMALL** 12 **BUSINESS INVESTMENT ACT OF 1958.**

13 Except as otherwise provided by this subtitle, the
14 Small Business Act and the Small Business Investment
15 Act of 1958 are repealed effective September 30, 1995.

16 **SEC. 7011. CONTINUED EFFECTIVENESS OF CERTAIN FUNC-** 17 **TIONS.**

18 Notwithstanding section 7010 of this Act, the follow-
19 ing provisions of the Small Business Act shall remain in
20 effect after September 30, 1995:

21 (1) Section 3(a) (relating to the definition of
22 “small business concern”).

23 (2) Section 4(b)(2) (relating to maintenance of
24 a small business economic database).

1 (3) Section 15 (relating to the award of Federal
2 contracts to small business concerns).

3 **SEC. 7012. CONTINUED APPLICABILITY OF CERTAIN PROVI-**
4 **SIONS.**

5 Notwithstanding section 7010 of this Act, the follow-
6 ing provisions of the Small Business Act shall remain in
7 effect after September 30, 1995, insofar as such provi-
8 sions apply to the functions referred to in section 7011
9 of this Act:

10 (1) Section 5(b) (relating to general authorities
11 to carry out functions).

12 (2) Section 16 (relating to penalties for prohib-
13 ited acts).

14 **CHAPTER 3—TRANSFERS**

15 **SEC. 7020. SIZE STANDARDS FOR SMALL BUSINESS CON-**
16 **CERNS; GOVERNMENT PROCUREMENT PRO-**
17 **GRAMS.**

18 There are transferred to the Director of the Office
19 of Management of Budget all of the functions, powers, and
20 duties vested in or delegated to the Administrator of the
21 Small Business Administration under sections 3(a) and 15
22 of the Small Business Act.

1 **SEC. 7021. MAINTENANCE OF NATIONAL SMALL BUSINESS**
2 **ECONOMIC INDICES.**

3 There are transferred to the Director of the Office
4 of Small Business Advocacy all of the functions, powers,
5 and duties vested in or delegated to the Administrator of
6 the Small Business Administration under section 4(b)(2)
7 of the Small Business Act.

8 **SEC. 7022. TRANSFER OF FINANCIAL OBLIGATIONS OWNED**
9 **BY SMALL BUSINESS ADMINISTRATION.**

10 (a) TRANSFERS TO SECRETARY OF THE TREAS-
11 URY.—There are transferred to the Secretary of the
12 Treasury the loans, notes, bonds, debentures, securities,
13 and other financial obligations owned by the Small Busi-
14 ness Administration, together with all assets or other
15 rights (including security interests) incident thereto, and
16 all liabilities related thereto, and there are assigned to the
17 Secretary the functions, powers, and abilities vested in or
18 delegated to the Small Business Administration to man-
19 age, service, collect, sell, dispose of, or otherwise realize
20 proceeds on obligations owed to the Small Business Ad-
21 ministration under authority of the Small Business Act
22 and the Small Business Investment Act of 1958 (including
23 those assets purchased from the Federal Financing Bank
24 pursuant to subsection (e) of this section).

25 (b) LEGAL RIGHTS, OBLIGATIONS, RESPONSIBIL-
26 ITIES, AND LIABILITIES.—The Secretary of the Treasury

1 shall succeed to all rights and obligations of the Small
2 Business Administration with respect to any and all legal
3 rights, obligations, responsibilities, and liabilities arising
4 out of the obligations described in subsections (a) and (e)
5 of this section, including any outstanding guarantee of the
6 Small Business Administration and any of its defenses
7 against a claim under such guarantee, and shall have the
8 same legal rights, obligations, responsibilities, and liabil-
9 ities as the Small Business Administration had with re-
10 spect to such obligations, and the regulation of brokers
11 and dealers in such obligations.

12 (c) DEPOSIT OF AMOUNTS RECEIVED FROM TRANS-
13 FERRED ASSETS.—All amounts received by the Secretary
14 of the Treasury with respect to any asset transferred to
15 the Secretary pursuant to subsections (a) or (e) of this
16 section shall be deposited in the Treasury as miscellaneous
17 receipts.

18 (d) DISPOSITION OF ASSETS.—

19 (1) IN GENERAL.—The Secretary of the Treas-
20 ury is authorized to dispose of any loan, debenture,
21 or other asset acquired by the Secretary pursuant to
22 subsections (a) and (e) of this section (including ob-
23 ligations formerly guaranteed pursuant to the Small
24 Business Act or the Small Business Investment Act
25 of 1958 that will be or have been acquired by the

1 Secretary) in the way, in amounts, at prices (for
2 cash, obligations, property, or combination of cash,
3 obligations or property), and on such conditions as
4 the Secretary considers advisable and in the public
5 interest.

6 (2) LIMITATION ON APPLICABILITY OF CERTAIN
7 LAWS.—Any disposition by the Secretary of the
8 Treasury of a financial asset acquired by the Sec-
9 retary under this subsection, including a disposition
10 through sale of the Federal Government’s interest in
11 an asset or in a pool of assets, shall not be subject
12 to the provisions of the Federal Property and Ad-
13 ministrative Services Act of 1949 or the provisions
14 of any Federal or State securities law.

15 (3) PROHIBITION ON GUARANTEES.—Any dis-
16 position of an asset under this subsection shall be
17 without any guarantee of the United States or any
18 agency or instrumentality thereof.

19 (4) TRANSFER OF INFORMATION.—Notwith-
20 standing any other provision of law, including the
21 Privacy Act of 1974, the Secretary may transfer to
22 a prospective purchaser or transferee of an asset
23 under this subsection such information as may be in-
24 cident to the disposition of the asset.

1 (5) LIMITATION ON APPLICABILITY OF CERTAIN
2 FILING REQUIREMENTS.—Notwithstanding any
3 State or local law or regulation to the contrary, no
4 filing or other action shall be required in order to
5 continue the perfected status of any security interest
6 transferred to the Secretary of the Treasury which
7 was held, on the day before the effective date of this
8 Act, by the Small Business Administration or any
9 representative, transferee, or assignee thereof.

10 (6) CONTINUED APPLICABILITY OF CERTAIN
11 LAWS.—Sections 5(b) and (e), 7(c)(1) and (2), 16,
12 and 17 of the Small Business Act shall remain in ef-
13 fect with respect to the assets and guarantees trans-
14 ferred to the Secretary of the Treasury by this sub-
15 title as long as the Secretary shall retain any such
16 asset or guarantee.

17 (e) OBLIGATIONS HELD BY FEDERAL FINANCING
18 BANK.—The Secretary of the Treasury is authorized and
19 directed, subject to funds being specifically appropriated
20 for such purpose, to purchase from the Federal Financing
21 Bank all notes, bonds, debentures, or other obligations
22 held by the Federal Financing Bank that were, on the day
23 before the effective date of this subtitle, guaranteed or
24 otherwise backed by the Small Business Administration.
25 Such purchases are to be made at prices determined by

1 the Federal Financing Bank as if the obligations were
2 repurchased by the respective obligors consistent with the
3 terms of such obligations or such other agreements be-
4 tween the Small Business Administration and the Federal
5 Financing Bank as are in effect on the day before the ef-
6 fective date of this subtitle.

7 (f) REGULATORY AUTHORITIES.—There are trans-
8 ferred to the Secretary of the Treasury the regulatory au-
9 thorities with respect to small business investment compa-
10 nies and minority enterprise small business investment
11 companies conferred by the Small Business Investment
12 Act of 1958; except that such regulatory authorities shall
13 expire on—

14 (1) for each loan, debenture, or equity security
15 purchased or guaranteed by the Small Business Ad-
16 ministration, the date such loan or debenture is dis-
17 posed of by the Department of the Treasury; or

18 (2) for each small business investment company
19 or minority enterprise small business investment
20 company whose loans, debentures, or equity securi-
21 ties were purchased or guaranteed by the Small
22 Business Administration, the date on which the last
23 such loan, debenture or equity security of such com-
24 pany is disposed of by the Secretary of the Treasury.

1 **CHAPTER 4—GENERAL ADMINISTRATIVE**
2 **PROVISIONS**

3 **SEC. 7030. TRANSFER OF AUTHORITIES.**

4 To the extent necessary or appropriate, and consist-
5 ent with the provisions of this subtitle, in order to perform
6 a function transferred by this subtitle, the head of a de-
7 partment or agency may exercise any authority or part
8 thereof which was provided by law to the Small Business
9 Administration or the Administrator of the Small Busi-
10 ness Administration.

11 **SEC. 7031. ORGANIZATIONAL ENTITIES AND OFFICES.**

12 (a) IN GENERAL.—The head of a department or
13 agency is authorized to locate among the officers of the
14 department or agency the functions transferred by this
15 subtitle to the department or agency, and to establish,
16 consolidate, alter, or discontinue such organizational enti-
17 ties or offices within the department or agency as may
18 be necessary or appropriate.

19 (b) TREATMENT DURING TRANSITION.—In accord-
20 ance with section 7040 of this Act, and regulations issued
21 thereunder, and until such time as the consolidation and
22 termination of the transferred functions is completed, the
23 head of a department or agency shall treat the organiza-
24 tional entities and functions transferred by this subtitle

1 to their respective departments, as if they remained a part
2 of the Small Business Administration.

3 **SEC. 7032. DELEGATION OF FUNCTIONS.**

4 Except where otherwise expressly provided for by law,
5 the head of a department or agency may delegate any of
6 the functions now vested in a position transferred pursu-
7 ant to this subtitle that relate to such a position to any
8 of the officers and employees of the department or agency,
9 and may authorize successive redelegation of those func-
10 tions, as appropriate.

11 **SEC. 7033. RULES AND REGULATIONS.**

12 The head of a department or agency is authorized
13 to issue such rules and regulations as may be necessary
14 or appropriate to carry out the functions, powers, and du-
15 ties vested or transferred by this subtitle.

16 **SEC. 7034. TRANSFER OF FUND ACCOUNTS.**

17 Any appropriations or fund accounts established to
18 carry out the purposes of this subtitle shall be deemed to
19 be successor accounts to those that existed in the Small
20 Business Administration prior to the date of the enact-
21 ment of this subtitle, and the balances of those prior ac-
22 counts may be transferred and merged with any of the
23 successor accounts so established.

1 **CHAPTER 5—TRANSITIONAL, SAVINGS,**
2 **AND CONFORMING PROVISIONS**

3 **SEC. 7040. TRANSFERS.**

4 So much of the personnel (including Senior Executive
5 Service and GS-16, GS-17, and GS-18 positions), posi-
6 tions, assets, liabilities, contracts, property, records, and
7 unexpended balance of appropriations, authorizations, al-
8 locations, and other funds employed, held, used, arising
9 from, available to or to be made available in connection
10 with any functions or authority transferred by this sub-
11 title, are transferred to the head of the appropriate agen-
12 cy, except that no such unexpended balances transferred
13 shall be used for purposes other than those for which the
14 appropriation was originally made.

15 **SEC. 7041. DIRECTOR OF OFFICE OF MANAGEMENT AND**
16 **BUDGET.**

17 The Director of the Office of Management and Budg-
18 et, in consultation with the Administrator of the Small
19 Business Administration, the Secretary of the Treasury,
20 and other officials as appropriate, shall make such deter-
21 minations as may be necessary with regard to the func-
22 tions transferred by this subtitle, assets, liabilities, con-
23 tracts, property, records, and unexpended balances of ap-
24 propriations, authorizations, allocations, and other funds
25 held, used, arising from, available to or to be made avail-

1 able in connection with the functions transferred by this
2 subtitle, that the Director considers necessary to accom-
3 plish the purposes of this subtitle.

4 **SEC. 7042. SAVINGS PROVISIONS.**

5 (a) EXISTING RULES, REGULATIONS, AND OR-
6 DERS.—All orders, determinations, rules, regulations, per-
7 mits, contracts, certificates, licenses, and privileges—

8 (1) that have been issued, made, granted, or al-
9 lowed to become effective by the President, any Fed-
10 eral department or agency, or official thereof, or by
11 a court of competent jurisdiction, in the performance
12 of functions which are transferred by this subtitle;
13 and

14 (2) that are in effect on September 30, 1995,
15 shall continue in effect according to their terms until
16 modified, terminated, superseded, set aside, or re-
17 voked in accordance with law by the head of the de-
18 partment or agency to which such function is trans-
19 ferred, or other authorized officials, a court of com-
20 petent jurisdiction, or by operation of law.

21 (b) ADMINISTRATIVE PROCEEDINGS.—

22 (1) PENDING PROCEEDINGS NOT AFFECTED.—
23 The provisions of this subtitle shall not affect any
24 proceedings or any application for any license, per-
25 mit, certificate, or financial assistance pending on

1 the effective date of this subtitle; but such proceed-
2 ings and applications, to the extent that they relate
3 to functions so transferred, shall be continued.

4 (2) EFFECT OF ORDERS.—Orders shall be is-
5 sued in such a proceeding, appeals shall be taken
6 therefrom, and payments shall be made under such
7 orders, as if this subtitle had not been enacted, and
8 orders issued in such a proceeding shall continue in
9 effect until modified, terminated, superseded, or re-
10 voked by a duly authorized official, by a court of
11 competent jurisdiction, or by operation of law. Noth-
12 ing in this subsection prohibits the discontinuance or
13 modification of such a proceeding under the same
14 terms and conditions and to the same extent that
15 such a proceeding could have been discontinued or
16 modified if this subtitle had not been enacted.

17 (3) ISSUANCE OF REGULATIONS PROVIDING FOR
18 TRANSFER.—The head of a department or agency
19 may issue regulations providing for the orderly
20 transfer of such a proceeding to the department or
21 agency.

22 (c) PENDING JUDICIAL PROCEEDINGS.—Except as
23 provided in subsection (e) of this section—

1 (1) the provisions of this subtitle do not affect
2 a suit commenced before this subtitle takes effect;
3 and

4 (2) in such a suit, proceedings shall be had, ap-
5 peals taken, and judgments rendered in the same
6 manner and effect as if this Act had not been en-
7 acted.

8 (d) CAUSES OF ACTION.—No suit, action, or other
9 proceeding commenced by or against any officer in the of-
10 ficer's official capacity as an officer of any department or
11 agency, functions of which are transferred by this subtitle,
12 shall abate by reason of the enactment of this subtitle.
13 No cause of action by or against any department or agen-
14 cy, functions of which are transferred by this subtitle, or
15 by or against any officer thereof in the officer's official
16 capacity shall abate by reason of the enactment of this
17 subtitle. The authority to impose sanctions and grant
18 waivers with respect to conflicts of interest occurring be-
19 fore the effective date of this subtitle, and the requirement
20 to maintain records relating to the consideration of con-
21 flicts of interest before the effective date of this subtitle,
22 do not abate by reason of the enactment of this subtitle.

23 (e) PARTIES TO A SUIT.—If, before the date on which
24 this subtitle takes effect, any department or agency, or
25 any officer thereof in the officer's official capacity, is a

1 party to a suit, and under this subtitle any function of
2 that department, agency, or officer is transferred to the
3 head of a department or agency, then the suit shall be
4 continued with the head of the department or agency sub-
5 stituted.

6 **SEC. 7043. COORDINATION OF TRANSFER ACTIVITIES.**

7 (a) PLANNING.—The Administrator of the Small
8 Business Administration, the Secretary of the Treasury,
9 and other officials as appropriate shall, beginning as soon
10 as practicable after the date of the enactment of this sub-
11 title, plan for the orderly transfer of functions and person-
12 nel pursuant to this subtitle.

13 (b) USE OF PERSONNEL.—With the consent of the
14 Administrator of the Small Business Administration, the
15 head of each agency to which functions are transferred
16 by this subtitle is authorized to use the services of such
17 officers, employees, and other personnel of the Small Busi-
18 ness Administration for such period of time as may rea-
19 sonably be needed to facilitate the orderly transfer of func-
20 tions pursuant to this subtitle.

21 **SEC. 7044. REFERENCES.**

22 With respect to any functions transferred by this sub-
23 title and exercised after the effective date of this subtitle,
24 reference in any other Federal law to any department,
25 commission, or agency or any officer or office the func-

1 tions of which are so transferred shall be considered to
2 refer to the official to whom they were transferred.

3 **SEC. 7045. TRANSITIONAL PERIOD.**

4 During the period from September 30, 1995, until
5 December 31, 1995, the Small Business Administration
6 shall remain in existence, and there is authorized to be
7 appropriated such sums as may be necessary for the pur-
8 poses of winding up its affairs and advising the Secretary
9 of the Treasury and other appropriate officials, insofar as
10 they may request, in the exercise of the functions trans-
11 ferred by this subtitle. During this transitional period, the
12 Small Business Administration may not engage in any
13 program activities, either with respect to those functions
14 that are transferred to other agencies or those that are
15 terminated.

16 **SEC. 7046. EFFECTIVE DATE.**

17 (a) IN GENERAL.—Unless otherwise indicated, the
18 provisions of this subtitle shall take effect on September
19 30, 1995.

20 (b) EXCEPTIONS.—Notwithstanding subsection (a) of
21 this section, at any time after the date of the enactment
22 of this subtitle—

23 (1) the officers provided for in section 7002 of
24 this Act may be nominated and appointed, as pro-
25 vided in such section; and

1 (2) the head of a department or agency to
2 whom functions are transferred under this subtitle
3 may issue regulations under section 7033 of this
4 Act.

5 (c) TERMINATION OF PRESIDENTIAL APPOINTEES.—
6 The positions of officers in the Small Business Adminis-
7 tration who were appointed by the President, by and with
8 the advice and consent of the Senate, shall terminate on
9 October 31, 1995.

10 (d) TEMPORARY APPOINTMENTS.—If any officer re-
11 quired by this subtitle to be appointed by and with the
12 advice and consent of the Senate has not entered office
13 on the effective date of this subtitle, the President may
14 designate any officer whose appointment was required to
15 be made by and with the advice and consent of the Senate,
16 and who was such an officer immediately before the effec-
17 tive date of this subtitle, to act in the office until it is
18 filled as provided in this subtitle. While so acting, such
19 an officer shall be compensated at the rate prescribed by
20 this subtitle for the office in which the officer acts.

1 **Subtitle B—Housing Credit Reform**

2 **SEC. 7101. ELIMINATION OF FMHA DIRECT LOANS FOR SIN-** 3 **GLE FAMILY HOMES.**

4 Section 502(a) of the Housing Act of 1949 (42
5 U.S.C. 1472(a)) is amended by adding at the end the fol-
6 lowing new paragraph:

7 “(4) Notwithstanding any other provision of this title,
8 the Secretary may not make any direct loan under this
9 section after September 30, 1995.”.

10 **SEC. 7102. INCREASED FEES FOR FMHA SINGLE FAMILY** 11 **HOUSING LOAN GUARANTEES.**

12 Section 502(h)(7) of the Housing Act of 1949 (42
13 U.S.C. 1472(h)) is amended by striking “1 percent” and
14 inserting “2 percent”.

15 **SEC. 7103. DELEGATION OF SINGLE FAMILY MORTGAGE IN-** 16 **SURING AUTHORITY TO MORTGAGEES AND** 17 **SECONDARY MARKET ENTITIES.**

18 Title II of the National Housing Act (12 U.S.C. 1707
19 et seq.), is amended by adding at the end the following
20 new section:

21 “DELEGATION OF INSURING AUTHORITY
22 “SEC. 256. (a) AUTHORITY.—Notwithstanding any
23 other provision of this title, the function of approving for
24 insurance mortgages that involve property upon which
25 there is located a dwelling designed principally for occu-

1 pancy by 1 to 4 families shall be carried out only by quali-
2 fied mortgagees and, to the extent that the Secretary en-
3 ters into an agreement with the Federal National Mort-
4 gage Association or the Federal Home Loan Mortgage
5 Corporation to carry out such function, by such Associa-
6 tion or Corporation. The Secretary may not carry out the
7 function of approving such mortgages for insurance.

8 “(b) QUALIFIED MORTGAGEE.—For purposes of this
9 section, the term ‘qualified mortgagee’ means a mortgagee
10 approved by the Secretary pursuant to this section as hav-
11 ing the capability to carry out the function of insuring
12 mortgages. In making such determination, the Secretary
13 may consider the experience of the mortgagee, the past
14 performance of the mortgagee, including the performance
15 of the mortgagee under the direct endorsement program,
16 the default rate of insured mortgages originated by the
17 mortgagee compared to the default rate of all insured
18 mortgages in comparable markets, and such other factors
19 as the Secretary determines appropriate to minimize risk
20 of loss to the insurance funds under this Act.

21 “(c) ENFORCEMENT OF INSURANCE REQUIRE-
22 MENTS.—

23 “(1) IN GENERAL.—If the Secretary determines
24 that a mortgage insured by a qualified mortgagee
25 pursuant to this section was not originated in ac-

1 cordance with the requirements of this title and such
2 other requirements as may be established by the
3 Secretary to carry out this section, and the Sec-
4 retary pays an insurance claim with respect to the
5 mortgage within a reasonable period specified by the
6 Secretary, the Secretary may require the qualified
7 mortgagee approved under this section to indemnify
8 the Secretary for the loss.

9 “(2) FRAUD OR MISREPRESENTATION.—If
10 fraud or misrepresentation was involved in connec-
11 tion with the origination of a mortgage referred to
12 in paragraph (1), the Secretary may require the
13 qualified mortgagee to indemnify the Secretary for
14 the loss regardless of when an insurance claim is
15 paid.

16 “(d) TERMINATION OF MORTGAGEE’S AUTHORITY.—
17 If a qualified mortgagee violates the requirements and
18 procedures established by the Secretary pursuant to this
19 section or the Secretary determines that other good cause
20 exists, the Secretary may terminate the mortgagee’s status
21 as a qualified mortgagee by providing notice of the termi-
22 nation to the mortgagee. Such a termination shall be effec-
23 tive upon receipt of the notice by the mortgagee or at a
24 later date specified in the notice by the Secretary. A deci-
25 sion by the Secretary to terminate a mortgagee’s status

1 as a qualified mortgagee shall be final and conclusive and
2 shall not be subject to judicial review.

3 “(e) REQUIREMENTS AND PROCEDURES.—The Sec-
4 retary shall issue regulations establishing appropriate re-
5 quirements and procedures to carry out this section, in-
6 cluding requirements and procedures governing the indem-
7 nification of the Secretary by qualified mortgagees.”.

8 **Subtitle C—Abolition of Depart-**
9 **ment of Commerce and Disposi-**
10 **tion of Particular Programs,**
11 **Functions, and Agencies**

12 **CHAPTER 1—ABOLITION OF DEPARTMENT**
13 **OF COMMERCE**

14 **SEC. 7201. REESTABLISHMENT OF DEPARTMENT AS COM-**
15 **MERCE PROGRAMS RESOLUTION AGENCY.**

16 (a) REESTABLISHMENT.—The Department of Com-
17 merce is hereby redesignated as the Commerce Programs
18 Resolution Agency, which shall be an independent agency
19 in the executive branch of the Government.

20 (b) ADMINISTRATOR.—

21 (1) IN GENERAL.—There shall be at the head
22 of the Agency an Administrator of the Agency, who
23 shall be appointed by the President, by and with the
24 advice and consent of the Senate. The Agency shall
25 be administered under the supervision and direction

1 of the Administrator. The Administrator shall re-
2 ceive compensation at the rate prescribed for level II
3 of the Executive Schedule under section 5313 of title
4 5, United States Code.

5 (2) INITIAL APPOINTMENT OF ADMINIS-
6 TRATOR.—Notwithstanding any other provision of
7 this chapter or any other law, the President may, at
8 any time after the date of the enactment of this Act,
9 appoint an individual to serve as Administrator of
10 the Commerce Programs Resolution Agency (who
11 may be the Secretary of Commerce), as such posi-
12 tion is established under paragraph (1). An appoint-
13 ment under this paragraph may not be construed to
14 affect the position of Secretary of Commerce or the
15 authority of the Secretary before the effective date
16 specified in section 7209(a).

17 (c) DUTIES.—The Administrator shall be responsible
18 for—

19 (1) the administration and wind-up, during the
20 wind-up period, of all functions of the Administrator
21 pursuant to section 7202 and the other provisions of
22 this title;

23 (2) the administration and wind-up, during the
24 wind-up period, of any outstanding obligations of the

1 Federal Government under any programs terminated
2 or repealed by this title; and

3 (3) taking such other actions as may be nec-
4 essary, before the termination date specified in sec-
5 tion 7106(d), to wind up any outstanding affairs of
6 the Department of Commerce.

7 **SEC. 7202. FUNCTIONS.**

8 Except to the extent a function is abolished or vested
9 in another official or agency by this title, the Adminis-
10 trator shall perform all functions that, immediately before
11 the effective date specified in section 7109(a), were func-
12 tions of the Department of Commerce (or any office of
13 the Department) or were authorized to be performed by
14 the Secretary of Commerce or any other officer or em-
15 ployee of the Department in the capacity as such officer
16 or employee.

17 **SEC. 7203. DEPUTY ADMINISTRATOR.**

18 The Agency shall have a Deputy Administrator, who
19 shall—

20 (1) be appointed by and report to the Adminis-
21 trator; and

22 (2) shall perform such functions as may be del-
23 egated by the Administrator.

1 **SEC. 7204. CONTINUATION OF SERVICE OF DEPARTMENT**
2 **OFFICERS.**

3 (a) CONTINUATION OF SERVICE OF SECRETARY.—
4 The individual serving on the effective date specified in
5 section 7109(a) as the Secretary of Commerce may serve
6 and act as Administrator until the date an individual is
7 appointed under this title to the position of Administrator,
8 or until the end of the 120-day period provided for in sec-
9 tion 3348 of title 5, United States Code (relating to limita-
10 tions on the period of time a vacancy may be filled tempo-
11 rarily), whichever is earlier.

12 (b) CONTINUATION OF SERVICE OF OTHER OFFI-
13 CERS.—An individual serving on the effective date speci-
14 fied in section 7109(a) as an officer of the Department
15 of Commerce other than the Secretary of Commerce may
16 continue to serve and act in an equivalent capacity in the
17 Agency until the date an individual is appointed under this
18 title to the position of Administrator, or until the end of
19 the 120-day period provided for in section 3348 of title
20 5, United States Code (relating to limitations on the pe-
21 riod of time a vacancy may be filled temporarily) with re-
22 spect to that appointment, whichever is earlier.

23 (c) COMPENSATION FOR CONTINUED SERVICE.—Any
24 person—

25 (1) who serves as the Administrator under sub-
26 section (a), or

1 (2) who serves under subsection (b),
2 after the effective date specified in section 7109(a) and
3 before the first appointment of a person as Administrator
4 shall continue to be compensated for so serving at the rate
5 at which such person was compensated before such effec-
6 tive date.

7 **SEC. 7205. REORGANIZATION.**

8 The Administrator may allocate or reallocate any
9 function of the Agency pursuant to this title among the
10 officers of the Agency, and may establish, consolidate,
11 alter, or discontinue in the Commerce Programs Resolu-
12 tion Agency any organizational entities that were entities
13 of the Department of Commerce, as the Administrator
14 considers necessary or appropriate.

15 **SEC. 7206. ABOLISHMENT OF COMMERCE PROGRAMS RESO-**
16 **LUTION AGENCY.**

17 (a) IN GENERAL.—Effective on the termination date
18 specified in subsection (d), the Commerce Programs Reso-
19 lution Agency is abolished.

20 (b) ABOLITION OF FUNCTIONS.—Except for func-
21 tions transferred or otherwise continued by this title, all
22 functions that, immediately before the termination date
23 specified in subsection (d), were functions of the Com-
24 merce Programs Resolution Agency are abolished effective
25 on that termination date.

1 (c) PLAN FOR WINDING UP AFFAIRS.—Not later
2 than the effective date specified in section 7109(a), the
3 President shall submit to the Congress a plan for winding
4 up the affairs of the Agency in accordance with this title
5 and by not later than the termination date specified in
6 subsection (d).

7 (d) TERMINATION DATE.—The termination date
8 under this subsection is the date that is 3 years after the
9 date of the enactment of this Act.

10 **SEC. 7207. GAO REPORT.**

11 Not later than 180 days after the date of enactment
12 of this Act, the Comptroller General of the United States
13 shall submit to the Congress a report which shall include
14 recommendations for the most efficient means of achiev-
15 ing, in accordance with this title—

16 (1) the complete abolishment of the Depart-
17 ment of Commerce; and

18 (2) the termination or transfer or other con-
19 tinuation of the functions of the Department of
20 Commerce.

21 **SEC. 7208. CONFORMING AMENDMENTS.**

22 (a) PRESIDENTIAL SUCCESSION.—Section 19(d)(1)
23 of title 3, United States Code, is amended by striking
24 “Secretary of Commerce,”.

1 (b) EXECUTIVE DEPARTMENTS.—Section 101 of title
2 5, United States Code, is amended by striking the follow-
3 ing item:

4 “The Department of Commerce.”.

5 (c) SECRETARY’S COMPENSATION.—Section 5312 of
6 title 5, United States Code, is amended by striking the
7 following item:

8 “Secretary of Commerce.”.

9 (d) COMPENSATION FOR POSITIONS AT LEVEL III.—
10 Section 5314 of title 5, United States Code, is amended—

11 (1) by striking the following item:

12 “Under Secretary of Commerce, Under Sec-
13 retary of Commerce for Economic Affairs, Under
14 Secretary of Commerce for Export Administration
15 and Under Secretary of Commerce for Travel and
16 Tourism.”;

17 (2) by striking the following item:

18 “Under Secretary of Commerce for Oceans and
19 Atmosphere, the incumbent of which also serves as
20 Administrator of the National Oceanic and Atmos-
21 pheric Administration.”; and

22 (3) by striking the following item:

23 “Under Secretary of Commerce for Tech-
24 nology.”.

1 (e) COMPENSATION FOR POSITIONS AT LEVEL IV.—

2 Section 5315 of title 5, United States Code, is amended—

3 (1) by striking the following items:

4 “Assistant Secretaries of Commerce (11).”;

5 (2) by striking the following item:

6 “General Counsel of the Department of Com-
7 merce.”;

8 (3) by striking the following item:

9 “Associate Secretary of Commerce for Oceans
10 and Atmosphere, the incumbent of which also serves
11 as Deputy Administrator of the National Oceanic
12 and Atmospheric Administration.”;

13 (4) by striking the following item:

14 “Director, National Institute of Standards and
15 Technology, Department of Commerce.”;

16 (5) by striking the following item:

17 “Inspector General, Department of Com-
18 merce.”;

19 (6) by striking the following item:

20 “Chief Financial Officer, Department of Com-
21 merce.”; and

22 (7) by striking the following item:

23 “Director, Bureau of the Census, Department
24 of Commerce.”.

1 (f) COMPENSATION FOR POSITIONS AT LEVEL V.—
2 Section 5316 of title 5, United States Code, is amended—

3 (1) by striking the following item:

4 “Director, United States Travel Service, De-
5 partment of Commerce.”; and

6 (2) by striking the following item:

7 “National Export Expansion Coordinator, De-
8 partment of Commerce.”.

9 (g) INSPECTOR GENERAL ACT OF 1978.—The In-
10 spector General Act of 1978 (5 U.S.C. App.) is amend-
11 ed—

12 (1) in section 9(a)(1), by striking subparagraph
13 (B);

14 (2) in section 11(1), by striking “Commerce,”;
15 and

16 (3) in section 11(2), by striking “Commerce,”;

17 **SEC. 7209. EFFECTIVE DATE.**

18 (a) IN GENERAL.—Except as provided in subsection
19 (b), this chapter shall take effect on the date that is 6
20 months after the date of the enactment of this Act.

21 (b) PROVISIONS EFFECTIVE ON DATE OF ENACT-
22 MENT.—The following provisions of this chapter shall take
23 effect on the date of the enactment of this Act:

24 (1) Section 7231(b).

25 (2) Section 7236(c).

1 (3) Section 7237.

2 **CHAPTER 2—DISPOSITION OF PARTICU-**
3 **LAR PROGRAMS, FUNCTIONS, AND**
4 **AGENCIES OF DEPARTMENT OF COM-**
5 **MERCE**

6 **SEC. 7231. ECONOMIC DEVELOPMENT.**

7 (a) TERMINATED FUNCTIONS.—The Public Works
8 and Economic Development Act of 1965 (42 U.S.C. 3121
9 et seq.) is repealed.

10 (b) TRANSFER OF FINANCIAL OBLIGATIONS OWED
11 TO THE DEPARTMENT.—There are transferred to the Sec-
12 retary of the Treasury the loans, notes, bonds, debentures,
13 securities, and other financial obligations owned by the
14 Department of Commerce under the Public Works and
15 Economic Development Act of 1965, together with all as-
16 sets or other rights (including security interests) incident
17 thereto, and all liabilities related thereto. There are as-
18 signed to the Secretary of the Treasury the functions,
19 powers, and abilities vested in or delegated to the Sec-
20 retary of Commerce or the Department of Commerce to
21 manage, service, collect, sell, dispose of, or otherwise real-
22 ize proceeds on obligations owed to the Department of
23 Commerce under authority of such Act with respect to any
24 loans, obligations, or guarantees made or issued by the
25 Department of Commerce pursuant to such Act.

1 (c) AUDIT.—Not later than 18 months after the date
2 of the enactment of this Act, the Comptroller General shall
3 conduct an audit of all grants made or issued by the De-
4 partment of Commerce under the Public Works and Eco-
5 nomic Development Act of 1965 in fiscal year 1995 and
6 all loans, obligations, and guarantees and shall transmit
7 to Congress a report on the results of such audit.

8 **SEC. 7232. EXPORT CONTROL FUNCTIONS.**

9 (a) TRANSFER TO SECRETARY OF STATE.—

10 (1) IN GENERAL.—Except as provided in this
11 section, all functions of the Secretary of Commerce,
12 the Under Secretary of Commerce for Export Ad-
13 ministration, the 2 Assistant Secretaries of Com-
14 merce appointed under section 15(a) of the Export
15 Administration Act of 1979 (50 U.S.C. 2414(a)),
16 and the Department of Commerce, on the day before
17 the effective date specified in section 7109(a), under
18 the Export Administration Act of 1979 are trans-
19 ferred to the Secretary of State.

20 (2) CONSULTATION WITH USTR.—The Sec-
21 retary of State shall consult with the United States
22 Trade Representative with respect to licensing deci-
23 sions under the Export Administration Act of 1979.

24 (b) SHORT SUPPLY CONTROLS.—All functions of the
25 Secretary of Commerce, on the day before the effective

1 date specified in section 7109(a), under section 7 of the
2 Export Administration Act of 1979 (50 U.S.C. 2406), and
3 under all other provisions of that Act to the extent that
4 such provisions apply to section 7, are transferred to the
5 President.

6 (c) ENFORCEMENT.—

7 (1) GENERAL TRANSFER.—All functions of the
8 Secretary of Commerce and the Department of Com-
9 merce, on the day before the effective date specified
10 in section 7109(a), under sections 11(c), 12, and 13
11 (c), (d), and (e) of the Export Administration Act of
12 1979 (50 U.S.C. App. 2410(c), 2411, and 2412 (c),
13 (d), and (e)) are transferred to the Secretary of the
14 Treasury.

15 (2) TRANSFER OF ENFORCEMENT PERSON-
16 NEL.—Not more than 60 United States special
17 agents of the Bureau of Export Administration of
18 the Department of Commerce who, on the day be-
19 fore the effective date specified in section 7109(a),
20 were assigned to perform functions under section
21 12(a) of the Export Administration Act of 1979 may
22 be transferred to the Customs Service to carry out
23 functions transferred by paragraph (1). The Direc-
24 tor of the Office of Management and Budget shall

1 determine the special agents to be transferred under
2 this paragraph.

3 (d) ANTI-BOYCOTT COMPLIANCE.—All functions of
4 the Secretary of Commerce and the Department of Com-
5 merce, on the day before the effective date specified in
6 section 7109(a), under section 8 of the Export Adminis-
7 tration Act of 1979 (50 U.S.C. 2407), and under all other
8 provisions of that Act to the extent that such provisions
9 apply to section 8, are transferred to the Attorney Gen-
10 eral.

11 (e) TERMINATION OF OFFICE OF FOREIGN AVAIL-
12 ABILITY; APPOINTMENT OF INDUSTRIES BOARD.—

13 (1) TERMINATION OF OFFICE.—(A) The Office
14 of Foreign Availability established under section
15 5(f)(6) of the Export Administration Act of 1979
16 (50 U.S.C. 2404(f)(6)) is abolished.

17 (2) CONFORMING AMENDMENT.—Section 5(f)
18 of the Export Administration Act of 1979 (50
19 U.S.C. App. 2404(f)) is amended by striking para-
20 graph (6).

21 (3) APPOINTMENT OF INDUSTRIES BOARD.—
22 The President shall appoint an industries board,
23 composed of representatives of industries affected by
24 matters relating to foreign availability under the Ex-
25 port Administration Act of 1979, to advise the Sec-

1 retary of State with respect to such matters, except
2 that no Federal funds may be made available to the
3 industries board to carry out its functions.

4 (f) BUYING POWER MAINTENANCE ACCOUNT.—The
5 authority of the Secretary of Commerce under section 108
6 of title I of Public Law 100–202 (101 Stat. 1329–7) to
7 establish a Buying Power Maintenance account is trans-
8 ferred to the Secretary of State for purposes of carrying
9 out functions under the Export Administration Act of
10 1979 that are transferred to the Secretary of State under
11 this section.

12 (g) TECHNICAL AND CONFORMING AMENDMENTS.—

13 (1) Section 15(a) of the Export Administration
14 Act of 1979 (50 U.S.C. 2414(a)) is repealed.

15 (2) The Office of the Under Secretary of Com-
16 merce for Export Administration is abolished.

17 **SEC. 7233. NATIONAL SECURITY FUNCTIONS.**

18 (a) TRANSFER OF FUNCTIONS.—Functions of the
19 Secretary of Commerce immediately before the effective
20 date specified in section 7109(a)—

21 (1) under section 232 of the Trade Expansion
22 Act of 1962 (19 U.S.C. 1862) are transferred to the
23 International Trade Commission;

1 (2) under section 309 of the Defense Produc-
2 tion Act of 1950 (50 U.S.C. App. 2099) are trans-
3 ferred to the Secretary of Defense; and

4 (3) under section 722 of the Defense Produc-
5 tion Act of 1950 (50 U.S.C. App. 2171) are trans-
6 ferred to the Secretary of the Treasury.

7 (b) NATIONAL DEFENSE TECHNOLOGY AND INDUS-
8 TRIAL BASE COUNCIL.—Section 2502(b) of title 10,
9 United States Code, is amended by striking paragraph (3)
10 and redesignating paragraphs (4) and (5) as paragraphs
11 (3) and (4), respectively.

12 (c) APPOINTMENT OF COMMITTEES OF INDUSTRY
13 REPRESENTATIVES.—The President should appoint com-
14 mittees composed of representatives of appropriate indus-
15 tries to advise the National Security Council with respect
16 to those matters affecting industry addressed by the Sec-
17 retary of Commerce to the National Security Council be-
18 fore the effective date specified in section 7109(a).

19 **SEC. 7234. INTERNATIONAL TRADE FUNCTIONS.**

20 (a) TARIFF ACT OF 1930; URUGUAY ROUND AGREE-
21 MENTS ACT.—

22 (1) TRANSFER TO UNITED STATES TRADE REP-
23 RESENTATIVE.—All functions of the International
24 Trade Administration of the Department of Com-
25 merce, immediately before the effective date speci-

1 fied in section 7109(a), under titles III and VII of
2 the Tariff Act of 1930, and all functions of the ad-
3 ministering authority or the Secretary of Commerce
4 under the Uruguay Round Agreements Act, are
5 transferred to the United States Trade Representa-
6 tive.

7 (2) CONFORMING AMENDMENT.—Section
8 771(1) of the Tariff Act of 1930 (19 U.S.C.
9 1677(1)) is amended by striking “Secretary of Com-
10 merce” and inserting “United States Trade Rep-
11 resentative”.

12 (b) FOREIGN TRADE ZONES BOARD.—Subsection (b)
13 of the first section of the Act of June 18, 1934 (commonly
14 known as the “Foreign Trade Zones Act”) (19 U.S.C.
15 81a(b)) is amended by striking “Secretary of Commerce,
16 who shall be chairman and executive officer of the Board,
17 the Secretary of the Treasury” and inserting “Secretary
18 of the Treasury, who shall be chairman and executive offi-
19 cer of the Board, the United States Trade Representa-
20 tive”.

21 (c) UNITED STATES AND FOREIGN COMMERCIAL
22 SERVICE.—

23 (1) RENAMING AND ABOLITION OF CERTAIN
24 FUNCTIONS.—The United States and Foreign Com-
25 mercial Service shall, upon the effective date speci-

1 fied in section 7109(a), be known as the “United
2 States Foreign Commercial Service” (hereafter in
3 this subsection referred to as the “Commercial Serv-
4 ice”). All operations of the Commercial Service in
5 the United States (other than those performed at
6 the headquarters office referred to in section
7 2301(c) of the Export Enhancement Act of 1988
8 (15 U.S.C. 4721(c))) with respect to the foreign op-
9 erations of the Commercial Service) are abolished.

10 (2) TRANSFER TO USTR.—The Commercial
11 Service and its functions are transferred to the Unit-
12 ed States Trade Representative. All functions per-
13 formed immediately before the effective date speci-
14 fied in section 7109(a) by the Secretary of Com-
15 merce or the Department of Commerce with respect
16 to the Commercial Service are transferred to the
17 United States Trade Representative.

18 (3) DIRECTOR GENERAL.—(A) The head of the
19 Commercial Service shall, as of the effective date
20 specified in section 7109(a), be the Director General
21 of the United States Foreign Commercial Service.

22 (B) Section 5315 of title 5, United States Code,
23 is amended by striking “Assistant Secretary of Com-
24 merce and Director General of the United States
25 and Foreign Commercial Service” and inserting “Di-

1 rector General of the United States Foreign Com-
2 mercial Service.”.

3 (C) The individual serving as Assistant Sec-
4 retary of Commerce and Director General of the
5 United States and Foreign Commercial Service im-
6 mediately before the effective date specified in sec-
7 tion 7109(a) may serve as the Director General of
8 the United States Foreign Commercial Service on
9 and after such effective date until a successor has
10 taken office. Compensation for any service under
11 this subparagraph shall be at the rate at which the
12 individual was compensated immediately before the
13 effective date specified in section 7109(a).

14 (4) TRANSFER OF COMMERCIAL SERVICE OFFI-
15 CERS.—The transfer to the United States Trade
16 Representative pursuant to this section of any Com-
17 mercial Service Officer serving immediately before
18 the effective date specified in section 7109(a) shall
19 not cause such officer to be reduced in rank, grade,
20 or compensation.

21 (d) EXPORT PROMOTION PROGRAMS.—

22 (1) TRANSFER.—All export promotion pro-
23 grams (as defined in section 201(d) of the Export
24 Administration Amendments Act of 1985 (15 U.S.C.
25 4051(d))) carried out by the Secretary of Commerce

1 or the Department of Commerce immediately before
2 the effective date specified in section 7109(a) are
3 transferred to the United States Trade Representa-
4 tive.

5 (2) PRIVATE FUNDING.—With respect to any
6 program transferred under paragraph (1), no funds
7 made available to the United States Trade Rep-
8 resentative may be used in carrying out such pro-
9 gram, but the United States Trade Representative
10 may require the persons to whom services are pro-
11 vided by the Office of the United States Trade Rep-
12 resentative under such program to pay for such serv-
13 ices.

14 (e) TRADE INFORMATION.—All functions of the Sec-
15 retary of Commerce under the International Investment
16 and Trade in Services Survey Act (22 U.S.C. 3101 and
17 following) are transferred to the Secretary of the Treas-
18 ury.

19 (f) INTERNATIONAL ECONOMIC POLICY.—All func-
20 tions performed by the Assistant Secretary of Commerce
21 for International Economic Policy and the Office of Inter-
22 national Economic Policy of the Department of Commerce
23 immediately before the effective date specified in section
24 7109(a) are abolished.

1 (g) FUNCTIONS WITH RESPECT TO TEXTILE AGREE-
2 MENTS.—

3 (1) TRANSFER OF FUNCTIONS.—Notwithstand-
4 ing the provisions of Executive Order 11651 and
5 Executive Order 12475 (7 U.S.C. 1854 note), the
6 functions of the Committee for the Implementation
7 of Textile Agreements (hereafter in this subsection
8 referred to as “CITA”) are transferred as follows:

9 (A) All functions related to policy formula-
10 tion for textile and apparel trade, including the
11 negotiation and implementation of textile and
12 apparel trade agreements, and all related activi-
13 ties performed by CITA immediately before the
14 effective date specified in section 7109(a), and
15 not specified in paragraphs (2) through (4), are
16 transferred to the United States Trade Rep-
17 resentative.

18 (B) All functions related to economic anal-
19 ysis of textile and apparel trade patterns, deter-
20 mination of serious damage, or actual threat
21 thereof, to domestic United States industry and
22 related safeguards matters, including the tran-
23 sitional safeguard provisions under Article 6 of
24 the Agreement on Textiles and Clothing re-
25 ferred to in section 101(d)(4) of the Uruguay

1 Round Agreements Act (19 U.S.C. 3511(d)(4)),
2 and analysis of the impact of foreign tariff and
3 nontariff barriers on textile and apparel trade,
4 and all related activities performed by CITA
5 immediately before the effective date specified
6 in section 7109(a), are transferred to the Inter-
7 national Trade Commission.

8 (C) All functions related to the promotion
9 and foreign market expansion of United States
10 textile and apparel production are transferred
11 to the United States Foreign Commercial Serv-
12 ice.

13 (D) All functions related to monitoring
14 quota utilization and enforcement, and actions
15 to address the circumvention of quotas, as de-
16 scribed in the statement of administrative ac-
17 tion accompanying the Uruguay Round Agree-
18 ments (as defined in section 2 of the Uruguay
19 Round Agreements Act (19 U.S.C. 3501)), are
20 transferred to the Secretary of the Treasury.

21 (2) ABOLITION OF CITA.—CITA is abolished.

22 (h) FAIR TRADE IN AUTO PARTS.—All functions of
23 the Secretary of Commerce under the Fair Trade in Auto
24 Parts Act of 1988 (15 U.S.C. 4701 and following) are
25 transferred to the International Trade Commission.

1 (i) OTHER TRADE FUNCTIONS.—

2 (1) INTERAGENCY TRADE ORGANIZATION.—The
3 President shall provide for the direct participation
4 by representatives of industry on the Interagency
5 Trade Organization established under section 242 of
6 the Trade Expansion Act of 1962 (19 U.S.C. 1872),
7 to carry out appropriate functions of the Secretary
8 of Commerce as a member of such organization be-
9 fore the effective date specified in section 7109(a).

10 (2) EXPORT TRADING COMPANIES.—(A) The
11 functions of the Secretary of Commerce under the
12 Export Trading Company Act of 1982 (15 U.S.C.
13 4001–4003), and the Office of Export Trade estab-
14 lished under section 104 of that Act, are abolished.

15 (B) The functions of the Secretary of Com-
16 merce under title III of the Act of October 8, 1982
17 (15 U.S.C. 4011 and following), are transferred to
18 the Secretary of the Treasury.

19 (C) CONFORMING AMENDMENTS.—(i) The Ex-
20 port Trading Company Act of 1982 (15 U.S.C.
21 4001–4003) is repealed.

22 (ii) The section heading for section 301 of the
23 Act of October 8, 1982 (15 U.S.C. 4011), is amend-
24 ed by striking “COMMERCE” and inserting “TREAS-
25 URY”.

1 (iii) Section 311(7) of the Act of October 8,
2 1982 (15 U.S.C. 4021), is amended by striking
3 “Commerce” and inserting “Treasury”.

4 (j) APPOINTMENT OF INDUSTRIES BOARDS.—The
5 President shall appoint industries boards, composed of
6 representatives of industries in the private sector, to ad-
7 vise the Secretary of the Treasury and the United States
8 Trade Representative with respect to functions transferred
9 to them under this section.

10 (k) GIFTS AND BEQUESTS.—

11 (1) IN GENERAL.—The Secretary of State, the
12 Secretary of the Treasury, and the United States
13 Trade Representative are authorized to accept, hold,
14 administer, and utilize gifts and bequests of prop-
15 erty, both real and personal, for the purpose of aid-
16 ing or facilitating the performance of functions
17 transferred to them under this section and section
18 7232. Gifts and bequests of money and the proceeds
19 from sales of other property received as gifts or be-
20 quests shall be deposited in the United States Treas-
21 ury in a separate fund and shall be disbursed on
22 order of the Secretary of State, the Secretary of the
23 Treasury, or the United States Trade Representa-
24 tive. Property accepted pursuant to this paragraph,
25 and the proceeds thereof, shall be used as nearly as

1 possible in accordance with the terms of the gift or
2 bequest.

3 (2) TAX TREATMENT.—For the purpose of Fed-
4 eral income, estate, and gift taxes, and State taxes,
5 property accepted under subsection (a) shall be con-
6 sidered a gift or bequest to or for use of the United
7 States.

8 (3) INVESTMENT.—The Secretary of the Treas-
9 ury may invest and reinvest in securities of the
10 United States or in securities guaranteed as to prin-
11 cipal and interest by the United States any moneys
12 contained in the fund provided for in subsection (a).
13 Income accruing from such securities, and from any
14 other property held by the Secretary of State, the
15 Secretary of the Treasury, or the United States
16 Trade Representative pursuant to subsection (a),
17 shall be deposited to the credit of the fund, and shall
18 be disbursed upon order of the Secretary of State,
19 the Secretary of the Treasury, or the United States
20 Trade Representative.

21 (l) INFORMATION SHARING.—It is the sense of the
22 Congress that any department or agency of the United
23 States that compiles information on international econom-
24 ics or trade make that information available to other de-

1 partments and agencies performing functions relating to
2 international trade.

3 (m) TRADE ADJUSTMENT ASSISTANCE FOR
4 FIRMS.—Chapter 3 of title II of the Trade Act of 1974
5 (19 U.S.C. 2341 and following) and the items relating to
6 such chapter in the table of contents for that Act, are re-
7 pealed.

8 **SEC. 7235. PATENT AND TRADEMARK OFFICE.**

9 (a) TRANSFER TO DEPARTMENT OF JUSTICE.—Ef-
10 fective as of the date specified in section 7109(a)—

11 (1) the Patent and Trademark Office shall be
12 transferred to the Department of Justice; and

13 (2) all functions which, immediately before such
14 date, are functions of the Secretary of Commerce
15 under title 35, United States Code, or any other
16 provision of law with respect to the functions of the
17 Patent and Trademark Office, are transferred to the
18 Attorney General.

19 (b) FUNDING.—

20 (1) COSTS PAID FROM FEES.—All costs of the
21 activities of the Patent and Trademark Office shall
22 be paid from fees paid to the Office under title 35,
23 United States Code, the Act of July 5, 1946 (com-
24 monly known as the “Trademark Act of 1946”) (15
25 U.S.C. 1051 and following), section 10101 of the

1 Omnibus Budget Reconciliation Act of 1990 (35
2 U.S.C. 41 note), or other provision of law.

3 (2) FUNDS AVAILABLE WITHOUT APPROPRIA-
4 TION.—(A) Section 42(c) of title 35, United States
5 Code, is amended by striking “to carry out, to the
6 extent provided in appropriation Acts,” and insert-
7 ing “, without appropriation, to carry out”.

8 (B) Section 10101(b)(2)(B) of the Omnibus
9 Budget Reconciliation Act of 1990 (35 U.S.C. 41
10 note) is amended by striking “to the extent provided
11 in appropriation Acts” and inserting “without ap-
12 propriation”.

13 (c) ADJUSTMENT OF FEES.—Section 41(f) of title
14 31, United States Code, is amended to read as follows:

15 “(f) The Commissioner may adjust the fees estab-
16 lished under this section on October 1 of each year to
17 cover the estimated cost to the activities of the Office.”.

18 (d) SERVICE OF INCUMBENTS.—Those individuals
19 serving as Commissioner of Patents and Trademarks,
20 Deputy Commissioner of Patents and Trademarks, Assist-
21 ant Commissioner of Patents, and Assistant Commis-
22 sioner of Trademarks, immediately before the effective
23 date specified in section 7109(a), may continue in such
24 office on and after such effective date until a successor
25 has taken office. Compensation for any service under this

1 subsection shall be at the rate at which the individual was
2 compensated immediately before the effective date speci-
3 fied in section 7109(a).

4 (e) RULE OF CONSTRUCTION.—For purposes of title
5 III, the transfer of the Patent and Trademark Office to
6 the Department of Justice under this section shall be
7 treated as if it involved a transfer of functions from one
8 office to another.

9 (f) TECHNICAL AND CONFORMING AMENDMENTS.—

10 (1) Section 1 of title 35, United States Code,
11 is amended to read as follows:

12 **“§ 1. Establishment**

13 “The Patent and Trademark Office is an agency of
14 the United States within the Department of Justice, where
15 records, books, drawings, specifications, and other papers
16 and things pertaining to patents and trademark registra-
17 tions shall be kept and preserved, except as otherwise pro-
18 vided by law.”.

19 (2) Title 35, United States Code, is amended by
20 striking “Secretary of Commerce” each place it ap-
21 pears and inserting “Attorney General”.

22 (3) Section 3 of title 35, United States Code,
23 is amended by striking subsection (d).

24 (4) Section 5316 of title 5, United States Code,
25 is amended by striking

1 “Commissioner of Patents, Department of
2 Commerce.”

3 and inserting

4 “Commissioner of Patents and Trademarks.”.

5 **SEC. 7236. TECHNOLOGY ADMINISTRATION.**

6 (a) TECHNOLOGY ADMINISTRATION.—

7 (1) GENERAL RULE.—Except as otherwise pro-
8 vided in this section, the Technology Administration
9 shall be terminated on the effective date specified in
10 section 7233(a).

11 (2) OFFICE OF TECHNOLOGY POLICY.—The Of-
12 fice of Technology Policy is hereby terminated.

13 (b) NATIONAL INSTITUTE OF STANDARDS AND
14 TECHNOLOGY.—

15 (1) GENERAL RULE.—Except as otherwise pro-
16 vided in this subsection, the National Institute of
17 Standards and Technology (in this subsection re-
18 ferred to as the “Institute”) shall be transferred to
19 the National Science Foundation.

20 (2) FUNCTIONS OF DIRECTOR.—Except as oth-
21 erwise provided in this subsection, upon the transfer
22 under paragraph (1), the Director of the Institute
23 shall perform all functions relating to the Institute
24 that, immediately before the effective date specified
25 in section 7233(a), were functions of the Secretary

1 of Commerce or the Under Secretary of Commerce
2 for Technology, including the administration of sec-
3 tion 17 of the Stevenson-Wydler Technology Innova-
4 tion Act of 1980.

5 (3) LABORATORIES.—(A) The laboratories of
6 the Institute shall be transferred to the Commerce
7 Programs Resolution Agency.

8 (B) The Commerce Programs Resolution Agen-
9 cy shall attempt to sell the property of the labora-
10 tories of the Institute, within 18 months after the
11 effective date specified in section 7233(a), to a pri-
12 vate sector entity intending to perform substantially
13 the same functions as were performed by the labora-
14 tories of the Institute immediately before such effec-
15 tive date.

16 (C) If no offer to purchase property under sub-
17 paragraph (B) is received within the 18-month pe-
18 riod described in such subparagraph, the Commerce
19 Programs Resolution Agency shall submit a report
20 to the Congress containing recommendations on the
21 appropriate disposition of the property and functions
22 of the laboratories of the Institute.

23 (c) NATIONAL TECHNICAL INFORMATION SERV-
24 ICE.—

1 (1) SALE OF PROPERTY.—The Commerce Pro-
2 grams Resolution Agency shall attempt to sell the
3 property of the National Technical Information
4 Service, within 18 months after the effective date
5 specified in section 7233(a), to a private sector en-
6 tity intending to perform substantially the same
7 functions as were performed by the National Tech-
8 nical Information Service immediately before such
9 effective date.

10 (2) RECOMMENDATIONS.—If no offer to pur-
11 chase property under paragraph (1) is received with-
12 in the 18-month period described in such paragraph,
13 the Commerce Programs Resolution Agency shall
14 submit a report to the Congress containing rec-
15 ommendations on the appropriate disposition of the
16 property and functions of the National Technical In-
17 formation Service.

18 (3) FUNDING.—No Federal funds may be ap-
19 propriated for the National Technical Information
20 Service for any fiscal year after fiscal year 1995.

21 (d) AMENDMENTS.—

22 (1) NATIONAL INSTITUTE OF STANDARDS AND
23 TECHNOLOGY ACT.—The National Institute of
24 Standards and Technology Act (15 U.S.C. 271 et
25 seq.) is amended—

1 (A) in section 2(b), by striking paragraph
2 (1) and redesignating paragraphs (2) through
3 (11) as paragraphs (1) through (10), respec-
4 tively;

5 (B) in section 2(d), by striking “, including
6 the programs established under sections 25, 26,
7 and 28 of this Act”;

8 (C) in section 10, by striking “Advanced”
9 in both the section heading and subsection (a),
10 and inserting in lieu thereof “Standards and”;
11 and

12 (D) by striking sections 24, 25, 26, and
13 28.

14 (2) STEVENSON-WYDLER TECHNOLOGY INNOVA-
15 TION ACT OF 1980.—The Stevenson-Wydler Tech-
16 nology Innovation Act of 1980 (15 U.S.C. 3701 et
17 seq.) is amended—

18 (A) in section 3, by striking paragraph (2)
19 and redesignating paragraphs (3) through (5)
20 as paragraphs (2) through (4), respectively;

21 (B) in section 4, by striking paragraphs
22 (1), (4), and (13) and redesignating paragraphs
23 (2), (3), (5), (6), (7), (8), (9), (10), (11), and
24 (12) as paragraphs (1) through (10), respec-
25 tively;

1 (C) by striking sections 5, 6, 7, 8, 9, and
2 10;

3 (D) in section 11—

4 (i) by striking “, the Federal Labora-
5 tory Consortium for Technology Transfer,”
6 in subsection (c)(3);

7 (ii) by striking “and the Federal Lab-
8 oratory Consortium for Technology Trans-
9 fer” in subsection (d)(2);

10 (iii) by striking “, and refer such re-
11 quests” and all that follows through “avail-
12 able to the Service” in subsection (d)(3);
13 and

14 (iv) by striking subsection (e); and

15 (E) in section 17—

16 (i) by striking “Subject to paragraph
17 (2), separate” and inserting in lieu thereof
18 “Separate” in subsection (c)(1);

19 (ii) by striking paragraph (2) of sub-
20 section (c);

21 (iii) by redesignating paragraph (3) of
22 subsection (c) as paragraph (2); and

23 (iv) by inserting “administrative”
24 after “funds to carry out” in subsection
25 (f).

1 **SEC. 7237. REORGANIZATION OF THE BUREAU OF THE**
2 **CENSUS.**

3 (a) IN GENERAL.—Effective as of the date specified
4 in section 7233(a)—

5 (1) the Bureau of the Census shall be trans-
6 ferred to the Department of the Treasury; and

7 (2) all functions which, immediately before such
8 date, are functions of the Secretary of Commerce
9 under title 13, United States Code, shall be trans-
10 ferred to the Secretary of the Treasury.

11 (b) INTERIM SERVICE.—The individual serving as the
12 Director of the Census immediately before the reorganiza-
13 tion under this section takes effect may continue serving
14 in that capacity until a successor has taken office. Com-
15 pensation for any service under this subsection shall be
16 at the rate at which such individual was compensated im-
17 mediately before the effective date of the reorganization.

18 (c) SENSE OF THE CONGRESS.—It is the sense of the
19 Congress that the Bureau of the Census should—

20 (1) make appropriate use of any authority af-
21 forded to it by the Census Address List Improve-
22 ment Act of 1994 (Public Law 103–430; 108 Stat.
23 4393), and take measures to ensure the timely im-
24 plementation of such Act; and

25 (2) streamline census questionnaires to promote
26 savings in the collection and tabulation of data.

1 (d) AMENDMENTS.—Effective as of the date specified
2 in section 7233(a)—

3 (1) TRANSFER OF THE BUREAU TO THE DE-
4 PARTMENT OF THE TREASURY.—(A) Section 2 of
5 title 13, United States Code, is amended by striking
6 “is continued as” through the period and inserting
7 “is an agency within, and under the jurisdiction of,
8 the Department of the Treasury.”.

9 (B) Subsection (e) of section 12 of the Act of
10 February 14, 1903 (15 U.S.C. 1511(e)) is repealed.

11 (2) DEFINITION OF SECRETARY.—Title 13,
12 United States Code, is amended in section 1(2) by
13 striking “Secretary of Commerce” and inserting
14 “Secretary of the Treasury”.

15 (3) REFERENCES IN TITLE 13, UNITED STATES
16 CODE, TO THE DEPARTMENT OF COMMERCE.—Title
17 13, United States Code, is amended in sections 4,
18 9(a), 23(b), 24(e), 44, 103, 132, 211, 213(b)(2),
19 221, 222, 223, 224, 225(a), and 241 by striking
20 “Department of Commerce” each place it appears
21 and inserting “Department of the Treasury”.

22 (4) PROVISIONS RELATING TO THE SECRETARY
23 OF THE TREASURY.—(A) Section 302 of title 13,
24 United States Code, is amended by striking the last
25 sentence thereof.

1 (B) Section 303 of title 13, United States Code,
2 and the item relating to such section in the analysis
3 for chapter 9 of such title are repealed.

4 (C) Section 304(a) of title 13, United States
5 Code, is amended—

6 (i) by striking “Secretary of the Treasury”
7 each place it appears and inserting “Secretary”;
8 and

9 (ii) by striking “Secretary of Commerce”
10 and inserting “Secretary”.

11 (D)(i) Section 401(a) of title 13, United States
12 Code, is amended by striking “Secretary of Com-
13 merce” and inserting “Secretary”.

14 (ii) Section 8(e) of the Foreign Direct Invest-
15 ment and International Financial Data Improve-
16 ments Act of 1990 (22 U.S.C. 3144(e)) is amended
17 by striking “Secretary of Commerce” and inserting
18 “Secretary of the Treasury”.

19 (iii) Section 401(a) of title 13, United States
20 Code, is amended by striking “Department of Com-
21 merce” and inserting “Federal Reserve System”.

22 (5) COMPENSATION FOR THE POSITION OF DI-
23 RECTOR OF THE CENSUS.—Section 5315 of title 5,
24 United States Code, as amended by paragraph (7)
25 of section 7108(e), is further amended by inserting

1 (in lieu of the item struck by such paragraph) the
2 following new item:

3 “Director of the Census, Department of the
4 Treasury.”.

5 (6) CONFIDENTIALITY.—Section 9 of title 13,
6 United States Code, is amended by adding at the
7 end the following:

8 “(c)(1) Nothing in subsection (a)(3) shall be consid-
9 ered to permit the disclosure of any matter or information
10 to an officer or employee of the Department of the Treas-
11 ury who is not referred to in subchapter II if, immediately
12 before the date specified in section 7233(a) of the Depart-
13 ment of Commerce Dismantling Act, such disclosure (if
14 then made by an officer or employee of the Department
15 of Commerce) would have been impermissible under this
16 section (as then in effect).

17 “(2) Paragraph (1) shall not apply with respect to
18 any disclosure made to the Secretary.”.

19 (e) RULE OF CONSTRUCTION.—For purposes of title
20 III, the reorganization of the Bureau of the Census under
21 this section shall be treated as if it involved a transfer
22 of functions from one office to another.

1 **SEC. 7238. REORGANIZATION OF THE BUREAU OF ECO-**
2 **NOMIC ANALYSIS.**

3 (a) IN GENERAL.—Effective as of the date specified
4 in section 7233(a)—

5 (1) the Bureau of Economic Analysis shall be
6 transferred to the Federal Reserve System; and

7 (2) all functions which, immediately before such
8 date, are functions of the Secretary of Commerce
9 with respect to the Bureau of Economic Analysis
10 shall be transferred to the Chairman of the Board
11 of Governors of the Federal Reserve System.

12 (b) INTERIM SERVICE.—The individual serving as the
13 Director of the Bureau of Economic Analysis immediately
14 before the reorganization under this section takes effect
15 may continue serving in that capacity until a successor
16 has taken office. Compensation for any service under this
17 subsection shall be at the rate at which such individual
18 was compensated immediately before the effective date of
19 the reorganization.

20 (c) REPORTS.—Not later than 18 months after the
21 date of the enactment of this Act, the Director of the Bu-
22 reau of Economic Analysis shall submit to the Congress
23 a written report on—

24 (1) the availability of any private sector re-
25 sources that may be capable of performing any or all
26 of the functions of the Bureau of Economic Analy-

1 sis, and the feasibility of having any such functions
2 so performed; and

3 (2) the feasibility of implementing a system
4 under which fees may be assessed by the Bureau of
5 Economic Analysis in order to defray the costs of
6 any services performed by the Bureau of Economic
7 Analysis, when such services are performed other
8 than on behalf of the Federal Government or an
9 agency or instrumentality thereof.

10 (d) **RULE OF CONSTRUCTION.**—For purposes of title
11 III, the reorganization of the Bureau of Economic Analy-
12 sis under this section shall be treated as if it involved a
13 transfer of functions from one office to another.

14 **SEC. 7239. TERMINATED FUNCTIONS OF NTIA.**

15 The following provisions of law are repealed:

16 (1) Subpart A of part IV of title III of the
17 Communications Act of 1934 (47 U.S.C. 390 et
18 seq.), relating to assistance for public telecommuni-
19 cations facilities.

20 (2) Subpart B of part IV of title III of the
21 Communications Act of 1934 (47 U.S.C. 394 et
22 seq.), relating to the Endowment for Children’s
23 Educational Television.

24 (3) Subpart C of part IV of title III of the
25 Communications Act of 1934 (47 U.S.C. 395 et

1 seq.), relating to Telecommunications Demonstration
2 grants.

3 **SEC. 7240. TRANSFER OF SPECTRUM MANAGEMENT FUNC-**
4 **TIONS.**

5 There are transferred to the Chairman of the Federal
6 Communications Commission all functions of the Sec-
7 retary of Commerce, the Assistant Secretary of Commerce
8 for Communications and Information, and the National
9 Telecommunications and Information Administration
10 under parts A and B of the National Telecommunication
11 and Information Administration Organization Act.

12 **SEC. 7241. NATIONAL OCEANIC AND ATMOSPHERIC ADMIN-**
13 **ISTRATION.**

14 (a) TERMINATION OF AUTHORITY TO MAKE FISH-
15 ERIES GRANTS.—No financial assistance may be provided
16 under any of the following laws, except to the extent the
17 provision of that assistance is a contractual obligation of
18 the United States on the day before the effective date of
19 this section:

20 (1) Section 2 of the Act of August 11, 1939
21 (15 U.S.C. 713c-3), popularly known as the
22 “Saltonstall-Kennedy Act”.

23 (2) Section 1 of the Act of September 2, 1960
24 (16 U.S.C. 753a).

1 (3) The Antarctic Marine Living Resources
2 Convention Act of 1984 (16 U.S.C. 2431 et seq.).

3 (4) The Anadromous Fish Conservation Act (16
4 U.S.C. 757a et seq.).

5 (5) Provisions of the Magnuson Fishery Con-
6 servation and Management Act (16 U.S.C. 1801 et
7 seq.) and the Department of Commerce Appropria-
8 tion Act of 1994 that authorize assistance to State
9 fishery agencies to enhance their data collection and
10 analysis systems to respond to coastwise fisheries
11 management needs.

12 (6) The Interjurisdictional Fisheries Act of
13 1986 (16 U.S.C. 4101 et seq.).

14 (7) Provisions of the Fish and Wildlife Act of
15 1956 and the Department of Commerce Appropria-
16 tion Act of 1994 that authorize assistance to States
17 for a cooperative State and Federal partnership to
18 provide a continuing source of fisheries statistics to
19 support fisheries management in the States' terri-
20 torial waters and the United States exclusive eco-
21 nomic zone.

22 (8) Provisions of the Fish and Wildlife Act of
23 1956 and the Department of Commerce Appropria-
24 tion Act of 1994 that authorize assistance to States
25 for a cooperative program which engages State and

1 Federal agencies in the coordinated collection, man-
2 agement, and dissemination of fishery-independent
3 information on marine fisheries in support of State
4 territorial waters and the United States exclusive
5 economic zone fisheries management programs.

6 (9) Provisions of the Act of May 11, 1938 (16
7 U.S.C. 756–757), popularly known as the Mitchell
8 Act, and the Department of Commerce Appropria-
9 tion Act of 1994 that authorize assistance to State
10 fisheries agencies in the Pacific Northwest to protect
11 and enhance salmon and steelhead resources in the
12 region.

13 (10) Provisions of the Pacific Salmon Treaty
14 Act of 1985 (16 U.S.C. 3631–3644) and the De-
15 partment of Commerce Appropriation Act of 1994
16 that authorize assistance to States in fulfilling re-
17 sponsibilities under the Pacific Salmon Treaty by
18 providing administrative, management, and applied
19 research support to the States to meet the needs of
20 the Pacific Salmon Commission and international
21 commitments under the treaty.

22 (11) Provisions of the Marine Mammal Protec-
23 tion Act of 1972 (16 U.S.C. 1371–1384) and the
24 Department of Commerce Appropriation Act of 1994
25 which authorize assistance to State agencies for the

1 collection and analysis of information on marine
2 mammals that occur in the State waters and inter-
3 act with State managed fisheries.

4 (12) Provisions of the Pacific Salmon Treaty
5 Act of 1985 (16 U.S.C. 3631–3644) and the De-
6 partment of Commerce Appropriation Act of 1994
7 that—

8 (A) authorize assistance to States to assist
9 in fulfilling Federal responsibilities under the
10 Pacific Salmon Treaty by restoring Southeast
11 Alaska salmon harvests limited by the treaty
12 and by restoring salmon stocks as quickly as
13 possible; and

14 (B) help implement a 1989 “Understand-
15 ing between the United States and Canadian
16 Sections of the Pacific Salmon Commission
17 Concerning Joint Enhancement of
18 Transboundary River Salmon Stocks”.

19 (b) TERMINATION OF FISHERIES TRADE PROMOTION
20 PROGRAM.—Section 211 of the Act of December 22, 1989
21 (15 U.S.C. 1511b) is repealed.

22 (c) CONFORMING AMENDMENT TO TERMINATE
23 FISHERIES PROMOTION AND DEVELOPMENT TRANSFERS
24 AND FUNDS.—Section 2(b) of the Act of August 11, 1939
25 (15 U.S.C. 713c–3), popularly known as the “Saltonstall-

1 Kennedy Act”, is repealed. Amounts remaining, on the ef-
2 fective date of this section, in the funds established under
3 that section that are not required for the provision of fi-
4 nancial assistance that is not otherwise terminated by this
5 section shall revert to the general fund of the Treasury.

6 (d) TERMINATION OF AUTHORITY TO GUARANTEE
7 OBLIGATIONS FOR FISHING VESSEL AND FISHING FACIL-
8 ITY CONSTRUCTION, ETC.—No new guarantee of an obli-
9 gation or commitment to guarantee an obligation under
10 title XI of the Merchant Marine Act, 1936 (46 App.
11 U.S.C. 1271 et seq.) may be made under authority that
12 was vested in the Secretary of Commerce on the day be-
13 fore the effective date of this section (relating to obliga-
14 tions for fishing vessels or fishing facilities), except to the
15 extent the making of such a guarantee was a contractual
16 obligation of the United States on the day before that ef-
17 fective date.

18 (e) TERMINATION OF COMPENSATION UNDER FISH-
19 ERMEN’S PROTECTIVE ACT OF 1967.—No compensation
20 may be paid under section 10 of the Fishermen’s Protec-
21 tive Act of 1967 (22 U.S.C. 1980), relating to compensa-
22 tion for damage, loss, or destruction of fishing vessels or
23 fishing gear, except to the extent the compensation was
24 awarded before the effective date of this section.

1 (f) TERMINATION OF COMPENSATION TO FISHERMEN
2 UNDER OUTER CONTINENTAL SHELF LANDS ACT
3 AMENDMENTS OF 1978.—No compensation may be paid
4 under title IV of the Outer Continental Shelf Lands Act
5 Amendments of 1978 (43 U.S.C. 1841 et seq.), except to
6 the extent the compensation was awarded before the effec-
7 tive date of this section.

8 (g) TERMINATION OF MISCELLANEOUS RESEARCH
9 FUNCTIONS.—The following functions, as vested in per-
10 sonnel of the National Oceanic and Atmospheric Adminis-
11 tration on the day before the effective date of this section,
12 are terminated:

13 (1) All observation and prediction functions re-
14 lating to pollution research.

15 (2) All functions relating to estuarine and
16 coastal assessment research.

17 (h) TERMINATION OF NOAA CORPS.—

18 (1) TERMINATION.—The National Oceanic and
19 Atmospheric Administration Corps is terminated,
20 and the assets thereof shall be transferred to the
21 Commerce Programs Resolution Agency.

22 (2) DISPOSITION OF ASSETS.—The Adminis-
23 trator of the Commerce Programs Resolution Agen-
24 cy shall attempt to sell the assets of the National
25 Oceanic and Atmospheric Administration Corps,

1 within 18 months after the effective date specified in
2 section 7233(a), to a private sector entity intending
3 to perform substantially the same functions as were
4 performed by the National Oceanic and Atmospheric
5 Administration Corps immediately before such effec-
6 tive date.

7 (3) REPORT.—If no offer to purchase assets
8 under paragraph (2) is received within the 18-month
9 period described in such paragraph, the Commerce
10 Programs Resolution Agency shall submit a report
11 to the Congress containing recommendations on the
12 appropriate disposition of the assets and functions of
13 the National Oceanic and Atmospheric Administra-
14 tion Corps.

15 (i) DISPOSAL OF NOAA FLEET.—The Secretary of
16 the Interior—

17 (1) shall cease modernization of the National
18 Oceanic and Atmospheric Administration fleet of
19 vessels and terminate all new construction for that
20 fleet;

21 (2) shall promptly dispose of all assets compris-
22 ing the National Oceanic and Atmospheric Adminis-
23 tration fleet; and

24 (3) may not purchase any vessels for the Na-
25 tional Oceanic and Atmospheric Administration.

1 (j) OFFICE OF OCEANIC AND ATMOSPHERIC RE-
2 SEARCH.—(1) Except as otherwise provided in paragraph
3 (2) or (3), the Office of Oceanic and Atmospheric Re-
4 search shall be terminated.

5 (2) Functions relating to weather research of the Of-
6 fice of Oceanic and Atmospheric Research shall be trans-
7 ferred to the National Weather Service.

8 (3)(A) The laboratories of the Office of Oceanic and
9 Atmospheric Research shall be transferred to the Com-
10 merce Programs Resolution Agency.

11 (B) The Commerce Programs Resolution Agency
12 shall attempt to sell the property of the laboratories of
13 the Office of Oceanic and Atmospheric Research, within
14 18 months after the effective date specified in section
15 7233(a), to a private sector entity intending to perform
16 substantially the same functions as were performed by the
17 laboratories of the Office of Oceanic and Atmospheric Re-
18 search immediately before such effective date.

19 (C) If no offer to purchase property under subpara-
20 graph (B) is received within the 18-month period de-
21 scribed in such subparagraph, the Commerce Programs
22 Resolution Agency shall transfer the remaining labora-
23 tories to the Department of the Interior, which shall sub-
24 mit a report to the Congress containing recommendations

1 on the appropriate disposition of the property and func-
2 tions of such laboratories.

3 (k) NAUTICAL AND AERONAUTICAL CHARTING.—(1)
4 The nautical and aeronautical charting functions of the
5 National Oceanic and Atmospheric Administration shall
6 be transferred to the Defense Mapping Agency.

7 (2) The Defense Mapping Agency shall terminate any
8 functions transferred to it under paragraph (1) that are
9 performed by the private sector.

10 (l) NESDIS.—(1)(A) The National Environmental
11 Satellite, Data, and Information System Data Centers
12 shall be transferred to the Commerce Programs Resolu-
13 tion Agency.

14 (B) The Commerce Programs Resolution Agency
15 shall attempt to sell the property of the National Environ-
16 mental Satellite, Data, and Information System Data Cen-
17 ters, within 18 months after the effective date specified
18 in section 7233(a), to a private sector entity intending to
19 perform substantially the same functions as were per-
20 formed by the National Environmental Satellite, Data,
21 and Information System Data Centers immediately before
22 such effective date.

23 (C) If no offer to purchase property under subpara-
24 graph (B) is received within the 18-month period de-
25 scribed in such subparagraph, the Commerce Programs

1 Resolution Agency shall submit a report to the Congress
2 containing recommendations on the appropriate disposi-
3 tion of the property and functions of the National Envi-
4 ronmental Satellite, Data, and Information System Data
5 Centers.

6 (2) Functions related to weather satellites of the Na-
7 tional Environmental Satellite, Data, and Information
8 System shall be transferred to the National Weather Serv-
9 ice.

10 (m) NATIONAL WEATHER SERVICE.—(1) The Na-
11 tional Weather Service is hereby transferred to the De-
12 partment of the Interior.

13 (2)(A) The National Weather Service shall terminate
14 its specialized agricultural, Marine Radiofax, and forestry
15 weather services, and its Regional Climate Centers.

16 (B) The National Weather Service may terminate any
17 other specialized weather services not required by law to
18 be performed.

19 (n) NATIONAL MARINE FISHERIES SERVICE.—

20 (1) TRANSFER OF ENFORCEMENT FUNC-
21 TIONS.—There are transferred to the Secretary of
22 Transportation all functions relating to law enforce-
23 ment that on the day before the effective date of this
24 section were authorized to be performed by the Na-
25 tional Marine Fisheries Service.

1 (2) TRANSFER OF SCIENCE FUNCTIONS.—

2 There are transferred to the Director of the United
3 States Fish and Wildlife Service all functions relat-
4 ing to science that on the day before the effective
5 date of this section were authorized to be performed
6 by the National Marine Fisheries Service.

7 (3) TRANSFER OF SEAFOOD INSPECTION FUNC-

8 TIONS.—There are transferred to the Secretary of
9 Agriculture all functions relating to seafood inspec-
10 tion that on the day before the effective date of this
11 section were authorized to be performed by the Na-
12 tional Marine Fisheries Service.

13 (o) NATIONAL OCEAN SERVICE.—

14 (1) TRANSFER OF GEODESY FUNCTIONS.—

15 There are transferred to the Director of the United
16 States Geological Survey all functions relating to ge-
17 odesy that on the day before the effective date of
18 this section were authorized to be performed by the
19 National Ocean Service.

20 (2) TRANSFER OF MARINE AND ESTUARINE

21 SANCTUARY FUNCTIONS.—There are transferred to
22 the Secretary of the Interior all functions relating to
23 marine and estuarine sanctuaries that on the day
24 before the effective date of this section were author-
25 ized to be performed by the National Ocean Service.

1 (p) ENVIRONMENTAL RESEARCH LABORATORIES.—

2 (1) TRANSFER.—The environmental research
3 laboratories of the National Oceanic and Atmos-
4 pheric Administration (other than laboratories of the
5 Office of Oceanic and Atmospheric Research, re-
6 ferred to in subsection (j)) shall be transferred to
7 the Commerce Programs Resolution Agency.

8 (2) DISPOSAL.—The Commerce Programs Res-
9 olution Agency shall attempt to sell the property of
10 the laboratories transferred under paragraph (1),
11 within 18 months after the effective date specified in
12 section 7233(a), to a private sector entity intending
13 to perform substantially the same functions as were
14 performed by the laboratories before such effective
15 date.

16 (3) REPORT.—If no offer to purchase property
17 under paragraph (2) is received within the 18-month
18 period described in such paragraph, the Commerce
19 Programs Resolution Agency shall submit a report
20 to the Congress containing recommendations on the
21 appropriate disposition of the property and functions
22 of the laboratories transferred under paragraph (1).

23 **SEC. 7242. MISCELLANEOUS ABOLISHMENTS.**

24 The following agencies and programs of the Depart-
25 ment of Commerce are abolished, and the functions of

1 those agencies or programs are abolished except to the ex-
2 tent otherwise provided in this title:

3 (1) The Economic Development Administration.

4 (2) The Minority Business Development Admin-
5 istration.

6 (3) The United States Travel and Tourism Ad-
7 ministration.

8 (4) The National Telecommunications and In-
9 formation Administration.

10 (5) The Advanced Technology Program under
11 section 28 of the National Institute of Standards
12 and Technology Act (15 U.S.C. 278n).

13 (6) The Manufacturing Extension Programs
14 under sections 25 and 26 of the National Institute
15 of Standards and Technology Act (15 U.S.C. 278k
16 and 278l).

17 **SEC. 7243. EFFECTIVE DATE.**

18 (a) IN GENERAL.—Except as provided in subsection
19 (b), this title shall take effect on the effective date speci-
20 fied in section 7109(a).

21 (b) PROVISIONS EFFECTIVE ON DATE OF ENACT-
22 MENT.—The following provisions of this chapter shall take
23 effect on the date of the enactment of this Act:

24 (1) Section 7201.

25 (2) Section 7206 (a)(2) and (d).

1 (3) Section 7232.

2 **SEC. 7244. SENSE OF CONGRESS REGARDING USER FEES.**

3 It is the sense of the Congress that the head of each
4 agency that performs a function vested in the agency by
5 this title should, wherever feasible, explore and implement
6 user fees for the provision of services in the performance
7 of that function, to offset operating costs.

8 **CHAPTER 3—MISCELLANEOUS**
9 **PROVISIONS**

10 **SEC. 7251. REFERENCES.**

11 Any reference in any other Federal law, Executive
12 order, rule, regulation, or delegation of authority, or any
13 document of or pertaining to an office from which a func-
14 tion is transferred by this title—

15 (1) to the Secretary of Commerce or an officer
16 of the Department of Commerce, is deemed to refer
17 to the head of the department or office to which
18 such function is transferred; or

19 (2) to the Department of Commerce or an
20 agency in the Department of Commerce is deemed
21 to refer to the department or office to which such
22 function is transferred.

23 **SEC. 7252. EXERCISE OF AUTHORITIES.**

24 Except as otherwise provided by law, a Federal offi-
25 cial to whom a function is transferred by this title may,

1 for purposes of performing the function, exercise all au-
2 thorities under any other provision of law that were avail-
3 able with respect to the performance of that function to
4 the official responsible for the performance of the function
5 immediately before the effective date of the transfer of the
6 function under this title.

7 **SEC. 7253. SAVINGS PROVISIONS.**

8 (a) LEGAL DOCUMENTS.—All orders, determinations,
9 rules, regulations, permits, grants, loans, contracts, agree-
10 ments, certificates, licenses, and privileges—

11 (1) that have been issued, made, granted, or al-
12 lowed to become effective by the President, the Sec-
13 retary of Commerce, any officer or employee of any
14 office transferred by this title, or any other Govern-
15 ment official, or by a court of competent jurisdic-
16 tion, in the performance of any function that is
17 transferred by this title, and

18 (2) that are in effect on the effective date of
19 such transfer (or become effective after such date
20 pursuant to their terms as in effect on such effective
21 date),

22 shall continue in effect according to their terms until
23 modified, terminated, superseded, set aside, or revoked in
24 accordance with law by the President, any other author-

1 ized official, a court of competent jurisdiction, or operation
2 of law.

3 (b) PROCEEDINGS.—This title shall not affect any
4 proceedings or any application for any benefits, service,
5 license, permit, certificate, or financial assistance pending
6 on the date of the enactment of this Act before an office
7 transferred by this title, but such proceedings and applica-
8 tions shall be continued. Orders shall be issued in such
9 proceedings, appeals shall be taken therefrom, and pay-
10 ments shall be made pursuant to such orders, as if this
11 title had not been enacted, and orders issued in any such
12 proceeding shall continue in effect until modified, termi-
13 nated, superseded, or revoked by a duly authorized official,
14 by a court of competent jurisdiction, or by operation of
15 law. Nothing in this subsection shall be considered to pro-
16 hibit the discontinuance or modification of any such pro-
17 ceeding under the same terms and conditions and to the
18 same extent that such proceeding could have been discon-
19 tinued or modified if this title had not been enacted.

20 (c) SUITS.—This title shall not affect suits com-
21 menced before the date of the enactment of this Act, and
22 in all such suits, proceeding shall be had, appeals taken,
23 and judgments rendered in the same manner and with the
24 same effect as if this title had not been enacted.

1 (d) NONABATEMENT OF ACTIONS.—No suit, action,
2 or other proceeding commenced by or against the Depart-
3 ment of Commerce or the Secretary of Commerce, or by
4 or against any individual in the official capacity of such
5 individual as an officer or employee of an office trans-
6 ferred by this title, shall abate by reason of the enactment
7 of this title.

8 (e) CONTINUANCE OF SUITS.—If any officer of the
9 Department of Commerce or the Commerce Programs
10 Resolution Agency in the official capacity of such officer
11 is party to a suit with respect to a function of the officer,
12 and under this title such function is transferred to any
13 other officer or office, then such suit shall be continued
14 with the other officer or the head of such other office, as
15 applicable, substituted or added as a party.

16 **SEC. 7254. TRANSFER OF ASSETS.**

17 Except as otherwise provided in this title, so much
18 of the personnel, property, records, and unexpended bal-
19 ances of appropriations, allocations, and other funds em-
20 ployed, used, held, available, or to be made available in
21 connection with a function transferred to an official or
22 agency by this title shall be available to the official or the
23 head of that agency, respectively, at such time or times
24 as the Director of the Office of Management and Budget

1 directs for use in connection with the functions trans-
2 ferred.

3 **SEC. 7255. DELEGATION AND ASSIGNMENT.**

4 Except as otherwise expressly prohibited by law or
5 otherwise provided in this title, an official to whom func-
6 tions are transferred under this title (including the head
7 of any office to which functions are transferred under this
8 title) may delegate any of the functions so transferred to
9 such officers and employees of the office of the official as
10 the official may designate, and may authorize successive
11 redelegations of such functions as may be necessary or ap-
12 propriate. No delegation of functions under this section
13 or under any other provision of this title shall relieve the
14 official to whom a function is transferred under this title
15 of responsibility for the administration of the function.

16 **SEC. 7256. AUTHORITY OF ADMINISTRATOR WITH RESPECT**
17 **TO FUNCTIONS TRANSFERRED.**

18 (a) DETERMINATIONS.—If necessary, the Adminis-
19 trator shall make any determination of the functions that
20 are transferred under this title.

21 (b) INCIDENTAL TRANSFERS.—The Administrator,
22 at such time or times as the Administrator shall provide,
23 may make such determinations as may be necessary with
24 regard to the functions transferred by this title, and to
25 make such additional incidental dispositions of personnel,

1 assets, liabilities, grants, contracts, property, records, and
2 unexpended balances of appropriations, authorizations, al-
3 locations, and other funds held, used, arising from, avail-
4 able to, or to be made available in connection with such
5 functions, as may be necessary to carry out the provisions
6 of this title. The Administrator shall provide for the termi-
7 nation of the affairs of all entities terminated by this title
8 and for such further measures and dispositions as may
9 be necessary to effectuate the purposes of this title.

10 **SEC. 7257. PROPOSED CHANGES IN LAW.**

11 Not later than one year after the date of the enact-
12 ment of this Act, the Director of the Office of Manage-
13 ment and Budget shall submit to the Congress a descrip-
14 tion of any changes in Federal law necessary to reflect
15 abolishments, transfers, terminations, and disposals under
16 this title.

17 **SEC. 7258. CERTAIN VESTING OF FUNCTIONS CONSIDERED**
18 **TRANSFERS.**

19 For purposes of this title, the vesting of a function
20 in a department or office pursuant to reestablishment of
21 an office shall be considered to be the transfer of the
22 function.

23 **SEC. 7259. DEFINITIONS.**

24 For purposes of this title, the following definitions
25 apply:

1 (1) ADMINISTRATOR.—The term “Adminis-
2 trator” means the Administrator of the Commerce
3 Programs Resolution Agency.

4 (2) AGENCY.—The term “Agency” means the
5 Commerce Programs Resolution Agency.

6 (3) FUNCTION.—The term “function” includes
7 any duty, obligation, power, authority, responsibility,
8 right, privilege, activity, or program.

9 (4) OFFICE.—The term “office” includes any
10 office, administration, agency, bureau, institute,
11 council, unit, organizational entity, or component
12 thereof.

13 (5) WIND-UP PERIOD.—The term “wind-up pe-
14 riod” means the period beginning on the effective
15 date specified in section 109(a) and ending on the
16 termination date specified in section 106(d).

17 **SEC. 7260. LIMITATION ON ANNUAL EXPENDITURES FOR**
18 **CONTINUED FUNCTIONS.**

19 The amount expended by the United States each fis-
20 cal year for performance of a function which immediately
21 before the effective date of this section was authorized to
22 be performed by an agency, officer, or employee of the De-
23 partment of Commerce may not exceed 75 percent of the
24 total amount expended by the United States for perform-
25 ance of that function during fiscal year 1994.

1 **Subtitle D—Banking and Insurance**
2 **Reforms**

3 **CHAPTER 1—BANKING EXAMINATION**

4 **FEES**

5 **SEC. 7301. BANK EXAMINATION FEES.**

6 (a) FDIC EXAMINATION FEES.—Section 10(e)(1) of
7 the Federal Deposit Insurance Act (12 U.S.C. 1820(e)(1))
8 is amended to read as follows:

9 “(1) IN GENERAL.—

10 “(A) REGULATORY EXAMINATIONS.—The
11 cost of conducting any examination under sub-
12 section (b)(2) of an insured depository institu-
13 tion described in subparagraph (A) of such sub-
14 section shall be assessed by the Corporation
15 against the institution in an amount sufficient
16 to meet the Corporation’s expenses in carrying
17 out the examination.

18 “(B) INSURANCE EXAMINATIONS.—The
19 cost of conducting any examination of a deposi-
20 tory institution under subsection (b)(2) or
21 (b)(3), other than an examination to which sub-
22 paragraph (A) applies, may be assessed by the
23 Corporation against the institution to meet the
24 Corporation’s expenses in carrying out the ex-
25 amination.”.

1 (b) FEDERAL RESERVE BOARD EXAMINATION
2 FEES.—The 2d sentence of the 8th undesignated para-
3 graph of section 9 of the Federal Reserve Act (12 U.S.C.
4 326) is amended—

5 (1) by striking “may, in the discretion of the
6 Board of Governors of the Federal Reserve System,
7 be assessed” and inserting “shall be assessed”; and

8 (2) by striking “and, when so assessed, shall be
9 paid” and inserting “and shall be paid”.

10 (c) TECHNICAL AND CONFORMING AMENDMENT.—
11 Section 10(b)(2) of the Federal Deposit Insurance Act (12
12 U.S.C. 1820(b)(2)) is amended by inserting “an examina-
13 tion is required under subsection (d)(1) or” after “when-
14 ever”.

15 **Subchapter A—Federal Banking Agency**

16 **SEC. 7311. ESTABLISHMENT.**

17 (a) IN GENERAL.—There is hereby established an
18 agency to be known as the Federal Banking Agency (here-
19 after in this chapter referred to as the “Agency”) as an
20 independent establishment in the executive branch.

21 (b) INSURED DEPOSITORY INSTITUTION DEFINED.—
22 For purposes of this chapter, the term “insured depository
23 institution” has the meaning given to such term in section
24 3(c) of the Federal Deposit Insurance Act.

1 **SEC. 7312. MANAGEMENT.**

2 (a) BOARD OF DIRECTORS.—

3 (1) IN GENERAL.—The Agency shall be under
4 the management of a board of directors (hereafter in
5 this chapter referred to as the “Board”) composed
6 of 7 members—

7 (A) 1 of whom shall be the Secretary of
8 the Treasury;

9 (B) 1 of whom shall be the Chairman of
10 the Board of Governors of the Federal Reserve
11 System;

12 (C) 1 of whom shall be the Chairperson of
13 the Board of Directors of the Federal Deposit
14 Insurance Corporation; and

15 (D) 4 of whom shall be appointed by the
16 President, by and with the advice and consent
17 of the Senate.

18 (2) POLITICAL AFFILIATION.—Not more than 2
19 members of the Board appointed under paragraph
20 (1)(D) may be members of the same political party.

21 (b) CHAIRPERSON AND VICE CHAIRPERSON.—

22 (1) CHAIRPERSON.—1 of the members of the
23 Board appointed under subsection (a)(1)(D) shall be
24 designated by the President, by and with the advice
25 and consent of the Senate, to serve as Chairperson
26 of the Board.

1 (2) VICE CHAIRPERSON.—1 of the members of
2 the Board appointed under subsection (a)(1)(D)
3 shall be designated by the President, by and with
4 the advice and consent of the Senate, to serve as
5 Vice Chairperson of the Board.

6 (3) ACTING CHAIRPERSON.—In the event of a
7 vacancy in the position of Chairperson of the Board,
8 or during the absence or disability of the Chair-
9 person, the Vice Chairperson shall act as Chair-
10 person.

11 (c) TERMS.—

12 (1) 5-YEAR TERMS.—Except as provided in
13 paragraph (4), each member appointed under sub-
14 section (a)(1)(D) shall be appointed for a term of 5
15 years.

16 (2) INTERIM APPOINTMENTS.—Any member ap-
17 pointed to fill a vacancy occurring before the end of
18 the term to which such member's predecessor was
19 appointed shall be appointed only for the remainder
20 of such term.

21 (3) CONTINUATION OF SERVICE.—Any member
22 may continue to serve after the expiration of the
23 term of office to which such member was appointed
24 until a successor has been appointed and qualified.

1 (4) STAGGERED FOR 1ST APPOINTEES.—Of the
2 members first appointed to the Board under sub-
3 section (a)(1)(D)—

4 (A) 1 shall be appointed for a term of 5
5 years;

6 (B) 1 shall be appointed for a term of 4
7 years;

8 (C) 1 shall be appointed for a term of 3
9 years; and

10 (D) 1 shall be appointed for a term of 2
11 years,

12 as designated by the President at the time of the
13 appointment.

14 (d) VACANCY.—Any vacancy on the Board shall be
15 filled in the manner in which the original appointment was
16 made.

17 (e) INELIGIBILITY FOR OTHER OFFICES.—

18 (1) RESTRICTIONS ON EMPLOYMENT BY DEPOS-
19 ITORY INSTITUTIONS.—No member of the Board
20 may hold any office, position, or employment in any
21 insured depository institution or any affiliate (as de-
22 fined in section 2(k) of the Bank Holding
23 Company Act of 1956) of an insured depository
24 institution during—

25 (A) the time such member is in office; and

1 (B) the 2-year period beginning on the
2 date such member ceases to serve on the Board.

3 (2) OTHER RESTRICTIONS DURING SERVICE AS
4 MEMBER.—No member of the Board may—

5 (A) be an officer or director of any Federal
6 reserve bank or Federal home loan bank; or

7 (B) hold any stock in any insured deposi-
8 tory institution or any affiliate (as defined in
9 section 2(k) of the Bank Holding Company Act
10 of 1956) of an insured depository institution.

11 (3) CERTIFICATION.—Upon taking office, each
12 member of the Board shall file a certification under
13 oath with the secretary of the Board that such mem-
14 ber has complied with the requirements of this sub-
15 section.

16 **SEC. 7313. POWERS AND DUTIES.**

17 (a) REGULATION OF NATIONAL BANKS.—

18 (1) TRANSFER TO AGENCY.—All functions of
19 the Comptroller of the Currency are hereby trans-
20 ferred to the Agency.

21 (2) AGENCY POWERS.—The Agency shall have
22 all powers, duties, and authority which, before the
23 date of the enactment of this Act, were vested in the
24 Comptroller of the Currency under the following pro-
25 visions of law to the extent such provisions apply to

1 national banks or the office, officers, or employees of
2 the Comptroller of the Currency:

3 (A) Chapter nine of title VII and title
4 LXII of the Revised Statutes.

5 (B) The Bank Conservation Act.

6 (C) The Federal Deposit Insurance Act.

7 (D) The National Bank Receivership Act.

8 (E) The Act entitled “An Act additional to
9 the Act entitled ‘An Act to provide a national
10 currency secured by a pledge of United States
11 bonds and to provide for the circulation and re-
12 demption thereof,’ passed June third, eighteen
13 hundred and sixty four.” and approved March
14 29, 1886.

15 (F) The Act entitled “An Act to provide
16 for the conversion of national banking associa-
17 tions into and their merger or consolidation
18 with State banks, and for other purposes.” and
19 approved August 17, 1950.

20 (G) The National Bank Consolidation and
21 Merger Act.

22 (H) The International Banking Act of
23 1978.

24 (I) The Farm Credit Act of 1971.

1 (J) Any title of the Consumer Credit Pro-
2 tection Act.

3 (K) The Bank Protection Act of 1968.

4 (L) The Home Mortgage Disclosure Act of
5 1975.

6 (M) The Community Reinvestment Act of
7 1977.

8 (N) The Depository Institution Manage-
9 ment Interlocks Act.

10 (O) Sections 2, 4, 19(h), 22(g), 24(a),
11 24A, 25, 25A, and 29 of the Federal Reserve
12 Act.

13 (P) The Bank Service Corporation Act.

14 (Q) The Federal Financial Institutions Ex-
15 amination Council Act of 1978.

16 (R) The Right to Financial Privacy Act of
17 1978.

18 (S) The Alternative Mortgage Transaction
19 Parity Act of 1982.

20 (T) The International Lending Supervision
21 Act of 1983.

22 (U) The Expedited Funds Availability Act.

23 (V) The Financial Institutions Reform, Re-
24 covery, and Enforcement Act of 1989.

1 (W) The Federal Deposit Insurance Cor-
2 poration Improvement Act of 1991.

3 (X) The Riegle-Neal Interstate Banking
4 and Branching Efficiency Act of 1994.

5 (Y) The Riegle Community Development
6 and Regulatory Improvement Act of 1994.

7 (Z) The Truth in Savings Act.

8 (b) REGULATION OF MEMBER BANKS, BANK HOLD-
9 ING COMPANIES AND AFFILIATES, AND VARIOUS INTER-
10 NATIONAL BANKING ENTITIES.—

11 (1) TRANSFER TO AGENCY.—All functions of
12 the Board of Governors of the Federal Reserve Sys-
13 tem (and any Federal reserve bank) relating to—

14 (A) the supervision and regulation of
15 banks which are members of the Federal Re-
16 serve System;

17 (B) the supervision and regulation of bank
18 holding companies and any subsidiary or affili-
19 ate of a bank holding company which is not a
20 depository institution;

21 (C) the supervision and regulation of com-
22 panies operating under section 25 or 25A of the
23 Federal Reserve Act or the International Bank-
24 ing Act of 1978;

1 (D) the supervision and regulation of any
2 company which is subject to supervision and
3 regulation by the Board of Governors under any
4 title of the Consumer Protection Act; and

5 (E) the supervision and regulation of any
6 foreign bank, any branch or agency of a foreign
7 bank, and any commercial lending company
8 controlled by a foreign bank,
9 are hereby transferred to the Agency.

10 (2) AGENCY POWERS.—The Agency shall have
11 all powers, duties, and authority which, before the
12 date of the enactment of this Act, were vested in the
13 Board of Governors of the Federal Reserve System
14 under the following provisions of law to the extent
15 such provisions apply to banks or other companies
16 described in any subparagraph of paragraph (1):

17 (A) Sections 6 (other than the 1st and 2d
18 paragraphs), 9, 19(h), 22(g), 22(h), 23A, 23B,
19 24(a), 24A, 25, 25A, and 29 of the Federal
20 Reserve Act.

21 (B) The Bank Holding Company Act of
22 1956.

23 (C) The Bank Holding Company Act
24 Amendments of 1970.

1 (D) The International Banking Act of
2 1978.

3 (E) Sections 20, 31, and 32 of the Na-
4 tional Banking Act of 1933.

5 (F) The Federal Deposit Insurance Act.

6 (G) Any title of the Consumer Credit Pro-
7 tection Act.

8 (H) The Bank Protection Act of 1968.

9 (I) The Home Mortgage Disclosure Act of
10 1975.

11 (J) The Community Reinvestment Act of
12 1977.

13 (K) The Depository Institution Manage-
14 ment Interlocks Act.

15 (L) The Bank Service Corporation Act.

16 (M) The Federal Financial Institutions
17 Examination Council Act of 1978.

18 (N) The Right to Financial Privacy Act of
19 1978.

20 (O) The Alternative Mortgage Transaction
21 Parity Act of 1982.

22 (P) The International Lending Supervision
23 Act of 1983.

24 (Q) The Expedited Funds Availability Act.

1 (R) The Financial Institutions Reform,
2 Recovery, and Enforcement Act of 1989.

3 (S) The Federal Deposit Insurance Cor-
4 poration Improvement Act of 1991.

5 (T) The Riegle-Neal Interstate Banking
6 and Branching Efficiency Act of 1994.

7 (U) The Riegle Community Development
8 and Regulatory Improvement Act of 1994.

9 (V) The Truth in Savings Act.

10 (c) REGULATION OF SAVINGS ASSOCIATIONS AND
11 SAVINGS AND LOAN HOLDING COMPANIES.—

12 (1) TRANSFER TO AGENCY.—All functions of
13 the Director of the Office of Thrift Supervision are
14 hereby transferred to the Agency.

15 (2) AGENCY POWERS.—The Agency shall have
16 all powers, duties, and authority which, before the
17 date of the enactment of this Act, were vested in the
18 Director of the Office of Thrift Supervision under
19 the following provisions of law to the extent such
20 provisions apply to savings associations, savings and
21 loan holding companies, or the office, officers, or
22 employees of the Director:

23 (A) The Home Owners' Loan Act.

24 (B) The Federal Deposit Insurance Act.

1 (C) Any title of the Consumer Credit Pro-
2 tection Act.

3 (D) The Bank Protection Act of 1968.

4 (E) The Home Mortgage Disclosure Act of
5 1975.

6 (F) The Community Reinvestment Act of
7 1977.

8 (G) The Depository Institution Manage-
9 ment Interlocks Act.

10 (H) The Bank Service Corporation Act.

11 (I) The Federal Financial Institutions Ex-
12 amination Council Act of 1978.

13 (J) The Right to Financial Privacy Act of
14 1978.

15 (K) The Alternative Mortgage Transaction
16 Parity Act of 1982.

17 (L) The Expedited Funds Availability Act.

18 (M) The Financial Institutions Reform,
19 Recovery, and Enforcement Act of 1989.

20 (N) The Federal Deposit Insurance Cor-
21 poration Improvement Act of 1991.

22 (O) The Resolution Trust Corporation Re-
23 financing, Restructuring, and Improvement Act
24 of 1991.

1 (P) The Riegle-Neal Interstate Banking
2 and Branching Efficiency Act of 1994.

3 (Q) The Riegle Community Development
4 and Regulatory Improvement Act of 1994.

5 (R) The Truth in Savings Act.

6 (d) REGULATION OF STATE NONMEMBER BANKS.—

7 (1) TRANSFER TO AGENCY.—All functions of
8 the Federal Deposit Insurance Corporation relating
9 to the supervision and regulation of State
10 nonmember banks, including savings banks, (other
11 than insurance, conservatorship, or receivership
12 functions) and foreign banks with insured branches
13 (as defined in section 3(s)(3) of the Federal Deposit
14 Insurance Act) are hereby transferred to the Agen-
15 cy.

16 (2) AGENCY POWERS.—The Agency shall have
17 all powers, duties, and authority which, before the
18 date of the enactment of this Act, were vested in the
19 Federal Deposit Insurance Corporation or in the
20 Board of Directors of such Corporation under the
21 following provisions of law:

22 (A) Sections 7(a), 20, 21, 22, 27, 30(c),
23 32, 33, 34, 35, 36, 37, 38, 39, 42, and 44, sub-
24 sections (b) through (n), (r), (s), (u), and (v)
25 of section 8, subsections (b)(2)(A), (c), (d), and

1 (e) of section 10, subsections (c) (other than
2 paragraph (1)), (d), (g), (i), (j), (l), (o), and (p)
3 of section 18 of the Federal Deposit Insurance
4 Act.

5 (B) Any title of the Consumer Credit Pro-
6 tection Act.

7 (C) The Depository Institution Manage-
8 ment Interlocks Act.

9 (D) The Federal Financial Institutions Ex-
10 amination Council Act of 1978.

11 (E) The Home Mortgage Disclosure Act of
12 1975.

13 (F) The Right to Financial Privacy Act of
14 1978.

15 (G) The Alternative Mortgage Transaction
16 Parity Act of 1982.

17 (H) The Bank Service Corporation Act.

18 (I) The Expedited Funds Availability Act.

19 (J) The Financial Institutions Reform, Re-
20 covery, and Enforcement Act of 1989.

21 (K) The Community Reinvestment Act of
22 1977.

23 (L) The Federal Deposit Insurance Cor-
24 poration Improvement Act of 1991.

1 (M) The Riegle-Neal Interstate Banking
2 and Branching Efficiency Act of 1994.

3 (N) The Riegle Community Development
4 and Regulatory Improvement Act of 1994.

5 (O) The Truth in Savings Act.

6 (e) REGULATION OF CREDIT UNIONS.—

7 (1) TRANSFER TO AGENCY.—All functions of
8 the National Credit Union Administration relating
9 to the supervision and regulation of credit unions,
10 including the National Credit Union Administration
11 Central Liquidity Facility and the Community De-
12 velopment Credit Union Revolving Loan Fund,
13 (other than insurance, conservatorship, or liquidat-
14 ing agency functions) are hereby transferred to the
15 Agency.

16 (2) AGENCY POWERS.—The Agency shall have
17 all powers, duties, and authority which, before the
18 date of the enactment of this Act, were vested in the
19 National Credit Union Administration or the Na-
20 tional Credit Union Administration Board under the
21 following provisions of law:

22 (A) The Federal Credit Union Act.

23 (B) The Community Development Credit
24 Union Revolving Loan Fund Transfer Act.

1 (C) Any title of the Consumer Credit Pro-
2 tection Act.

3 (D) The Expedited Funds Availability Act.

4 (E) The Federal Financial Institutions Ex-
5 amination Council Act of 1978.

6 (F) The Right to Financial Privacy Act of
7 1978.

8 (G) The Truth in Savings Act.

9 (f) REGULATIONS AND ORDERS.—In addition to any
10 authority under any Act referred to in subsection (a), (b),
11 (c), (d), or (e), the Agency may prescribe such regulations
12 and issue such orders as the Agency may determine to
13 be appropriate to carry out the purposes of this chapter
14 and the powers and duties of the Agency under this chap-
15 ter and any Act referred to in any such subsection.

16 **SEC. 7314. TECHNICAL AND CONFORMING AMENDMENTS**
17 **RELATING TO TRANSFERS OF FUNCTIONS.**

18 (a) APPROPRIATE FEDERAL BANKING AGENCY RE-
19 DEFINED.—Section 3(q) of the Federal Deposit Insurance
20 Act (12 U.S.C. 1813(q)) is amended to read as follows:

21 “(q) APPROPRIATE FEDERAL BANKING AGENCY.—
22 The term ‘appropriate Federal banking agency’ means the
23 Federal Banking Agency.”.

1 (b) MEMBERS OF FDIC BOARD.—Section 2(a)(1) of
2 the Federal Deposit Insurance Act (12 U.S.C. 1812(a)(1))
3 is amended—

4 (1) by striking subparagraph (A) and redesignig-
5 nating subparagraphs (B) and (C) as subparagraphs
6 (A) and (B), respectively;

7 (2) in subparagraph (A) (as so redesignated by
8 paragraph (1)), by striking “Director of the Office
9 of Thrift Supervision” and inserting “Chairperson of
10 the Federal Banking Agency”; and

11 (3) in subparagraph (B) (as so redesignated by
12 paragraph (1)), by striking “3” and inserting “4”.

13 **Subchapter B—Abolition of Federal Banking**
14 **Agencies**

15 **SEC. 7321. OFFICE OF COMPTROLLER OF THE CURRENCY**
16 **AND POSITION OF COMPTROLLER OF THE**
17 **CURRENCY ABOLISHED.**

18 (a) IN GENERAL.—Effective at the end of the 180-
19 day period beginning on the date of the enactment of this
20 Act, the Office of the Comptroller of the Currency and
21 the position of Comptroller of the Currency are hereby
22 abolished.

23 (b) TECHNICAL AND CONFORMING AMENDMENTS.—

1 (1) Chapter nine of title VII of the Revised
2 Statutes is amended by striking sections 324, 325,
3 and 326.

4 (2) Subchapter I of chapter 3 of title 31,
5 United States Code, is amended by striking section
6 307.

7 **SEC. 7322. OFFICE OF THRIFT SUPERVISION AND POSITION**
8 **OF DIRECTOR OF THE OFFICE OF THRIFT SU-**
9 **PERVISION ABOLISHED.**

10 (a) IN GENERAL.—Effective at the end of the 180-
11 day period beginning on the date of the enactment of this
12 Act, the Office of Thrift Supervision and the position of
13 Director of the Office of Thrift Supervision are hereby
14 abolished.

15 (b) TECHNICAL AND CONFORMING AMENDMENTS.—

16 (1) Section 3 of the Home Owners' Loan Act
17 (12 U.S.C. 1462a) is amended by striking sub-
18 sections (a) and (b).

19 (2) Subchapter I of chapter 3 of title 31,
20 United States Code, is amended by striking section
21 309.

22 **SEC. 7323. SAVINGS PROVISIONS.**

23 (a) SAVINGS PROVISIONS RELATING TO THE COMP-
24 TROLLER OF THE CURRENCY.—

1 (1) EXISTING RIGHTS, DUTIES, AND OBLIGA-
2 TIONS NOT AFFECTED.—Section 7313(a)(1) shall
3 not affect the validity of any right, duty, or obliga-
4 tion of the United States, the Comptroller of the
5 Currency, the Office of the Comptroller of the Cur-
6 rency, or any other person, which—

7 (A) arises under or pursuant to any provi-
8 sion of law referred to in section 7313(a)(2);
9 and

10 (B) existed on the day before the date of
11 the enactment of this Act.

12 (2) CONTINUATION OF SUITS.—No action or
13 other proceeding commenced by or against the
14 Comptroller of the Currency or the Office of the
15 Comptroller of the Currency shall abate by reason of
16 the enactment of this chapter, except that the Fed-
17 eral Banking Agency shall be substituted for the
18 Comptroller or Office as a party to any such action
19 or proceeding.

20 (b) SAVINGS PROVISIONS RELATING TO THE BOARD
21 OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM.—

22 (1) EXISTING RIGHTS, DUTIES, AND OBLIGA-
23 TIONS NOT AFFECTED.—Section 7313(b)(1) shall
24 not affect the validity of any right, duty, or obliga-
25 tion of the United States, the Board of Governors of

1 the Federal Reserve System, or any other person,
2 which—

3 (A) arises under or pursuant to any provi-
4 sion of law referred to in section 7313(b)(2);
5 and

6 (B) existed on the day before the date of
7 the enactment of this Act.

8 (2) CONTINUATION OF SUITS.—No action or
9 other proceeding commenced by or against the
10 Board of Governors of the Federal Reserve System
11 with respect to any function transferred to the Fed-
12 eral Banking Agency shall abate by reason of the en-
13 actment of this chapter, except that the Federal
14 Banking Agency shall be substituted for the Board
15 of Governors as a party to any such action or pro-
16 ceeding.

17 (c) SAVINGS PROVISIONS RELATING TO THE DIREC-
18 TOR OF THE OFFICE OF THRIFT SUPERVISION.—

19 (1) EXISTING RIGHTS, DUTIES, AND OBLIGA-
20 TIONS NOT AFFECTED.—Section 7313(c)(1) shall
21 not affect the validity of any right, duty, or obliga-
22 tion of the United States, the Director of the Office
23 of Thrift Supervision, the Office of Thrift
24 Supervision, or any other person, which—

1 (A) arises under or pursuant to any provi-
2 sion of law referred to in section 7313(c)(2);
3 and

4 (B) existed on the day before the date of
5 the enactment of this Act.

6 (2) CONTINUATION OF SUITS.—No action or
7 other proceeding commenced by or against the Di-
8 rector of the Office of Thrift Supervision or the Of-
9 fice of Thrift Supervision shall abate by reason of
10 the enactment of this chapter, except that the Fed-
11 eral Banking Agency shall be substituted for the
12 Director or Office as a party to any such action or
13 proceeding.

14 (d) SAVINGS PROVISIONS RELATING TO THE FED-
15 ERAL DEPOSIT INSURANCE CORPORATION.—

16 (1) EXISTING RIGHTS, DUTIES, AND OBLIGA-
17 TIONS NOT AFFECTED.—Section 7313(d)(1) shall
18 not affect the validity of any right, duty, or obliga-
19 tion of the United States, the Federal Deposit In-
20 surance Corporation, the Board of Directors of such
21 Corporation, or any other person, which—

22 (A) arises under or pursuant to any provi-
23 sion of law referred to in section 7313(d)(2);
24 and

1 (B) existed on the day before the date of
2 the enactment of this Act.

3 (2) CONTINUATION OF SUITS.—No action or
4 other proceeding commenced by or against the Fed-
5 eral Deposit Insurance Corporation or the Board of
6 Directors of such Corporation with respect to any
7 function transferred to the Federal Banking Agency
8 shall abate by reason of the enactment of this chap-
9 ter, except that the Federal Banking Agency may be
10 substituted for the Corporation or Board of Direc-
11 tors, as the case may be, as a party to any such ac-
12 tion or proceeding.

13 (e) SAVINGS PROVISIONS RELATING TO THE NA-
14 TIONAL CREDIT UNION ADMINISTRATION.—

15 (1) EXISTING RIGHTS, DUTIES, AND OBLIGA-
16 TIONS NOT AFFECTED.—Section 7313(e)(1) shall
17 not affect the validity of any right, duty, or obliga-
18 tion of the United States, the National Credit Union
19 Administration, the National Credit Union Adminis-
20 tration Board, or any other person, which—

21 (A) arises under or pursuant to any provi-
22 sion of law referred to in section 7313(e)(2);
23 and

24 (B) existed on the day before the date of
25 the enactment of this Act.

1 (2) CONTINUATION OF SUITS.—No action or
2 other proceeding commenced by or against the Na-
3 tional Credit Union Administration or the National
4 Credit Union Administration Board with respect to
5 any function transferred to the Federal Banking
6 Agency shall abate by reason of the enactment of
7 this chapter, except that the Federal Banking Agen-
8 cy may be substituted for the Administration or the
9 Board, as the case may be, as a party to any such
10 action or proceeding.

11 (f) CONTINUATION OF ORDERS, RESOLUTIONS, DE-
12 TERMINATIONS, AND REGULATIONS.—All orders, resolu-
13 tions, determinations, and regulations, which—

14 (1) have been issued, made, prescribed, or al-
15 lowed to become effective by the Director of the Of-
16 fice of Thrift Supervision, the Comptroller of the
17 Currency, the Federal Deposit Insurance Corpora-
18 tion, the Board of Governors of the Federal Reserve
19 System, or the National Credit Union Administra-
20 tion (including orders, resolutions, determinations,
21 and regulations which relate to the conduct of
22 conservatorships, receiverships, or liquidating
23 agents), or by a court of competent jurisdiction, in
24 the performance of functions which are transferred
25 by this chapter; and

1 (2) are in effect on the date this Act takes ef-
2 fect (or become effective after such date pursuant to
3 the terms of the order, resolution, determination or
4 regulation, as in effect on such date),
5 shall continue in effect according to the terms of such or-
6 ders, resolutions, determinations, and regulations and
7 shall be enforceable by or against the Federal Banking
8 Agency until modified, terminated, set aside, or super-
9 seded in accordance with applicable law by the Agency,
10 by any court of competent jurisdiction, or by operation of
11 law.

12 **SEC. 7324. REFERENCES IN FEDERAL LAW TO FEDERAL**
13 **BANKING AGENCIES.**

14 (a) **COMPTROLLER OF THE CURRENCY AND DIREC-**
15 **TOR OF THE OFFICE OF THRIFT SUPERVISION.**—Any ref-
16 erence in any Federal law to the Comptroller of the Cur-
17 rency, the Office of the Comptroller of the Currency, the
18 Director of the Office of Thrift Supervision, or the Office
19 of Thrift Supervision shall be deemed to be a reference
20 to the Federal Banking Agency.

21 (b) **BOARD OF GOVERNORS OF THE FEDERAL RE-**
22 **SERVE SYSTEM.**—Any reference in any Federal law to the
23 Board of Governors of the Federal Reserve System in
24 connection with any function of the Board under any

1 provision of law referred to in section 7313(b)(2) shall be
2 deemed to be a reference to the Federal Banking Agency.

3 (c) FEDERAL DEPOSIT INSURANCE CORPORATION.—
4 Any reference in any Federal law to the Federal Deposit
5 Insurance Corporation or the Board of Directors of such
6 Corporation in connection with any function of the Cor-
7 poration or Board of Directors under any provision of law
8 referred to in section 7313(d)(2) shall be deemed to be
9 a reference to the Federal Banking Agency.

10 (d) NATIONAL CREDIT UNION ADMINISTRATION.—
11 Any reference in any Federal law to the National Credit
12 Union Administration or the National Credit Union Ad-
13 ministration Board in connection with any function of the
14 Administration or Board under any provision of law re-
15 ferred to in section 7313(e)(2) shall be deemed to be a
16 reference to the Federal Banking Agency.

17 **Subchapter C—Section 235 Mortgage**
18 **Refinancing**

19 **SEC. 7325. SECTION 235 MORTGAGE REFINANCING.**

20 Section 235(r) of the National Housing Act (12
21 U.S.C. 1715z(r)) is amended—

22 (1) in paragraph (2)(C), by inserting after “re-
23 financed” the following: “, plus the costs incurred in
24 connection with the refinancing as described in para-
25 graph (4)(B) to the extent that the amount for those

1 costs is not otherwise included in the interest rate
2 as permitted by subparagraph (E) or paid by the
3 Secretary as authorized by paragraph (4)(B)”;

4 (2) in paragraph (4)—

5 (A) in the matter preceding subparagraph
6 (A), by inserting after “otherwise)” the follow-
7 ing: “and the mortgagee (with respect to the
8 amount described in subparagraph (A))”; and

9 (B) in subparagraph (A), by inserting after
10 “mortgagor” the following: “and the mortga-
11 gee”; and

12 (3) by amending paragraph (5) to read as fol-
13 lows:

14 “(5) The Secretary shall use amounts of budget au-
15 thority recaptured from assistance payments contracts re-
16 lating to mortgages that are being refinanced for assist-
17 ance payments contracts with respect to mortgages in-
18 sured under this subsection. The Secretary may also make
19 such recaptured amounts available for incentives under
20 paragraph (4)(A) and the costs incurred in connection
21 with the refinancing under paragraph (4)(B). For pur-
22 poses of subsection (c)(3)(A), the amount of recaptured
23 budget authority that the Secretary commits for assist-
24 ance payments contracts relating to mortgages insured

1 under this subsection and for amounts paid under para-
2 graph (4) shall not be construed as unused.”.

3 **SEC. 7326. PENALTY FOR EARLY REDEMPTION OF SAVINGS**
4 **BONDS.**

5 (a) IN GENERAL.—Subsection (b) of section 3105 of
6 title 31, United States Code, is amended by adding at the
7 end the following new paragraph:

8 “(3) In the case of any savings bond which is
9 redeemed within the 5-year period beginning on the
10 date the bond is issued, the redemption price paid
11 on the redemption shall be determined by reducing
12 the holding period otherwise taken into account by
13 6 months.”

14 (b) EFFECTIVE DATE.—The amendment made by
15 subsection (a) shall apply to bonds issued after September
16 30, 1995.

17 **SEC. 7327. ONE DOLLAR COINS.**

18 (a) COLOR AND CONTENT.—Section 5112(b) of title
19 31, United States Code, is amended—

20 (1) in the 1st sentence, by striking “dollar,”;
21 and

22 (2) by inserting after the 4th sentence, the fol-
23 lowing new sentence: “The dollar coin shall be gold-
24 en in color, have an unreeded edge, have tactile and
25 visual features that make the denomination of the

1 coin readily discernible, be minted and fabricated in
2 the United States, and have similar metallic,
3 anticounterfeiting properties as United States clad
4 coinage in circulation on the date of the enactment
5 of the United States One Dollar Coin Act of 1995.”.

6 (b) AMERICAN VETERAN DOLLAR COIN.—Section
7 5112(d)(1) of title 31, United States Code, is amended
8 by striking the 5th and 6th sentences and inserting the
9 following new sentences: “The reverse side of the dollar
10 shall have a design recognizing America’s veterans. The
11 Secretary of the Treasury shall select an appropriate de-
12 sign for the obverse side of the dollar.”.

13 (c) EFFECTIVE DATE.—Not later than 18 months
14 after the date of enactment of this Act, the Secretary of
15 the Treasury shall place into circulation 1 dollar coins au-
16 thorized under subsection (a)(1) of section 5112 of title
17 31, United States Code, which comply with the design re-
18 quirements of subsections (b) and (d)(1) of such section,
19 as amended by subsections (a) and (b) of this section. The
20 Secretary may include such coins in any numismatic set
21 produced by the United States Mint before the date the
22 coins are placed in circulation.

23 **SEC. 7328. CEASING ISSUANCE OF ONE DOLLAR NOTES.**

24 (a) IN GENERAL.—After the date that coins de-
25 scribed in section 2012(c) are first placed in circulation,

1 no Federal reserve bank may order or place into circula-
2 tion any \$1 Federal Reserve note.

3 (b) EXCEPTION.—The Secretary of the Treasury
4 shall produce only such Federal Reserve notes of 1 dollar
5 denomination as are required from time to time to meet
6 the needs of collectors of this series. Such notes shall be
7 produced in sheets and sold by the Secretary, in whole,
8 or in part, at a price that exceeds the face value of the
9 currency by an amount that, at a minimum, reimburses
10 the Secretary for the cost of production.

11 **Subtitle E—Specific Commerce and** 12 **Housing Program Reforms**

13 **SEC. 7401. OBLIGATION LIMITATION FOR MINORITY BUSI-** 14 **NESS DEVELOPMENT AGENCY.**

15 The total of obligations incurred in fiscal year 1996
16 for expenses of the Minority Business Development Agen-
17 cy described under the heading “Minority Business Devel-
18 opment” in title II of the Departments of Commerce, Jus-
19 tice, and State, the Judiciary, and Related Agencies Ap-
20 propriations Act, 1995 (Public Law 103–317; 108 Stat.
21 1745–1746) may not exceed \$44,733,000.

22 **SEC. 7402. UNITED STATES TRAVEL AND TOURISM ADMIN-** 23 **ISTRATION.**

24 Title III of the International Travel Act of 1961 is
25 repealed, the United States Travel and Tourism Adminis-

1 tration established under section 301 of such Act is termi-
2 nated, the Tourism Policy Council established under sec-
3 tion 302 of such Act is terminated, the Travel and Tour-
4 ism Advisory Board established under section 303 of such
5 Act is terminated, the officers and employees of the Ad-
6 ministration, Council, and Board are terminated, and the
7 functions of the Administration, Council, and Board are
8 transferred to the Secretary of Transportation.

9 **SEC. 7403. EXPORT ADMINISTRATION.**

10 Not more than \$247,000,000 may be made available
11 to carry out the Export Administration Act of 1979 for
12 each of fiscal years 1996, 1997, 1998, 1999, and 2000.

13 **SEC. 7404. ASSISTANCE FOR PUBLIC TELECOMMUNI-**
14 **CATIONS FACILITIES AND TELECOMMUNI-**
15 **CATIONS DEMONSTRATIONS.**

16 (a) REPEAL OF PUBLIC TELECOMMUNICATIONS FA-
17 CILITIES PROGRAM.—Subpart A of part IV of title III of
18 the Communications Act of 1934 (47 U.S.C. 390 et seq.)
19 is repealed.

20 (b) REPEAL OF TELECOMMUNICATIONS DEMONSTRA-
21 TION GRANT PROGRAM.—Section 395 of such Act (47
22 U.S.C. 395) is repealed.

1 **SEC. 7405. ABOLISHMENT OF ADVANCED TECHNOLOGY**
2 **PROGRAM.**

3 (a) ABOLISHMENT OF PROGRAM.—Section 28 of the
4 National Institute of Standards and Technology Act (15
5 U.S.C. 278n) is repealed.

6 (b) CONFORMING AMENDMENTS.—The National In-
7 stitute of Standards and Technology Act (15 U.S.C. 271
8 et seq.) is amended—

9 (1) in section 2(d), by striking “sections 25, 26,
10 and 28” and inserting “sections 25 and 26”; and

11 (2) in section 10(h)(1), by striking “, including
12 the Program established under section 28,”.

13 **SEC. 7406. FEES FOR FEDERAL AND FEDERALLY SPON-**
14 **SORED ENTERPRISES.**

15 (a) FEES FOR GOVERNMENT SPONSORED ENTER-
16 PRISES.—

17 (1) IN GENERAL.—To compensate the Federal
18 Government for borrowing and financial advantages
19 derived from the relationship of government-spon-
20 sored enterprises to the Federal Government and
21 treatment of such enterprises under Federal law, the
22 Secretary of the Treasury shall collect a fee from
23 each Government-sponsored enterprise for each fis-
24 cal year. The Secretary of the Treasury shall deposit
25 any such fee collected in the general fund of the
26 Treasury of the United States.

1 (2) AMOUNT.—The fee under this subsection
2 for a government-sponsored enterprise for a fiscal
3 year shall be the following amount:

4 (A) FANNIE MAE AND FREDDIE MAC.—For
5 the Federal National Mortgage Association and
6 the Federal Home Loan Mortgage Corpora-
7 tion—

8 (i) for fiscal year 1996, an amount
9 equal to 0.05 percent of the aggregate
10 original principal balance of mortgage-
11 backed securities and substantially equiva-
12 lent instruments issued or guaranteed by
13 such enterprise during such year;

14 (ii) for fiscal year 1997, an amount
15 equal to 0.10 percent of the aggregate
16 original principal balance of mortgage-
17 backed securities and substantially equiva-
18 lent instruments issued or guaranteed by
19 such enterprise during such year; and

20 (iii) for fiscal year 1998 and each fis-
21 cal year thereafter, an amount equal to
22 0.15 percent of the aggregate original prin-
23 cipal balance of mortgage-backed securities
24 and substantially equivalent instruments

1 issued or guaranteed by such enterprise
2 during such year.

3 (B) SALLIE MAE.—For the Student Loan
4 Marketing Association—

5 (i) for fiscal year 1996, an amount
6 equal to 0.10 percent of the aggregate
7 original principal balance of debt securities
8 issued by such enterprise during such year;

9 (ii) for fiscal year 1997, an amount
10 equal to 0.20 percent of the aggregate
11 original principal balance of debt securities
12 issued by such enterprise during such year;

13 and

14 (iii) for fiscal year 1998, an amount
15 equal to 0.30 percent of the aggregate
16 original principal balance of debt securities
17 issued by such enterprise during such year.

18 (C) CONNIE LEE.—For the College Con-
19 struction Loan Insurance Association—

20 (i) for fiscal year 1996, an amount
21 equal to 0.10 percent of the aggregate
22 original principal balance of bonds insured
23 or reinsured by such enterprise during
24 such year;

1 (ii) for fiscal year 1997, an amount
2 equal to 0.20 percent of the aggregate
3 original principal balance of bonds insured
4 or reinsured by such enterprise during
5 such year; and

6 (iii) for fiscal year 1998, an amount
7 equal to 0.30 percent of the aggregate
8 original principal balance of bonds insured
9 or reinsured by such enterprise during
10 such year.

11 (3) CALCULATION.—The Secretary of the
12 Treasury shall calculate the amount of the fee under
13 this subsection for each fiscal year following the con-
14 clusion of such fiscal year and shall consult with the
15 Director of the Office of Federal Housing Enterprise
16 Oversight in determining the amount of the fees
17 under paragraph (2)(A).

18 (4) DEFINITION.—For purposes of this sub-
19 section, the term “government sponsored enterprise”
20 means—

21 (A) the College Construction Loan Insur-
22 ance Association;

23 (B) the Federal Home Loan Mortgage
24 Corporation;

1 (C) the Federal National Mortgage Asso-
2 ciation; and

3 (D) the Student Loan Marketing Associa-
4 tion.

5 (b) GOVERNMENT NATIONAL MORTGAGE ASSOCIA-
6 TION GUARANTEE FEES.—Section 306(g)(3) of the Na-
7 tional Housing Act (12 U.S.C. 1721(g)(3)) is amended by
8 adding at the end the following new subparagraph:

9 “(F) Notwithstanding any other provision of this
10 paragraph, the fee charged by the Association for any
11 guarantee of the timely payment of principal or interest
12 on any security or note based on or backed by mortgages
13 shall be—

14 “(i) 10 basis points for any guarantee made
15 during fiscal year 1997; and

16 “(ii) 15 basis points for any guarantee made
17 after fiscal year 1997.”.

18 (c) CONFORMING AMENDMENTS.—

19 (1) FANNIE MAE.—The first sentence of section
20 304(f) of the Federal National Mortgage Association
21 Charter Act (12 U.S.C. 1719(f)) is amended by in-
22 sserting “and section 7496(a) of the Restructuring a
23 Limited Government Act,” after “this Act”.

24 (2) FREDDIE MAC.—Section 306(i) of the Fed-
25 eral Home Loan Mortgage Corporation Act (12

1 U.S.C. 1455(i)) is amended by striking “sections
2 303(c) and 1316(c) of this Act” and inserting “sub-
3 section (c) of this section, section 303(c) of this Act,
4 and section 7406(a) of the Restructuring a Limited
5 Government Act, and”

6 **SEC. 7407. EXTENSION OF SPECTRUM AUCTION AUTHORITY**
7 **OF THE FEDERAL COMMUNICATIONS COM-**
8 **MISSION.**

9 Section 309(j)(11) of the Communications Act of
10 1934 (47 U.S.C. 309(j)(11)) is amended by striking “Sep-
11 tember 30, 1998” and inserting “September 30, 2000”.

12 **SEC. 7408. BUREAU OF CENSUS.**

13 Amounts made available for salaries and expenses for
14 the Bureau of the Census for fiscal years 1996 through
15 2000 may not exceed \$128,286,000 for each of such fiscal
16 years. For the purposes of this section, the term “salaries
17 and expenses” means the salaries and expenses for which
18 amounts were appropriated for fiscal year 1995 under the
19 appropriations account numbered 13-0401-0-1-376 and
20 identified as available budget authority under item 43.00.

21 **SEC. 7409. COPYRIGHT OFFICE.**

22 Amounts made available for salaries and expenses for
23 the Copyright Office of the Library of Congress for fiscal
24 years 1996 through 2000 may not exceed \$9,446,000 for
25 each of such fiscal years. For the purposes of this section,

1 the term “salaries and expenses” means the salaries and
2 expenses for which amounts were appropriated for fiscal
3 year 1995 under the appropriations account numbered
4 03-0102-0-1-376 and identified as available budget au-
5 thority under item 43.00.

6 **TITLE VIII—TRANSPORTATION**
7 **Subtitle A—Air Transportation**
8 **Program Reform**

9 **SEC. 8001. AIR TRAFFIC CONTROL CORPORATION.**

10 (a) SHORT TITLE.—This section may be cited as the
11 “Air Traffic Control Service Privatization and Improve-
12 ment Act of 1995”.

13 (b) ESTABLISHMENT OF CORPORATION.—

14 (1) IN GENERAL.—There is established a non-
15 profit corporation, to be known as the Airways Cor-
16 poration, which—

17 (A) shall operate the air traffic control sys-
18 tem of the United States after the completion
19 of transfers of air traffic control facilities, per-
20 sonnel, and equipment under subsection (j);

21 (B) except as provided in paragraph (2),
22 shall not be an agency or establishment of the
23 United States Government;

1 (C) shall have its principal office in the
2 District of Columbia and is deemed to be a resi-
3 dent thereof; and

4 (D) to the extent consistent with this Act,
5 shall be subject to the District of Columbia
6 Business Corporation Act (D.C. Code, Section
7 29–301 et seq.).

8 (2) WAR OR NATIONAL EMERGENCY.—

9 (A) TRANSFER OF FUNCTIONS.—In the
10 event of a declared war or national emergency,
11 the President may by Executive order tempo-
12 rarily transfer any functions, personnel, prop-
13 erty, records, funds, and other matters relating
14 to the Airways Corporation to the Department
15 of Defense.

16 (B) DEVELOPMENT OF PLANS.—The board
17 of directors of the Airways Corporation, in con-
18 sultation with the Secretary of Defense, shall
19 develop plans for the effective discharge of the
20 functions of the Corporation in the event of a
21 declared war or national emergency.

22 (c) INCORPORATION.—

23 (1) APPOINTMENT OF INCORPORATORS.—The
24 President shall appoint 5 incorporators, by and with
25 the advice and consent of the Senate, who shall

1 serve as the initial board of directors of the Airways
2 Corporation until the first annual meeting of stock-
3 holders, or until a board of directors is elected in ac-
4 cordance with subsection (e), whichever is later.

5 (2) FUNCTIONS OF INCORPORATORS.—The
6 incorporators appointed under this subsection
7 shall—

8 (A) subject to approval by the President,
9 draft and file articles of incorporation for the
10 Airways Corporation, draft the initial bylaws of
11 the Corporation, and take any other actions
12 necessary to the establishment and initial oper-
13 ation of the Corporation;

14 (B) arrange for an initial stock offering in
15 accordance with subsection (d);

16 (C) establish initial criteria for determining
17 what is a business aircraft for purposes of sub-
18 section (d)(1)(C); and

19 (D) determine limits for liability insurance
20 appropriate for the Corporation to maintain in
21 order to cover its liability for actions or inac-
22 tions taken by or on behalf of the Corporation
23 and acquire such insurance from nongovern-
24 mental sources.

1 (3) ARTICLES OF INCORPORATION.—The arti-
2 cles of incorporation filed by the incorporators in ac-
3 cordance with paragraph (2)—

4 (A) shall provide for cumulative voting
5 under section 27(d) of the District of Columbia
6 Business Corporation Act (D.C. Code, Section
7 29–327(d)); and

8 (B) may be amended, altered, changed, or
9 repealed by a vote of not less than $66\frac{2}{3}$ percent
10 of the outstanding shares of the voting capital
11 stock of the Corporation.

12 (d) ISSUANCE OF STOCK.—

13 (1) IN GENERAL.—The Airways Corporation
14 may issue and have outstanding, in such numbers
15 and amounts as it shall determine, shares of capital
16 stock consisting of 6 classes as follows:

17 (A) A class of shares to be known as Class
18 A, consisting of not more than 40 percent of all
19 shares of common stock issued by the Corpora-
20 tion, which may only be purchased by air car-
21 riers.

22 (B) A class of shares to be known as Class
23 B, consisting of not more than 20 percent of all
24 shares of common stock issued by the Corpora-
25 tion, which may only be purchased by persons

1 who are private pilots but are not employed by
2 air carriers as pilots.

3 (C) A class of shares to be known as Class
4 C, consisting of not more than 10 percent of all
5 shares of common stock issued by the Corpora-
6 tion, which may only be purchased by persons
7 who are not air carriers and who own one or
8 more business aircraft.

9 (D) A class of shares to be known as Class
10 D, consisting of not more than 7½ percent of
11 all shares of common stock issued by the Cor-
12 poration, which may only be purchased by per-
13 sons who are employed by an air carrier as pi-
14 lots.

15 (E) A class of shares to be known as Class
16 E, consisting of not more than 7½ percent of
17 all shares of common stock issued by the Cor-
18 poration, which may only be purchased by em-
19 ployees of the Corporation.

20 (F) A class of shares to be known as Class
21 F, consisting of 7½ percent of all shares of
22 common stock issued by the Corporation, which
23 shall be issued to the Secretary of Transpor-
24 tation on behalf of the United States.

1 (G) A class of shares to be known as Class
2 G, consisting of 7¹/₂ percent of all shares of
3 common stock issued by the Corporation, which
4 shall be issued to the Secretary of Defense on
5 behalf of the United States.

6 (2) PRICE OF FIRST ISSUE.—The shares of
7 common stock first issued by the Airways Corpora-
8 tion (other than those shares issued under para-
9 graphs (1)(F) and (1)(G)) shall be sold at a price
10 equal to not more than \$100 for each share.

11 (3) VOTING RIGHTS.—

12 (A) IN GENERAL.—Each share of common
13 stock in the Airways Corporation—

14 (i) shall be vested with all voting
15 rights; and

16 (ii) shall be entitled to one vote.

17 (B) ASSIGNMENT.—A person owning one
18 or more shares of Class A, B, C, D, or E stock
19 may assign the right to vote all or part of their
20 shares to any person eligible to own shares of
21 that class of stock.

22 (4) INSPECTION AND COPYING RIGHTS.—Not-
23 withstanding section 45(b) of the District of Colum-
24 bia Business Corporation Act (D.C. Code, Section
25 29–345(b)), a stockholder of the Airways Corpora-

1 tion shall have the right to inspect and copy records
2 of the Corporation pursuant to such section without
3 regard to the percentage of the Corporation's stock
4 the stockholder holds.

5 (e) DIRECTORS AND OFFICERS.—

6 (1) BOARD OF DIRECTORS.—

7 (A) ELECTION.—The Airways Corporation
8 shall have a board of directors consisting of 15
9 individuals who are citizens of the United
10 States, elected annually as follows:

11 (i) 6 members elected by shareholders
12 owning one or more shares of Class A
13 stock.

14 (ii) 3 members elected by shareholders
15 owning one or more shares of Class B
16 stock.

17 (iii) 2 members elected by sharehold-
18 ers owning one or more shares of Class C
19 stock.

20 (iv) 1 member elected by shareholders
21 owning one or more shares of Class D
22 stock.

23 (v) 1 member elected by shareholders
24 owning one or more shares of Class E
25 stock.

1 (vi) 1 member appointed by the Sec-
2 retary of Transportation.

3 (vii) 1 member appointed by the Sec-
4 retary of Defense.

5 (B) CHAIRMAN.—The board of directors
6 shall elect one of its members annually to serve
7 as chairman of the board of directors.

8 (C) COMPENSATION AND EXPENSES.—
9 Members of the board of directors may receive
10 compensation in accordance with rules estab-
11 lished by the board of directors.

12 (2) PRESIDENT OF CORPORATION AND AP-
13 POINTMENT OF OTHER OFFICERS.—

14 (A) APPOINTMENT.—The Airways Cor-
15 poration shall have a president and such other
16 officers as may be appointed by the board of di-
17 rectors from among persons who are citizens of
18 the United States. Persons appointed under
19 this subparagraph shall serve at the pleasure of
20 the board of directors.

21 (B) COMPENSATION.—Individuals ap-
22 pointed under subparagraph (B) shall be com-
23 pensated at rates fixed by the board of direc-
24 tors.

1 (C) DISCLOSURE OF RECEIPT OF OTHER
2 COMPENSATION.—An officer of the Airways
3 Corporation shall disclose to the entire board of
4 directors salary from any source other than the
5 Corporation during the period of the officer's
6 employment by the Corporation.

7 (e) POWERS.—

8 (1) IN GENERAL.—The Airways Corporation
9 may—

10 (A) plan, initiate, construct, own, manage,
11 and operate, by itself or in cooperation with
12 other entities, an air traffic control system;

13 (B) furnish, for hire, air traffic control
14 services to air transportation common carriers
15 and other operators of civil and military air-
16 craft;

17 (C) enter into contracts under which other
18 entities may operate individual air traffic con-
19 trol facilities and provide services on behalf of
20 the Corporation;

21 (D) acquire, by construction, purchase, or
22 gift, physical facilities, equipment, and devices
23 necessary to the operations of the Corporation,
24 including air traffic control and associated
25 equipment and facilities;

1 (E) issue voting securities in accordance
2 with subsection (d);

3 (F) issue nonvoting securities, bonds, de-
4 bentures, and other certificates of indebtedness
5 as may be appropriate; and

6 (G) conduct or contract for the conduct of
7 research and development related to the oper-
8 ations of the Corporation and establish tech-
9 nical specifications of all elements of the air
10 traffic control system.

11 (2) USUAL POWERS.—To conduct activities au-
12 thorized by paragraph (1), the Airways Corporation
13 shall have the usual powers conferred upon a cor-
14 poration by the District of Columbia Business Cor-
15 poration Act (D.C. Code, Section 29–301 et seq.).

16 (f) FEES.—

17 (1) IN GENERAL.—The Airways Corporation
18 may establish reasonable nondiscriminatory fees for
19 the provision of air traffic control services and
20 charge such fees to air carriers and other business
21 users of such services. During the 10-year period be-
22 ginning on the date of the enactment of this Act, the
23 Corporation may not charge such fees to
24 nonbusiness users of such services.

1 (2) REVIEW OF FEES.—The Secretary of
2 Transportation shall issue regulations not later than
3 180 days after the date of the enactment of this Act
4 for the review and appeal of fees established by the
5 Airways Corporation under paragraph (1).

6 (g) FOREIGN BUSINESS NEGOTIATIONS.—

7 (1) NEGOTIATIONS OF CORPORATION.—When-
8 ever the Airways Corporation enters into negotia-
9 tions with any foreign entity with respect to facili-
10 ties, operations, and services authorized by this sec-
11 tion to be conducted by the Corporation—

12 (A) the Corporation shall notify the Sec-
13 retary of State and the Secretary of Transpor-
14 tation regarding the initiation, conduct, and
15 foreign policy implications of such negotiations;
16 and

17 (B) the Secretary of State shall advise the
18 Corporation of relevant foreign policy consider-
19 ations and, upon request of the Corporation,
20 shall render such assistance as may be appro-
21 priate.

22 (2) NEGOTIATIONS OF SECRETARY OF STATE.—
23 The Secretary of State shall consult with the Air-
24 ways Corporation with respect to all negotiations

1 conducted by the Secretary regarding matters which
2 relate to air traffic control.

3 (h) SANCTIONS.—

4 (1) PETITION FOR RELIEF.—Except as other-
5 wise prohibited by law—

6 (A) if the Airways Corporation engages in
7 any activity, or takes any action in furtherance
8 of any policy, which is inconsistent with the pol-
9 icy and purposes of this section; or

10 (B) if any other person—

11 (i) violates any provision of this sec-
12 tion;

13 (ii) obstructs or interferes with any
14 activity authorized by this section;

15 (iii) refuses, fails, or neglects to dis-
16 charge any duty or responsibility under
17 this section; or

18 (iv) threatens any such violation, ob-
19 struction, interference, refusal, failure, or
20 neglect;

21 the district court of the United States for any dis-
22 trict in which such Corporation or other person re-
23 sides or may be found shall have jurisdiction, upon
24 petition of the Attorney General of the United
25 States, to grant such equitable relief as may be nec-

1 essary or appropriate to prevent or terminate such
2 activity.

3 (2) PUNISHMENT, LIABILITY, OR SANCTION
4 UNDER OTHER PROVISIONS.—Nothing contained in
5 this subsection shall be considered to relieve any per-
6 son of any liability, punishment, or sanction under
7 any other law.

8 (i) REPORTS.—

9 (1) CORPORATION.—During the 5-year period
10 beginning on the date of the enactment of this Act,
11 the Airways Corporation shall transmit to the Presi-
12 dent and Congress, annually and at such other times
13 as it considers appropriate, a comprehensive and de-
14 tailed report of its operations, activities, and accom-
15 plishments under this section.

16 (2) ADMINISTRATOR.—During the 5-year period
17 beginning on the date of the enactment of this Act,
18 the Administrator shall transmit to Congress, annu-
19 ally and at such other times as the Administrator
20 considers appropriate, an evaluation of the capital
21 structure of the Airways Corporation so as to assure
22 Congress that such structure is consistent with the
23 most efficient and economical operation of the Cor-
24 poration.

1 (j) TRANSFER OF FACILITIES, PERSONNEL, AND
2 EQUIPMENT OF CIVIL AIR TRAFFIC CONTROL SYSTEM.—

3 (1) IN GENERAL.—Not later than 180 days
4 after the date the Senate approves the appointments
5 of the President under subsection (c)(1), the Sec-
6 retary of Transportation shall take such action as
7 may be necessary—

8 (A) to transfer to the Airways Corporation
9 all right, title, and interest of the United States
10 in, and all control of the United States over, all
11 facilities and equipment under the jurisdiction
12 of the United States on the date of the enact-
13 ment of this Act, which are part of the air traf-
14 fic control system, including the air route traf-
15 fic centers, terminal radar control centers, VHF
16 omnidirectional radio stations, long-range and
17 terminal radar systems, flight service stations,
18 and related facilities and equipment;

19 (B) to transfer all right of the United
20 States in airport control towers, landing aids,
21 and landing slots to owners of the airport where
22 such towers and aids are located and to which
23 such landing slots relates;

24 (C) to transfer to the Airways Corporation
25 all personnel who are employed in operating,

1 maintaining, or managing the air traffic control
2 system on the date of the enactment of this
3 Act; and

4 (D) except as provided in paragraph (2),
5 to terminate the civil service status of air traffic
6 control personnel.

7 (2) RETIREMENT BENEFITS.—

8 (A) IN GENERAL.—Any Federal employee
9 who is transferred to the Airways Corporation
10 under this section and who, on the day before
11 the date of such transfer, is subject to chapter
12 83 or 84 of title 5, United States Code, shall,
13 so long as that individual remains continuously
14 employed by the Airways Corporation, remain
15 subject to such chapter.

16 (B) SERVICE TO BE TREATED AS “GOV-
17 ERNMENT EMPLOYMENT”.—Any continuous
18 employment described in subparagraph (A)
19 shall be considered to be employment by the
20 Government of the United States for purposes
21 of such chapter 83 or 84, as applicable.

22 (C) CONTRIBUTIONS.—The Airways Cor-
23 poration shall be considered, for those individ-
24 uals to whom this paragraph applies, the em-
25 ploying agency for purposes of such chapter 83

1 or 84, as applicable, and shall be responsible for
2 making all appropriate employer contributions
3 thereunder (which, in the case of employer con-
4 tributions to the Civil Service Retirement and
5 Disability Fund, shall be as determined by the
6 Office of Personnel Management).

7 (k) LIMITATIONS ON FUNDING.—

8 (1) NO APPROPRIATED FUNDS.—The Airways
9 Corporation shall not receive any funds from the
10 Federal Government beyond fees paid for use of the
11 air traffic control system by the Federal Govern-
12 ment.

13 (2) NO BORROWING FROM TREASURY.—The
14 Airways Corporation may not borrow money from
15 the Treasury of the United States or receive feder-
16 ally guaranteed loans.

17 (l) LIABILITY OF CORPORATION.—Notwithstanding
18 any other provision of law, the Airways Corporation is im-
19 mune from all tort liability with respect to the provision
20 of air traffic control services which is not based on fault.

21 (m) NONLIABILITY OF AIR TRAFFIC CONTROL-
22 LERS.—A person employed by the Airways Corporation as
23 an air traffic controller may not be held personally liable
24 by any Federal or State court for negligent actions or in-
25 actions (other than actions or inactions that constitute

1 gross negligence or that demonstrate a greater disregard
2 of a duty of care than gross negligence, including inten-
3 tional tortious conduct) of such person in carrying out any
4 duty of such person for the Corporation. The Corporation
5 may be held liable for such actions or inactions.

6 (n) REDUCTION IN TAX ON TRANSPORTATION OF
7 PERSONS BY AIR.—

8 (1) IN GENERAL.—Subsections (a) and (b) of
9 section 4261 of the Internal Revenue Code of 1986
10 (relating to transportation of persons by air) are
11 each amended by striking “10 percent” and insert-
12 ing “3.5 percent”.

13 (2) EFFECTIVE DATE.—The amendments made
14 by paragraph (1) shall apply to transportation be-
15 ginning after the 30th day following the date of the
16 enactment of this Act but shall not apply to
17 amounts paid on or before such 30th day.

18 (o) DEFINITIONS.—As used in this section—

19 (1) the terms “airport” and “public-use air-
20 port” have the meaning such terms have under sec-
21 tion 47102 of title 49, United States Code;

22 (2) the terms “air carrier”, “aircraft”, “air
23 transportation”, “civil aircraft”, “citizen of the
24 United States”, “person”, and “United States” have

1 the meaning such terms have under section 40102
2 of title 49, United States Code;

3 (3) the term “Administration” means the Fed-
4 eral Aviation Administration; and

5 (4) the term “Administrator” means the Ad-
6 ministrator of the Federal Aviation Administration.

7 (p) CONFORMING AMENDMENTS.—Not later than 1
8 year after the date of the enactment of this Act, the Sec-
9 retary of Transportation shall submit to Congress such
10 conforming amendments to the laws of the United States
11 as the Secretary of Transportation determines are nec-
12 essary to implement this section.

13 **SEC. 8002. OBLIGATION LIMITATION FOR AIRPORT IM-**
14 **PROVEMENT PROGRAM.**

15 Section 47104 of title 49, United States Code, is
16 amended by adding at the end the following:

17 “(d) OBLIGATION LIMITATION.—Notwithstanding
18 any other provision of law, the Secretary may not incur
19 obligations under subsection (b) of this section in any of
20 fiscal years 1996 through 2000 which exceed 75 percent
21 of the obligations incurred under subsection (b) in fiscal
22 year 1995.”.

1 **SEC. 8003. TERMINATION OF ESSENTIAL AIR SERVICE PRO-**
2 **GRAM.**

3 Sections 41737(d)(2) and 41742 of title 49, United
4 States Code, are each amended by striking “1998” and
5 inserting “1995”.

6 **SEC. 8004. OBLIGATION LIMITATION FOR FAA OPERATIONS.**

7 The total of obligations incurred in each of fiscal
8 years 1996, 1997, 1998, 1999, and 2000 for expenses of
9 the Federal Aviation Administration described under the
10 heading “Operations” in title I of the Department of
11 Transportation and Related Agencies Appropriations Act,
12 1995 (Public Law 103–331; 108 Stat. 2474–2475) may
13 not exceed \$4,581,000 per fiscal year.

14 **SEC. 8005. REPEAL OF AUTHORIZATIONS FOR THE AIRWAY**
15 **SCIENCE PROGRAM, COLLEGIATE TRAINING**
16 **INITIATIVE, AND AIR CARRIER MAINTEN-**
17 **NANCE TECHNICIAN TRAINING FACILITY**
18 **GRANT PROGRAM.**

19 (a) AIRWAY SCIENCE PROGRAM.—All authority for—

20 (1) the Secretary of Transportation to enter
21 into grant agreements with universities or colleges
22 having an airway science curriculum recognized by
23 the Federal Aviation Administration, to conduct
24 demonstration projects in the development, advance-
25 ment, or expansion of airway science programs; and

1 (2) the Federal Aviation Administration to
2 enter into competitive grant agreements with institu-
3 tions of higher education having airway science cur-
4 ricula, and all authorizations to appropriate for such
5 purposes, as enacted under the head, “Federal Avia-
6 tion Administration, Facilities and Equipment”, in
7 the Department of Transportation and Related
8 Agencies Appropriations Acts for fiscal years ending
9 before October 1, 1993;

10 is repealed.

11 (b) COLLEGIATE TRAINING INITIATIVE.—Section
12 362 of the Department of Transportation and Related
13 Agencies Appropriations Act, 1993 (Public Law 102–
14 388), is repealed, except that the Administrator of the
15 Federal Aviation Administration may continue to convert
16 appointment of persons who have been appointed pursuant
17 to such section prior to the effective date of this Act from
18 the excepted service to a career conditional or career ap-
19 pointment in the competitive civil service, pursuant to sub-
20 section (c) of such section.

21 (c) AIR CARRIER MAINTENANCE TECHNICIAN
22 TRAINING FACILITY GRANT PROGRAM.—Section 119 of
23 Public Law 102–581 (49 U.S.C. App. 1354 note) is re-
24 pealed.

1 **SEC. 8006. FEES FOR USE OF SLOTS AT HIGH DENSITY AIR-**
2 **PORTS.**

3 Section 41714 of title 49, United States Code, is
4 amended—

5 (1) by redesignating subsection (h) as sub-
6 section (i); and

7 (2) by inserting after subsection (g) the follow-
8 ing:

9 “(h) FEES.—Not later than September 1, 1995, the
10 Secretary shall establish fees for the use of slots at high
11 density airports in an amount sufficient to result in the
12 collection of \$300,000,000 per fiscal year for each fiscal
13 year beginning after September 30, 1995. The Secretary
14 shall collect such fees in fiscal year 1996 and each fiscal
15 year thereafter and shall deposit the amounts collected in
16 the general fund of the Treasury.”.

17 **Subtitle B—Highway**
18 **Transportation Program Reform**

19 **SEC. 8101. TERMINATION OF INTERSTATE COMMERCE COM-**
20 **MISSION.**

21 (a) IN GENERAL.—There are transferred to the Sec-
22 retary, effective January 1, 1994, all functions of the
23 Commission.

24 (b) AUTHORITY OF OFFICE OF MANAGEMENT AND
25 BUDGET.—The Director of the Office of Management and
26 Budget, in consultation with the Commission and the Sec-

1 retary, may make such determinations as may be nec-
2 essary with regard to the functions transferred by this sec-
3 tion, and to make such additional incidental dispositions
4 of assets, liabilities, contracts, property, and records, as
5 may be necessary to carry out the provisions of this sec-
6 tion. The unobligated funds of the Commission shall not
7 be transferred to the Department of Transportation in
8 order to carry out the transfer of functions under this sec-
9 tion, and the number of fulltime employee positions within
10 the Department of Transportation shall not be increased
11 as a result of such transfer of functions.

12 (c) JOINT PLANNING FOR TRANSFER.—The Chair-
13 man of the Commission and the Secretary shall, beginning
14 as soon as practicable after the date of enactment of this
15 section, jointly plan for the orderly transfer of functions
16 under this section.

17 (d) INTERIM USE OF INTERSTATE COMMERCE COM-
18 MISSION PERSONNEL.—Prior to January 1, 1994, and
19 with the consent of the Commission, the Secretary may
20 use the services of officers, employees, and other personnel
21 of the Commission under such terms and conditions as
22 will reasonably facilitate the orderly transfer of functions
23 under this section.

24 (e) SAVINGS PROVISIONS.—

1 (1) IN GENERAL.—All orders, determinations,
2 rules, regulations, permits, contracts, certificates, li-
3 censes, and privileges—

4 (A) which have been issued, made, grant-
5 ed, or allowed to become effective by any agency
6 or official thereof, or by a court of competent
7 jurisdiction, in the performance of any function
8 which is transferred by this section to the Sec-
9 retary from the Commission; and

10 (B) which are in effect immediately before
11 the transfer of functions by this section,
12 shall continue in effect according to their terms until
13 modified, terminated, superseded, set aside, or re-
14 voked in accordance with law by the Secretary or
15 any other duly authorized official, by any court of
16 competent jurisdiction, or by operation of law.

17 (2) CONTINUATION OF PROCEEDINGS.—The
18 transfer of functions by this section shall not affect
19 any proceedings, including rulemaking proceedings,
20 or any application for any license, permit, or certifi-
21 cate, pending before the Commission immediately
22 before the transfer takes effect. Such proceedings
23 and applications shall be continued at the Depart-
24 ment of Transportation. Orders shall be issued in
25 such proceedings, and appeals shall be taken there-

1 from, as if this section had not been enacted; and
2 orders issued in any such proceedings shall continue
3 in effect until modified, terminated, superseded, or
4 revoked by the Secretary of Transportation, by a
5 court of competent jurisdiction, or by operation of
6 law. Nothing in this subsection shall be deemed to
7 prohibit the discontinuance or modification of any
8 such proceeding under the same terms and condi-
9 tions and to the same extent that such proceeding
10 could have been discontinued or modified if this sec-
11 tion had not been enacted.

12 (3) EFFECT ON PENDING CIVIL ACTIONS.—Ex-
13 cept as provided in paragraph (5)—

14 (A) the transfer of any function under this
15 section shall not affect any civil action relating
16 to such function which is commenced prior to
17 the date the transfer takes effect; and

18 (B) in all such actions, proceedings shall
19 be had, appeals taken, and judgments rendered,
20 in the same manner and effect as if this section
21 had not been enacted.

22 (4) NONABATEMENT OF ACTIONS.—No action
23 or other proceeding commenced by or against any
24 officer in that officer's official capacity as an officer
25 of the Commission shall abate by reason of the

1 transfer of any function under this section. No cause
2 of action by or against the Commission, or by or
3 against any officer thereof in that officer's official
4 capacity, shall abate by reason of the transfer of any
5 function under this section.

6 (5) JUDICIAL ADMINISTRATIVE PROVISION.—If
7 immediately before the transfer of functions by this
8 section the Commission or any officer thereof in that
9 officer's official capacity is a party to an action re-
10 lating to a function transfer by this section, then
11 such action shall be continued with the Secretary or
12 other appropriate official of the Department of
13 Transportation substituted or added as a party.

14 (6) REFERENCES.—With respect to any func-
15 tion transferred by this section and performed on or
16 after the effective date of the transfer, reference in
17 any Federal law to the Interstate Commerce Com-
18 mission or the Commission (insofar as such term re-
19 fers to the Interstate Commerce Commission), or to
20 any officer or office thereof, shall be deemed to refer
21 to the Department of Transportation, or other offi-
22 cial or component of the Department of Transpor-
23 tation in which such function vests.

24 (7) EXERCISE OF FUNCTIONS BY SEC-
25 RETARY.—In the exercise of any function trans-

1 ferred by this section, the Secretary shall have the
2 same authority as that vested in the Commission
3 with respect to such function immediately preceding
4 its transfer, and actions of the Secretary shall have
5 the same force and effect as when exercised by the
6 Commission. Orders and actions of the Secretary in
7 the exercise of the functions transferred under this
8 section shall be subject to judicial review to the same
9 extent and in the same manner as if such orders and
10 actions had been by the Commission in the exercise
11 of such functions immediately preceding their trans-
12 fer. Any statutory requirements relating to notice,
13 hearings, actions upon the record, or administrative
14 review that apply to any functions transferred by
15 this section shall apply to the exercise of such func-
16 tions by the Secretary.

17 (f) REPORTS.—No later than July 1, 1994, the Sec-
18 retary shall submit to the appropriate committees of Con-
19 gress a report on the functions transferred from the Com-
20 mission to the Department of Transportation under this
21 section. The report shall include—

22 (1) an assessment of benefits compared to costs
23 associated with each of these functions, both with re-
24 spect to persons affected directly and to the public
25 generally;

1 (2) recommendations for the elimination of
2 functions identified as redundant, or substantially
3 the same as functions or services which are per-
4 formed by the Department of Transportation or
5 other public or private organizations prior to the
6 transfer of functions under this section; and

7 (3) recommendations to modify or eliminate
8 those functions that do not provide substantial eco-
9 nomic or safety benefits to the general public.

10 (g) CONFORMING AMENDMENTS.—

11 (1) EXECUTIVE LEVEL PAY RATES.—

12 (A) Section 5314 of title 5, United States
13 Code, is amended by striking “Chairman, Inter-
14 state Commerce Commission.”.

15 (B) Section 5315 of title 5, United States
16 Code, is amended by striking “Members, Inter-
17 state Commerce Commission.”.

18 (2) TERMINATION OF COMMISSION.—Sections
19 10301 through 10308 of title 49, United States
20 Code, are repealed.

21 (3) EFFECTIVE DATE.—The amendments made
22 by this section shall become effective on January 1,
23 1994.

24 (h) DEFINITIONS.—In this section—

1 (1) the term “Commission” means the Inter-
2 state Commerce Commission;

3 (2) the term “function” means a function,
4 power, or duty; and

5 (3) the term “Secretary” means the Secretary
6 of Transportation.

7 (i) RESCISSION AND TRANSFER OF FUNDS.—Of the
8 funds made available under the heading “Interstate Com-
9 merce Commission—Salaries and Expenses” in the De-
10 partment of Transportation and Related Agencies Appro-
11 priations Act, 1994 (Public Law 103–122)—

12 (1) \$18,000,000 is rescinded; and

13 (2) \$15,000,000 shall be transferred to and
14 merged with the appropriation in such Act for “DE-
15 PARTMENT OF TRANSPORTATION—OFFICE
16 OF THE SECRETARY—Immediate Office of the
17 Secretary”.

18 **SEC. 8102. CUSTOMS TONNAGE FEES.**

19 (a) INCREASE IN FEES.—Section 36 of the Act of
20 August 5, 1909 (46 App. 121, 36 Stat. 111), is amend-
21 ed—

22 (1) by striking “9 cents per ton, not to exceed
23 in the aggregate 45 cents per ton in any one year,
24 for fiscal years 1991, 1992, 1993, 1994, 1995,
25 1996, 1997, 1998” and inserting “24 cents per ton,

1 not to exceed in the aggregate \$1.20 per ton in any
2 one year, for fiscal years 1996, 1997, 1998, 1999,
3 and 2000”; and

4 (2) by striking “27 cents per ton, not to exceed
5 \$1.35 per ton per annum, for fiscal years 1991,
6 1992, 1993, 1994, 1995, 1996, 1997, 1998” and in-
7 serting “71 cents per ton, not to exceed \$3.55 per
8 ton per annum, for fiscal years 1996, 1997, 1998,
9 1999, and 2000”.

10 (b) CONFORMING AMENDMENT.—The Act entitled
11 “An Act concerning tonnage duties on vessels entering
12 otherwise than by sea”, approved March 8, 1910 (36 Stat.
13 234; 46 App. U.S.C. 132), is amended by striking “9 cents
14 per ton, not to exceed in the aggregate 45 cents per ton
15 in any one year, for fiscal years 1991, 1992, 1993, 1994,
16 1995, 1996, 1997, and 1998” and inserting “24 cents per
17 ton, not to exceed in the aggregate \$1.20 per ton in any
18 one year, for fiscal years 1996, 1997, 1998, 1999, and
19 2000”.

20 **SEC. 8103. FEES FOR OPERATION OF FOREIGN REPAIR STA-**
21 **TIONS.**

22 Not later than September 1, 1995, the Secretary of
23 Transportation shall establish fees for maintenance and
24 repairs carried out on aircraft not owned or operated by
25 the United States, and engines and other parts and com-

1 ponents of such aircraft, at foreign repair stations oper-
2 ated by the Federal Aviation Administration in an amount
3 sufficient to cover the cost of operating such stations in
4 each fiscal year beginning after September 30, 1995. The
5 Secretary shall collect such fees in fiscal year 1996 and
6 each fiscal year thereafter and shall deposit the amounts
7 collected in the general fund of the Treasury.

8 **SEC. 8104. ELIMINATION OF FUNDING FOR HIGHWAY DEM-**
9 **ONSTRATION PROJECTS.**

10 (a) REPEAL OF AUTHORIZATION OF APPROPRIA-
11 TIONS.—Sections 1103(b), 1104(b), 1105(f), 1106(a)(2),
12 1106(b)(2), 1107(b), and 1108(b) of the Intermodal Sur-
13 face Transportation Efficiency Act of 1991 (105 Stat.
14 2027–2063) are each amended by striking “through
15 1997” and inserting “through 1995”.

16 (b) CONFORMING AMENDMENTS.—Sections 1103(c),
17 1104(c), 1105(g)(2), 1106(a)(3), 1106(b)(3), 1107(c),
18 and 1108(c) of such Act are each amended by striking
19 “1995, 1996, and 1997” and inserting “and 1995”.

20 **Subtitle C—Rail Transportation**
21 **Program Reform**

22 **SEC. 8201. AMTRAK.**

23 Section 24104(a) of title 49, United States Code, is
24 amended to read as follows:

1 “(a) IN GENERAL.—There are authorized to be ap-
2 propriated to the Secretary of Transportation—

3 “(1) \$612,000,000 for fiscal year 1996;

4 “(2) \$612,000,000 for fiscal year 1997;

5 “(3) \$612,000,000 for fiscal year 1998;

6 “(4) \$303,000,000 for fiscal year 1999; and

7 “(5) \$303,000,000 for fiscal year 2000,

8 for the benefit of Amtrak for capital expenditures under
9 this part, operating expenses, and payments described in
10 subsection (c)(1)(A) through (C).”.

11 **SEC. 8202. ELIMINATION OF FUNDING FOR MAGLEV PROTO-**
12 **TYPE DEVELOPMENT PROGRAM.**

13 (a) IN GENERAL.—Section 1036(d) of the Intermodal
14 Surface Transportation Efficiency Act of 1991 (49 U.S.C.
15 309 note; 105 Stat. 1986) is amended—

16 (1) in paragraph (1) by striking “the following”
17 and all that follows through “DEMONSTRATION PRO-
18 GRAM.—For” and inserting “for”; and

19 (2) in paragraph (2) by striking subparagraph
20 (A) and by redesignating subparagraphs (B) and (C)
21 as subparagraphs (A) and (B), respectively.

22 (b) RESCISSION OF FUNDS.—Of the funds made
23 available under the heading “Federal Railroad Adminis-
24 tration—Railroad Research and Development” in the De-
25 partment of Transportation and Related Agencies Appro-

1 priations Act, 1994 (Public Law 103–122), \$20,000,000
2 is rescinded, to be derived from magnetic levitation re-
3 search and analysis activities.

4 **SEC. 8203. LOCAL RAIL FREIGHT ASSISTANCE.**

5 Section 22108(a)(3) of title 49, United States Code,
6 is amended by striking “under this subsection to the Sec-
7 retary for any period after September 30, 1994” and in-
8 serting in lieu thereof “to the Secretary for any period
9 after September 30, 1995”.

10 **SEC. 8204. REDUCTION AND MODIFICATION OF BOATING**
11 **SAFETY GRANTS.**

12 (a) TRANSFER OF AMOUNTS FOR STATE BOATING
13 SAFETY PROGRAMS.—

14 (1) TRANSFERS.—Section 4(b) of the Act of
15 August 9, 1950 (16 U.S.C. 777c(b)), is amended to
16 read as follows:

17 “(b)(1) Of the balance of each annual appropriation
18 remaining after making the distribution under subsection
19 (a), an amount equal to \$40,000,000 for fiscal year 1996,
20 \$55,000,000 for fiscal year 1997, and \$69,000,000 for
21 each of fiscal years 1998 and 1999, shall, subject to para-
22 graph (2), be used as follows:

23 “(A) A sum equal to \$10,000,000 of the
24 amount available for each of fiscal years 1996
25 through 1999 shall be available for use by the Sec-

1 retary of the Interior for grants under section
2 5604(c) of the Clean Vessel Act of 1992. Any por-
3 tion of such a sum available for a fiscal year that
4 is not obligated for those grants before the end of
5 the following fiscal year shall be transferred to the
6 Secretary of Transportation and shall be expended
7 by the Secretary of Transportation for State rec-
8 reational boating safety programs under section
9 13106 of title 46, United States Code.

10 “(B) A sum equal to \$30,000,000 of the
11 amount available for fiscal year 1996, \$45,000,000
12 of the amount available for fiscal year 1997, and
13 \$59,000,000 of the amount available for each of fis-
14 cal years 1998 and 1999, shall be transferred to the
15 Secretary of Transportation and shall be expended
16 by the Secretary of Transportation for State rec-
17 reational boating safety programs under section
18 13106 of title 46, United States Code.

19 Any portion of such a sum available for a fiscal year that
20 is not obligated for those grants before the end of the fol-
21 lowing fiscal year shall be transferred to the Secretary of
22 Transportation and shall be expended by the Secretary of
23 Transportation for State recreational boating safety pro-
24 grams under section 13106 of title 46, United States
25 Code.

1 “(2)(A) The amount transferred under paragraph
2 (1)(B) for a fiscal year shall be reduced by the lesser of—

3 “(i) the amount appropriated to the Secretary
4 of Transportation for that fiscal year to carry out
5 the purposes of section 13106 of title 46, United
6 States Code, from the Boat Safety Account in the
7 Aquatic Resources Trust Fund established under
8 section 9504 of the Internal Revenue Code of 1986;
9 or

10 “(ii) \$35,000,000; or

11 “(iii) for fiscal year 1996 only, \$30,000,000.

12 “(B) The amount of any reduction under subpara-
13 graph (A) shall be apportioned among the several States
14 under subsection (d) by the Secretary of the Interior.”.

15 (2) CONFORMING AMENDMENT.—Section
16 5604(c)(1) of the Clean Vessel Act of 1992 (33
17 U.S.C. 1322 note) is amended by striking “section
18 4(b)(2) of the Act of August 9, 1950 (16 U.S.C.
19 777c(b)(2), as amended by this Act)” and inserting
20 “section 4(b)(1) of the Act of August 9, 1950 (16
21 U.S.C. 777c(b)(1))”.

22 (3) LIMITATION ON OTHER DISTRIBUTION.—
23 Notwithstanding any other provision of law, for fis-
24 cal year 1996, of the amount appropriated in ac-
25 cordance with section 3 of the Act of August 9,

1 1950 (16 U.S.C. 777b), \$20,000,000 shall be ex-
2 cluded from the total amount subject to the 18 per-
3 cent calculation of section 4(a) of such Act (16
4 U.S.C. 777c(a)).

5 (b) EXPENDITURE OF AMOUNTS FOR STATE REC-
6 REATIONAL BOATING SAFETY PROGRAMS.—Section
7 13106 of title 46, United States Code, is amended—

8 (1) in subsection (a)(1) by striking the first
9 sentence and inserting the following: “Subject to
10 paragraph (2), the Secretary may expend under con-
11 tracts with States under this chapter in each fiscal
12 year for State recreational boating safety programs
13 an amount equal to the sum of the amount appro-
14 priated from the Boat Safety Account for that fiscal
15 year plus the amount transferred to the Secretary
16 under section 4(b)(1) of the Act of August 9, 1950
17 (16 U.S.C. 777c(b)(1)) for that fiscal year.”; and

18 (2) by amending subsection (c) to read as fol-
19 lows:

20 “(c) For expenditure under this chapter for State rec-
21 reational boating safety programs there are authorized to
22 be appropriated to the Secretary of Transportation from
23 the Boat Safety Account established under section 9504
24 of the Internal Revenue Code of 1986 (26 U.S.C. 9504)
25 not more than \$35,000,000 each fiscal year.”.

1 **Subtitle D—Miscellaneous**
2 **Transportation Program Reform**

3 **SEC. 8301. FEDERAL AID FOR MASS TRANSIT.**

4 (a) REDUCED FEDERAL SHARE.—

5 (1) COMPREHENSIVE PLANNING.—Section
6 5303(h)(5) of title 49, United States Code, is
7 amended by striking “80” and inserting “50”.

8 (2) BLOCK GRANTS.—Section 5307(e) of such
9 title is amended by striking “80” and inserting
10 “50”.

11 (3) DISCRETIONARY GRANT PROGRAM.—Section
12 5309(h) of such title is amended by striking “80”
13 and inserting “50”.

14 (4) RURAL PROGRAM.—Section 5311(g)(2) of
15 such title is amended by striking “80” and inserting
16 “50”.

17 (5) TRAINING PROGRAMS.—Section 5312(c)(3)
18 of such title is amended by striking “75” and insert-
19 ing “50”.

20 (6) NATIONAL MASS TRANSPORTATION INSTI-
21 TUTE.—Section 5315(d) of such title is amended by
22 striking “80” and inserting “50”.

23 (7) UNIVERSITY RESEARCH INSTITUTES.—Sec-
24 tion 5316(f) of such title is amended by inserting
25 before the period at the end the following: “; except

1 that the Federal share of the costs of activities con-
2 ducted with a grant under this section shall be 50
3 percent”.

4 (8) UNIVERSITY TRANSPORTATION CENTERS.—
5 Section 5317(b)(5)(C) of such title is amended by
6 striking “80” and inserting “50”.

7 (9) BICYCLE FACILITIES.—Section 5319 of
8 such title is amended by striking “90” and inserting
9 “50”.

10 (10) SUSPENDED LIGHT RAIL SYSTEM TECH-
11 NOLOGY PILOT PROJECT.—Section 5320(i) of such
12 title is amended by striking “80” and inserting
13 “50”.

14 (11) ACQUISITION OF EQUIPMENT UNDER THE
15 CLEAN AIR AND AMERICANS WITH DISABILITIES
16 ACTS.—Section 5323(i) of such title is amended by
17 striking “90” and inserting “50”.

18 (12) PROJECT MANAGEMENT OVERSIGHT.—Sec-
19 tion 5327(c)(3) of such title is amended by striking
20 “the entire” and inserting “50 percent of the”.

21 (b) ELIMINATION OF OPERATING ASSISTANCE.—

22 (1) BLOCK GRANTS.—Section 5307 of such title
23 is amended—

1 (A) in subsection (b)(1) by striking “im-
2 provement, and operating” and inserting “and
3 improvement”;

4 (B) in subsection (b)(2) by striking “that
5 cannot be used to pay operating expenses under
6 this section”;

7 (C) in subsection (e) by striking the second
8 sentence;

9 (D) by striking subsection (f);

10 (E) in subsection (g)(1) by striking “(ex-
11 cept a project for operating expenses)”;

12 (F) by redesignating subsections (g)
13 through (n) as subsections (f) through (m), re-
14 spectively.

15 (2) TRANSPORTATION FACILITIES TO MEET
16 SPECIAL NEEDS.—

17 (A) IN GENERAL.—Sections 5301(d) and
18 5310 of such title are repealed.

19 (B) CONFORMING AMENDMENTS.—Section
20 5338 of such title is amended—

21 (i) in subsection (a) by striking
22 “5310,” each place it appears (including
23 the subsection heading); and

24 (ii) in subsection (j) by striking para-
25 graph (2) and by redesignating paragraphs

1 (3), (4), and (5) as paragraphs (2), (3),
2 and (4), respectively.

3 (3) RURAL PROGRAM.—Section 5311 of such
4 title is amended—

5 (A) in subsection (b) by striking the par-
6 enthetical phrase;

7 (B) in subsection (e) by striking “(1)” and
8 by striking paragraph (2);

9 (C) in subsection (f)(1)(D) by striking
10 “operating” and all that follows through “user-
11 side subsidies, and”;

12 (D) in subsection (g)(2) by striking the
13 second sentence;

14 (E) by striking subsection (h); and

15 (F) by redesignating subsections (i) and (j)
16 as subsections (h) and (i), respectively.

17 (4) SUSPENDED LIGHT RAIL SYSTEM TECH-
18 NOLOGY PILOT PROJECT.—Section 5320 of such title
19 is amended—

20 (A) by striking the second sentence of sub-
21 section (e); and

22 (B) in subsection (h)—

23 (i) by striking paragraph (2); and

1 (ii) by redesignating paragraphs (3)
2 and (4) as paragraphs (2) and (3), respec-
3 tively.

4 **Subtitle E—Administrative Reform**

5 **SEC. 8401. REDUCTION IN OVERHEAD EXPENSES OF DE-** 6 **PARTMENT OF TRANSPORTATION.**

7 (a) IN GENERAL.—The amount obligated by the De-
8 partment of Transportation during fiscal year 1996 for
9 overhead expenses shall not exceed an amount sufficient
10 to reduce outlays for such expenses during such fiscal year
11 (as compared to such outlays during fiscal year 1995) by
12 \$498,000,000.

13 (b) OVERHEAD EXPENSES.—For purposes of this
14 section, the term “overhead expenses” means expenses
15 within the following object classifications established by
16 the Director of the Office of Management and Budget:

- 17 (1) 21.0 (travel and transportation of persons).
- 18 (2) 22.0 (transportation of things).
- 19 (3) 23.1 (rental payments to GSA).
- 20 (4) 23.3 (communications, utilities, and mis-
21 cellaneous charges).
- 22 (5) 24.0 (printing and reproduction).
- 23 (6) 25.1 (consulting services).
- 24 (7) 25.2 (other services).
- 25 (8) 25.5 (research and development contracts).

1 (9) 26.0 (supplies and materials).

2 (10) 31 (equipment).

3 **TITLE IX—COMMUNITY AND**
4 **REGIONAL DEVELOPMENT**
5 **Subtitle A—Housing Program**
6 **Reforms**

7 **SEC. 9001. TERMINATION OF EXPANSION OF RURAL RENT-**
8 **AL HOUSING PROGRAM.**

9 Section 515 of the Housing Act of 1949 (42 U.S.C.
10 1485) is amended by inserting after subsection (g) the fol-
11 lowing new subsection:

12 “(h) PROHIBITION OF NEW LOANS.—After the date
13 of the enactment of the Restructuring a Limited Govern-
14 ment Act, the Secretary may not make or insure, or enter
15 into any commitment to make or insure, any loan under
16 this section.”.

17 **Subtitle B—Community and Re-**
18 **gional Development Program**
19 **Reforms**

20 **SEC. 9101. ELIMINATION OF FUNDING FOR ENVIRON-**
21 **MENTAL RESEARCH PROGRAMS OF TEN-**
22 **NESSEE VALLEY AUTHORITY.**

23 For fiscal years beginning after September 30, 1995,
24 no amounts may be appropriated to the Tennessee Valley

1 Authority for activities of the Authority's environmental
2 research center and national fertilizer research center.

3 **SEC. 9102. ELIMINATION OF CDBG PROGRAM.**

4 (a) REPEAL.—Title I of the Housing and Community
5 Development Act of 1974 (42 U.S.C. 5301 et seq.) is here-
6 by repealed.

7 (b) TRANSITION.—Any amounts appropriated to
8 carry out title I of the Housing and Community Develop-
9 ment Act of 1974 before the date of the enactment of this
10 Act shall be used in accordance with the provisions of such
11 title as in effect immediately before the enactment of this
12 Act.

13 **SEC. 9103. TERMINATION OF ECONOMIC DEVELOPMENT**
14 **ADMINISTRATION.**

15 (a) IN GENERAL.—The Economic Development Ad-
16 ministration is terminated.

17 (b) REPEAL OF ACTS.—The Public Works and Eco-
18 nomic Development Act of 1965 (42 U.S.C. 3121 et seq.)
19 and the Local Public Works Capital Development and In-
20 vestment Act of 1976 (42 U.S.C. 6701 et seq.) are re-
21 pealed.

22 (c) CONCLUSION OF OUTSTANDING AFFAIRS.—

23 (1) IN GENERAL.—The Secretary of Commerce
24 shall provide for the conclusion of any outstanding
25 affairs of the Economic Development Administra-

1 tion, including matters affecting the disposition of
2 personnel.

3 (2) AUTHORITY.—In carrying out this sub-
4 section, the Secretary of Commerce may exercise any
5 authority that was provided to the Secretary under
6 the Acts repealed by subsection (b), as such Acts
7 were in effect on the day before the effective date of
8 this section, and is necessary or appropriate to ad-
9 minister and fulfill the terms of any grant, contract,
10 agreement, loan, obligation, debenture, or guarantee
11 made by the Secretary pursuant to such Acts.

12 (d) EFFECT OF TERMINATION ON EXPENDITURE OF
13 FUNDS ALREADY RECEIVED.—Nothing in this section
14 may be construed to prevent the expenditure of any funds
15 received from a grant or loan under the Acts repealed by
16 subsection (b). Such funds shall be subject to such laws
17 and regulations as applied to the funds on the day before
18 the effective date of this section.

19 (e) ECONOMIC DEVELOPMENT REVOLVING FUND.—

20 (1) CONTINUATION TO FINISH BUSINESS.—The
21 Economic Development Revolving Fund established
22 by section 203 of the Public Works and Economic
23 Development Act of 1965 (42 U.S.C. 3143) shall
24 continue in existence for the following purposes:

1 (A) COLLECTIONS AND REPAYMENTS.—To
2 receive collections and repayments in connection
3 with assistance extended under the Acts re-
4 pealed by subsection (b).

5 (B) PAYMENT OF OBLIGATIONS.—To pay
6 obligations and make expenditures in connec-
7 tion with the Acts repealed by subsection (b).

8 (2) TERMINATION OF FUND.—

9 (A) CERTIFICATION.—When, in the discre-
10 tion of the Secretary of Commerce, the Eco-
11 nomic Development Revolving Fund is no
12 longer necessary to carry out the activities
13 under paragraph (1), the Secretary of Com-
14 merce shall certify to the Secretary of the
15 Treasury that the Economic Development Re-
16 volving Fund is no longer necessary.

17 (B) TERMINATION.—Upon receipt of the
18 certification under subparagraph (A), the Sec-
19 retary of the Treasury shall terminate the Eco-
20 nomic Development Revolving Fund and deposit
21 into the general fund of the Treasury as mis-
22 cellaneous receipts any moneys remaining in the
23 Fund. The Secretary of the Treasury shall de-
24 posit into the general fund of the Treasury any
25 collections and repayments made after the ter-

1 mination of the Economic Development Revolv-
2 ing Fund in connection with the Acts repealed
3 by subsection (b).

4 (f) EFFECTIVE DATE.—This section shall take effect
5 on October 1, 1995.

6 **SEC. 9104. TERMINATION OF APPALACHIAN REGIONAL**
7 **COMMISSION.**

8 (a) IN GENERAL.—The Appalachian Regional Com-
9 mission is terminated.

10 (b) REPEAL OF ACTS.—The Appalachian Regional
11 Development Act of 1965 (40 U.S.C. App. 1 et seq.) is
12 repealed.

13 (c) CONCLUSION OF OUTSTANDING AFFAIRS.—

14 (1) IN GENERAL.—The President shall take
15 such actions as may be necessary and appropriate to
16 conclude any outstanding affairs of the Appalachian
17 Regional Commission, including matters affecting
18 the disposition of personnel.

19 (2) AUTHORITY.—In carrying out this sub-
20 section, the President may exercise any authority
21 that was provided to the Appalachian Regional Com-
22 mission under the Appalachian Regional Develop-
23 ment Act of 1965, as in effect on the day before the
24 effective date of this section, and is necessary or ap-
25 propriate to administer and fulfill the terms of any

1 grant, contract, loan, or other obligation entered into
2 by the Appalachian Regional Commission under such
3 Act.

4 (d) EXPENDITURE OF FUNDS.—Nothing in this sec-
5 tion may be construed to prevent the expenditure of any
6 funds received under the Appalachian Regional Develop-
7 ment Act of 1965. Such funds shall be subject to such
8 laws and regulations as applied to the funds on the day
9 before the effective date of this section.

10 (e) EFFECTIVE DATE.—This section shall take effect
11 on October 1, 1995.

12 **SEC. 9105. ELIMINATION OF RURAL DEVELOPMENT LOAN**
13 **AND GRANT PROGRAMS.**

14 (a) REPEAL OF THE RURAL ELECTRIFICATION ACT
15 OF 1936.—The Rural Electrification Act of 1936 (7
16 U.S.C. 901–950b) is hereby repealed.

17 (b) ELIMINATION OF CERTAIN PROGRAMS UNDER
18 THE CONSOLIDATED FARM AND RURAL DEVELOPMENT
19 ACT.—

20 (1) Section 304 of the Consolidated Farm and
21 Rural Development Act (7 U.S.C. 1924) is amended
22 by striking subsection (b).

23 (2) Section 306 of such Act (7 U.S.C. 1926) is
24 hereby repealed.

1 (3) Section 306A of such Act (7 U.S.C. 1926a)
2 is hereby repealed.

3 (4) Section 306B of such Act (7 U.S.C. 1926b)
4 is hereby repealed.

5 (5) Section 306C of such Act (7 U.S.C. 1926c)
6 is hereby repealed.

7 (6) Section 310B of such Act (7 U.S.C. 1932)
8 is hereby repealed.

9 (7) Section 312(a) of such Act (7 U.S.C.
10 1942(a)) is amended in the 1st sentence—

11 (A) by striking clauses (5), (6), (8), (11),
12 (12), and (13);

13 (B) by adding “or” at the end of clause
14 (9);

15 (C) by striking the comma at the end of
16 clause (10) and inserting a period; and

17 (D) by redesignating clauses (7), (9), and
18 (10) as clauses (5), (6), and (7), respectively.

19 (8) Section 312 of such Act (7 U.S.C. 1942) is
20 amended by striking subsections (b), (c), and (d)
21 and redesignating subsection (e) as subsection (b).

22 (c) ELIMINATION OF CERTAIN PROGRAMS UNDER
23 THE FOOD, AGRICULTURE, CONSERVATION, AND TRADE
24 ACT OF 1990.—

1 (1) Subtitle B of title XXIII of the Food, Agri-
2 culture, Conservation, and Trade Act of 1990 (7
3 U.S.C. 2007–2007e) is hereby repealed.

4 (2) Section 2322 of such Act (7 U.S.C. 1926–
5 1) is hereby repealed.

6 (3) Section 2324 of such Act (7 U.S.C. 1926
7 note) is hereby repealed.

8 (4) Section 2326 of such Act (7 U.S.C. 1926b
9 note) is amended by striking subsection (b).

10 (5) Subtitle D of title XXIII of such Act (7
11 U.S.C. 950aaa–950aaa–4 and 1932 note) is hereby
12 repealed.

13 (d) ELIMINATION OF CERTAIN PROGRAM UNDER
14 THE FOOD SECURITY ACT OF 1985.—Section 1323 of the
15 Food Security Act of 1985 (7 U.S.C. 1932 note) is hereby
16 repealed.

17 (e) CONFORMING AMENDMENTS.—

18 (1) CONSOLIDATED FARM AND RURAL DEVEL-
19 OPMENT ACT AMENDMENTS.—

20 (A) Section 307(a)(3) of the Consolidated
21 Farm and Rural Development Act (7 U.S.C.
22 1927(a)(3)) is amended—

23 (i) in subparagraph (A), by striking
24 “and essential community facilities”; and

25 (ii) by striking subparagraph (C).

1 (B) Section 307(a) of such Act (7 U.S.C.
2 1927(a)) is amended by striking paragraph (4).

3 (C) Section 307(a)(5) of such Act (7
4 U.S.C. 1927(a)(5)) is amended—

5 (i) by striking “(A) Except as pro-
6 vided in subparagraph (B), the” and in-
7 serting “The”; and

8 (ii) by striking subparagraph (B).

9 (D) Section 307(a)(6)(B) of such Act (7
10 U.S.C. 1927(a)(6)(B)) is amended—

11 (i) by adding “and” at the end of
12 clause (i);

13 (ii) by striking clauses (ii) through
14 (vi); and

15 (iii) by redesignating clause (vii) as
16 clause (ii).

17 (E) Section 307(c) of such Act (7 U.S.C.
18 1927(c)) is amended by striking “, and for obli-
19 gations in connection with loans to associations
20 under section 306, shall take liens on the facil-
21 ity or such other security as he may determine
22 to be necessary”.

23 (F) Section 309(g)(1) of such Act (7
24 U.S.C. 1929(g)(1)) is amended by striking “the
25 last sentence of section 306(a)(1),”.

1 (G) Section 309A(a) of such Act (7 U.S.C.
2 1929a(a)) is amended by inserting “(as such
3 sections were in effect before the effective date
4 of the Restructuring a Limited Government
5 Act),” after “312(b),”.

6 (H) Section 309A(g) of such Act (7 U.S.C.
7 1930(g)) is amended—

8 (i) by striking paragraph (1); and

9 (ii) in paragraph (8), by striking
10 “make grants under sections 306(a) and
11 310B of this title,”.

12 (I) Section 310A of such Act (7 U.S.C.
13 1931) is amended by striking “, the last sen-
14 tence of section 306(a)(1),”.

15 (J) Section 316(a) of such Act (7 U.S.C.
16 1946(a)) is amended by striking paragraph (3).

17 (K) Section 317 of such Act (7 U.S.C.
18 1947) is amended by striking “(except section
19 312(b))”.

20 (L) Section 333A(a) of such Act (7 U.S.C.
21 1983a(a)) is amended by striking paragraph
22 (4).

23 (M) Section 344 of such Act (7 U.S.C.
24 1994) is hereby repealed.

1 (N) Section 353A of such Act (7 U.S.C.
2 2001a) is amended by inserting “(as in effect
3 before the effective date of the Restructuring a
4 Limited Government Act)” before the period.

5 (O) Section 365 of such Act (7 U.S.C.
6 2008) is hereby repealed.

7 (P) Section 366 of such Act (7 U.S.C.
8 2008a) is hereby repealed.

9 (Q) Section 367 of such Act (7 U.S.C.
10 2008b) is hereby repealed.

11 (R) Section 368 of such Act (7 U.S.C.
12 2008b) is hereby repealed.

13 (2) DEPARTMENT OF AGRICULTURE REORGA-
14 NIZATION ACT OF 1994 AMENDMENTS.—

15 (A) Section 233(b) of the Department of
16 Agriculture Reorganization Act of 1994 (7
17 U.S.C. 6943(b)) is amended by striking para-
18 graph (2) and redesignating paragraph (3) as
19 paragraph (2).

20 (B) Section 234(b) of such Act (7 U.S.C.
21 6944(b)) is amended by striking paragraphs (1)
22 and (3) and redesignating paragraphs (2), (4),
23 and (5) as paragraphs (1) through (3), respec-
24 tively.

1 (3) COOPERATIVE FORESTRY ASSISTANCE ACT
2 OF 1978 AMENDMENT.—Section 10(b)(3) of the Co-
3 operative Forestry Assistance Act of 1978 (7 U.S.C.
4 2106(b)(3)) is amended by inserting “, as in effect
5 before the effective date of the Restructuring a Lim-
6 ited Government Act” before the period.

7 (4) AGRICULTURAL ACT OF 1970 AMEND-
8 MENT.—Section 901(b) of the Agricultural Act of
9 1970 (42 U.S.C. 3122(b)) is amended by inserting
10 “, as in effect before the effective date of the Re-
11 structuring a Limited Government Act” before the
12 period.

13 (5) ROBERT T. STAFFORD DISASTER RELIEF
14 AND EMERGENCY ASSISTANCE ACT AMENDMENTS.—
15 Section 310(a) of the Robert T. Stafford Disaster
16 Relief and Emergency Assistance Act (42 U.S.C.
17 5153(a)) is amended by striking paragraph (4) and
18 redesignating paragraphs (5) through (7) as para-
19 graphs (4) through (6), respectively.

20 (f) NO EFFECT ON EXISTING CONTRACTS AND OBLI-
21 GATIONS.—The amendments made by this section shall
22 not be construed to affect any right, power, or duty grant-
23 ed pursuant to any contract entered into or obligation
24 made before the effective date of this Act.

1 (g) SALE OF OUTSTANDING RURAL DEVELOPMENT
2 LOANS.—

3 (1) IN GENERAL.—Notwithstanding any other
4 provision of law, not later than the end of the 3-year
5 period that begins with the effective date of this Act,
6 the Secretary of Agriculture shall sell to private in-
7 vestors all interests of the United States in all quali-
8 fied loans made before such effective date that are
9 outstanding at the time of the sale, for cash only, on
10 the most favorable terms to the Federal Government
11 that are then obtainable.

12 (2) QUALIFIED LOAN DEFINED.—As used in
13 paragraph (1), the term “qualified loan” means a
14 loan made or insured under—

15 (A) the Rural Electrification Act of 1936
16 (as in effect before the effective date of this
17 Act);

18 (B) section 304(b), 306, 306C, 310B, or
19 clause (5), (6), (8), (11), (12), or (13) of sub-
20 section (a), or subsection (b) or (c), of section
21 312, of the Consolidated Farm and Rural De-
22 velopment Act (as so in effect); or

23 (C) subtitle B of title XXIII, or section
24 2322 or 2324, of the Food, Agriculture, Con-

1 servation, and Trade Act of 1990 (as so in ef-
2 fect).

3 **Subtitle C—Administrative** 4 **Reforms**

5 **SEC. 9201. OPERATION OF INDIAN PROGRAMS.**

6 Amounts made available for the operation of Indian
7 programs for fiscal years 1996 through 2000 may not ex-
8 ceed \$1,443,244,000 for each of such fiscal years. For the
9 purposes of this section, the term “operation of Indian
10 programs” means those programs, projects, and activities
11 for which amounts were appropriated for fiscal year 1995
12 under the appropriations account numbered 14–2100–0–
13 1–999, as adjusted under item 90.00 (relating to adjust-
14 ments to gross budget authority and outlays).

15 **SEC. 9202. BUREAU OF INDIAN AFFAIRS CONSTRUCTION.**

16 Amounts appropriated for construction with respect
17 to the Bureau of Indian Affairs for fiscal years 1996
18 through 2000 may not exceed \$83,111,000 for each of
19 such fiscal years. For the purposes of this section, the
20 term “construction with respect to the Bureau of Indian
21 Affairs” means those programs, projects, and activities for
22 which amounts were appropriated for fiscal year 1995
23 under the appropriations account numbered 14–2301–0–
24 1–452 and identified as budget authority under item
25 40.00.

1 **TITLE X—EDUCATION AND**
2 **TRAINING**
3 **Subtitle A—Job Training Reform**

4 **SEC. 10001. SHORT TITLE.**

5 This subtitle may be cited as the “Employment En-
6 hancement Reform Act”.

7 **CHAPTER 1—BLOCK GRANTS TO STATES**

8 **SEC. 10011. STATEMENT OF PURPOSE.**

9 It is the purpose of this chapter to establish a block
10 grant program to prepare individuals for employment in
11 the labor force by increasing their occupational and edu-
12 cational skills, resulting in improved long-term employ-
13 ability, increased employment and earnings, and reduced
14 welfare dependency.

15 **SEC. 10012. AUTHORIZATION.**

16 (a) GRANTS TO STATES.—The Secretary of Labor
17 may provide grants to States for the purpose of providing
18 employment assistance to eligible individuals in such
19 States in accordance with this chapter.

20 (b) GRANTS TO INDIAN TRIBES AND MIGRANT AND
21 SEASONAL FARMWORKER ORGANIZATIONS.—Not more
22 than 5 percent of the amount appropriated to carry out
23 this chapter for a fiscal year may be used by the Secretary
24 to provide grants to Indian tribes and migrant and sea-
25 sonal farmworker organizations for the purpose of provid-

1 ing employment assistance to Native Americans and mi-
2 grant and seasonal farmworkers in accordance with this
3 subchapter.

4 (c) PERIOD OF GRANTS.—A grant received under
5 subsection (a) or (b), as the case may be, may extend for
6 a period of not more than 5 fiscal years. The payments
7 under such grant shall be subject to annual approval of
8 the Secretary and the availability of appropriations for
9 each fiscal year.

10 **SEC. 10013. ALLOCATION.**

11 In providing grants to States under section 10012 for
12 a fiscal year, the Secretary shall, to the extent practicable,
13 allocate the amount appropriated for such fiscal year as
14 follows:

15 (1) $33\frac{1}{3}$ percent shall be allocated on the basis
16 of the relative number of unemployed individuals re-
17 siding in areas of substantial unemployment within
18 each State as compared to the total number of such
19 unemployed individuals in all such areas of substan-
20 tial unemployment in all States.

21 (2) $33\frac{1}{3}$ percent shall be allocated on the basis
22 of the relative excess number of unemployed individ-
23 uals within each State as compared to the total ex-
24 cess number of unemployed individuals in all States.

1 (3) 33 $\frac{1}{3}$ percent shall be allocated on the basis
2 of the relative number of economically disadvantaged
3 adults within each State as compared to the total
4 number of economically disadvantaged adults in all
5 States.

6 **SEC. 10014. APPLICATION.**

7 The Secretary may provide a grant to a State under
8 section 10012 only if such State submits to the Secretary
9 an application which contains such information as the Sec-
10 retary may reasonably require, including a description of
11 the program to be established by the State under section
12 10015.

13 **SEC. 10015. USE OF AMOUNTS.**

14 (a) ESTABLISHMENT OF EMPLOYMENT ASSISTANCE
15 PROGRAM.—

16 (1) IN GENERAL.—The Secretary may provide a
17 grant to a State under section 10012 only if such
18 State agrees that it will use all amounts received
19 from such grant to establish a program to provide
20 employment assistance to eligible individuals de-
21 scribed in paragraph (2).

22 (2) ELIGIBLE INDIVIDUALS.—An individual
23 shall be eligible to receive employment assistance
24 under the program if such individual—

1 (A) has attained the age of 14 and is eco-
2 nomically disadvantaged;

3 (B)(i) has been terminated or laid off or
4 who has received a notice of termination or lay-
5 off from employment, is eligible for or has ex-
6 hausted entitlement to unemployment com-
7 pensation, and is unlikely to return to the indi-
8 vidual's previous industry or occupation;

9 (ii) has been terminated, has received no-
10 tice of termination, or has reason to believe that
11 such individual will be terminated or receive no-
12 tice of termination or lay off from employment,
13 as a result of any permanent closure of or any
14 substantial layoff at a plant, facility, or enter-
15 prise; or

16 (iii) was self-employed (including farmers
17 and ranchers) and is unemployed as a result of
18 general economic conditions in the community
19 in which the individual resides or because of
20 natural disasters, subject to regulations pre-
21 scribed by the Secretary;

22 (C) is an individual with a disability;

23 (D) is a member of the Armed Forces who
24 is being separated under other than adverse
25 conditions;

1 (E) is a veteran who is unemployed; or

2 (F) is a displaced homemaker.

3 (b) CONDUCT OF PROGRAM.—In carrying out the
4 program described in subsection (a), the State shall meet
5 the following requirements:

6 (1)(A) The State shall ensure the profiling and
7 evaluation of eligible individuals for the purpose of
8 determining the amount of employment assistance
9 services, including, subject to subparagraph (B), the
10 amount of supportive services, if appropriate, to be
11 provided to such individuals. In profiling and evalu-
12 ating such individuals, the State shall classify indi-
13 viduals in 1 of the following 3 categories:

14 (i) Job-ready and in need of placement
15 services.

16 (ii) Job-ready and in need of remedial
17 skills enhancement.

18 (iii) Non-job-ready and in need of remedial
19 education.

20 (B) The State shall ensure that eligible individ-
21 uals receive information relating to the provision of
22 supportive services from sources other than under
23 this subchapter for the purpose of participating in
24 the program under this subchapter.

1 (2) The State shall provide appropriate employ-
2 ment assistance services to eligible individuals based
3 upon the classification of the individual in the cat-
4 egories described in clauses (i) through (iii) of para-
5 graph (1)(A). Such assistance may not be used to
6 provide stipends or direct payments to individuals
7 for participation in the program, including payments
8 for supportive services, except that such assistance
9 may include payments for transportation costs,
10 based on need, of such individuals for participation
11 in the program.

12 (3) The State shall monitor the rate at which
13 individuals in the program successfully obtain em-
14 ployment after separation from the program in ac-
15 cordance with the following criteria:

16 (A) With respect to individuals classified in
17 the category described in paragraph (1)(A)(i),
18 employment for a period of not less than 6
19 months under which—

20 (i) the individual works an average of
21 at least 35 hours per week; and

22 (ii) the individual receives wages equal
23 to not less than 65 percent of the average
24 wages received for employment during the

1 2-year period ending on the date of enroll-
2 ment in the program.

3 (B) With respect to individuals classified
4 in the category described in paragraph
5 (1)(A)(ii)—

6 (i) demonstration of proficiency of
7 those skill areas of the individual assessed
8 as deficient; and

9 (ii) employment for a period of not
10 less than 6 months in accordance with the
11 requirements described in subparagraph
12 (A).

13 (C) With respect to individuals classified in
14 the category described in paragraph
15 (1)(A)(iii)—

16 (i) demonstration of proficiency in
17 education and skills commensurate with a
18 high school degree; and

19 (ii) employment for a period of not
20 less than 6 months in accordance with the
21 requirements described in subparagraph
22 (A).

23 (4) The State shall, to the extent practicable,
24 establish one-stop-shop centers throughout the State
25 at which eligible individuals are provided information

1 on the various types of employment assistance serv-
2 ices available under the program and at which such
3 individuals are profiled and evaluated in accordance
4 with paragraph (1)(A).

5 (c) DISCRETIONARY ACTIVITIES.—In carrying out
6 the program described in subsection (a), the State may
7 carry out the following activities:

8 (1) The State may allow eligible individuals to
9 participate in education and job search activities for
10 non-traditional employment.

11 (2) The State may establish a State employ-
12 ment coordinating council (or designate a similar ex-
13 isting council) which will—

14 (A) study the emerging economic and em-
15 ployment trends, job creation opportunities, and
16 other employment and job training needs of in-
17 dividuals in the State;

18 (B) based upon the study conducted under
19 subparagraph (A), propose additional appro-
20 priate activities to be carried out under the pro-
21 gram; and

22 (C) report the results of the study con-
23 ducted under subparagraph (A) and the pro-
24 posed additional appropriate activities under
25 subparagraph (B) to—

- 1 (i) the State agency responsible for
- 2 carrying out the program;
- 3 (ii) the Governor; and
- 4 (iii) the State legislature.

5 **SEC. 10016. REPORTS.**

6 (a) REPORT TO THE SECRETARY.—Not later than 1
7 year after the date on which a State receives amounts
8 from a grant under section 10012, and in each subsequent
9 fiscal year in which the State receives amounts from such
10 grant, the State shall submit to the Secretary a report
11 containing—

12 (1) the total number of individuals who applied
13 for participation in the program in the fiscal year;

14 (2) the total number of individuals enrolled in
15 the program in the fiscal year and the total number
16 of individuals who have re-enrolled in the program
17 for such fiscal year;

18 (3) the period of time spent in the program by
19 individuals who have separated from the program
20 and the rate at which such individuals successfully
21 obtained employment after such separation in ac-
22 cordance with the criteria described in subpara-
23 graphs (A) through (C) of section 10015(b)(3); and

24 (4) any other appropriate information requested
25 by the Secretary.

1 (b) REPORT TO CONGRESS.—The Secretary shall an-
2 nually submit to the Congress a report containing—

3 (1) a compilation of the information contained
4 in the reports received by the Secretary under sub-
5 section (a); and

6 (2) an evaluation of the block grant program
7 under this subchapter.

8 **SEC. 10017. REDUCTION OR TERMINATION OF PAYMENTS**
9 **UNDER GRANT.**

10 (a) DETERMINATION OF SUCCESS IN PLACING INDIV-
11 IDUALS IN EMPLOYMENT.—

12 (1) IN GENERAL.—The Secretary shall deter-
13 mine, based upon the information contained in the
14 reports submitted by a State under section
15 10016(a), whether or not the State has been suc-
16 cessful in placing individuals in employment during
17 each 2-year period under the program.

18 (2) CRITERIA.—In making a determination
19 under paragraph (1), the Secretary shall take into
20 consideration appropriate criteria, including the gen-
21 eral economic conditions of the State during the 2-
22 year period referred to in such paragraph.

23 (b) REDUCTION OR TERMINATION OF PAYMENTS.—
24 If the Secretary determines under subsection (a) that a
25 State has not been successful in placing individuals in em-

1 ployment during any 2-year period under the program, the
2 Secretary may—

- 3 (1) reduce the amount of payments under the
4 grant to such State for subsequent fiscal years; or
5 (2) terminate payments under the grant to such
6 State.

7 (c) CONTINUATION OF PAYMENTS.—The Secretary
8 may reinstate payments or increase payments under a
9 grant with respect to a State that the Secretary has deter-
10 mined under subsection (a) has not been successful in
11 placing individuals in employment in accordance with sub-
12 section (b), if the Secretary subsequently determines that
13 such State has implemented appropriate modifications to
14 the program.

15 **SEC. 10018. DEFINITIONS.**

16 For the purposes of this chapter, the following defini-
17 tions apply:

- 18 (1) AREA OF SUBSTANTIAL UNEMPLOYMENT.—
19 The term “area of substantial unemployment”
20 means any area which has an average rate of unem-
21 ployment of at least 6.5 percent for the most recent
22 twelve months as determined by the Secretary. De-
23 terminations of areas of substantial unemployment
24 shall be made once each fiscal year.

1 (2) ECONOMICALLY DISADVANTAGED.—The
2 term “economically disadvantaged” means an indi-
3 vidual who—

4 (A) receives, or is a member of a family
5 which receives, cash welfare payments under a
6 Federal, State, or local welfare program;

7 (B) has, or is a member of a family which
8 has, received a total family income for the six-
9 month period prior to application for the pro-
10 gram involved (exclusive of unemployment com-
11 pensation, child support payments, and welfare
12 payments) which, in relation to family size, was
13 not in excess of the higher of—

14 (i) the official poverty line (as defined
15 by the Office of Management and Budget,
16 and revised annually in accordance with
17 section 673(2) of the Omnibus Budget
18 Reconciliation Act of 1981 (42 U.S.C.
19 9902(2)); or

20 (ii) 70 percent of the lower living
21 standard income level;

22 (C) is receiving (or has been determined
23 within the 6-month period prior to the applica-
24 tion for the program involved to be eligible to

1 receive) food stamps pursuant to the Food
2 Stamp Act of 1977;

3 (D) qualifies as a homeless individual
4 under subsections (a) and (c) of section 103 of
5 the Stewart B. McKinney Homeless Assistance
6 Act;

7 (E) is a foster child on behalf of whom
8 State or local government payments are made;

9 (F) in cases permitted by regulations of
10 the Secretary, is an individual with a disability
11 whose own income meets the requirements of
12 subparagraph (A) or (B), but who is a member
13 of a family whose income does not meet such
14 requirements; or

15 (G) is an individual meeting appropriate
16 criteria approved by the State.

17 (3) INDIVIDUAL WITH A DISABILITY.—The term
18 “individual with a disability” means an individual
19 who has a physical or mental disability which for
20 such individual constitutes or results in a substantial
21 handicap to employment.

22 (4) LOW-INCOME LEVEL.—The term “low-in-
23 come level” means \$7,000 with respect to income in
24 1969, and for any later year means that amount
25 which bears the same relationship to \$7,000 as the

1 Consumer Price Index for that year bears to the
2 Consumer Price Index for 1969, rounded to the
3 nearest \$1,000.

4 (5) SECRETARY.—The term “Secretary” means
5 the Secretary of Labor.

6 (6) STATE.—The term “State” means each of
7 the several States, the District of Columbia, the
8 Commonwealth of Puerto Rico, the Commonwealth
9 of the Northern Mariana Islands, American Samoa,
10 Guam, the Virgin Islands, the Federated States of
11 Micronesia, the Republic of the Marshall Islands,
12 and the Republic of Palau.

13 (7) UNEMPLOYED INDIVIDUALS.—The term
14 “unemployed individuals” means individuals who are
15 without jobs and who want and are available for
16 work. The determination of whether individuals are
17 without jobs shall be made in accordance with the
18 criteria used by the Bureau of Labor Statistics of
19 the Department of Labor in defining individuals as
20 unemployed.

21 (8) VETERAN.—The term “veteran” means an
22 individual who served in the active military, naval, or
23 air service, and who was discharged or released
24 therefrom under conditions other than dishonorable.

1 (9) VOCATIONAL EDUCATION.—The term “vo-
2 cational education” means organized educational
3 programs offering a sequence of courses which are
4 directly related to the preparation of individuals in
5 paid or unpaid employment in current or emerging
6 occupations requiring other than a baccalaureate or
7 advanced degree. Such programs shall include com-
8 petency-based applied learning which contributes to
9 an individual’s academic knowledge, higher-order
10 reasoning, and problem-solving skills, work attitudes,
11 general employability skills, and the occupational-
12 specific skills necessary for economic independence
13 as a productive and contributing member of society.
14 Such term also includes applied technology edu-
15 cation.

16 (10) DISPLACED HOMEMAKER.—The term “dis-
17 placed homemaker” means an individual who has
18 been providing unpaid services to family members in
19 the home and who—

20 (A) has been dependent either—

21 (i) on public assistance and whose
22 youngest child is within 2 years of losing
23 eligibility under part A of title IV of the
24 Social Security Act (42 U.S.C. 601 et
25 seq.); or

1 (ii) on the income of another family
2 member but is no longer supported by that
3 income; and

4 (B) is unemployed or underemployed and is
5 experiencing difficulty in obtaining or upgrad-
6 ing employment.

7 (11) NONTRADITIONAL EMPLOYMENT.—The
8 term “nontraditional employment” means occupa-
9 tions or fields of work where women or men, as the
10 case may be, comprise less than 25 percent of the
11 individuals employed in such occupation or field of
12 work.

13 **SEC. 10019. TRANSFER OF FUNDS.**

14 Notwithstanding any other provision of law, any
15 amounts appropriated to carry out any provision of law
16 specified in part 2 of chapter 2 which are not obligated
17 or expended on or after the end of the first fiscal year
18 beginning after the date of the enactment of this sub-
19 chapter shall be made available to carry out this sub-
20 chapter.

21 **SEC. 10020. AUTHORIZATION OF APPROPRIATIONS.**

22 (a) IN GENERAL.—There are authorized to be appro-
23 priated to carry out this chapter \$8,000,000,000 for each
24 of the fiscal years 1997 through 2001.

1 (b) AVAILABILITY.—Amounts appropriated pursuant
2 to the authorization of appropriations in subsection (a) are
3 authorized to remain available until expended.

4 **CHAPTER 2—CONSOLIDATION AND RE-**
5 **PEAL OF CERTAIN FEDERAL EMPLOY-**
6 **MENT ASSISTANCE PROGRAMS**

7 **PART 1—CONSOLIDATION OF PROGRAMS**

8 **SEC. 10031. CERTAIN COMMUNITY-BASED PROJECTS RE-**
9 **GARDING HEALTH CARE FOR THE HOME-**
10 **LESS; CONFORMING AMENDMENT REGARD-**
11 **ING PUBLIC LAW 102-321.**

12 The Stewart B. McKinney Homeless Assistance Act
13 (Public Law 100-77) is amended by striking section 612
14 (relating to homeless individuals with chronic mental ill-
15 ness).

16 **SEC. 10032. CERTAIN EMPLOYMENT-RELATED PROGRAMS**
17 **UNDER REHABILITATION ACT OF 1973.**

18 (a) SUPPORTED EMPLOYMENT FOR INDIVIDUALS
19 WITH MOST SEVERE DISABILITIES.—Section 101(a) of
20 the Rehabilitation Act of 1973 (29 U.S.C. 721(a)) is
21 amended—

22 (1) in paragraph (5), by amending subpara-
23 graph (B) to read as follows:

24 “(B) provide satisfactory assurances to the Commis-
25 sioner that the State has studied and considered a broad

1 variety of means for providing services to individuals with
2 the most severe disabilities, including the provision of serv-
3 ices leading to supported employment; and”;

4 (2) by amending paragraph (25) to read as fol-
5 lows:

6 “(25) provide assurances satisfactory to the Sec-
7 retary that the State has an acceptable plan for developing
8 a collaborative program with appropriate entities to pro-
9 vide supported employment services for individuals with
10 the most severe disabilities who require supported employ-
11 ment services to enter or retain competitive employment;”.

12 (b) SPECIAL RECREATION ACTIVITIES AND SERV-
13 ICES.—

14 (1) IN GENERAL.—Section 101(a)(12) of the
15 Rehabilitation Act of 1973 (29 U.S.C. 721(a)(12))
16 is amended—

17 (A) in subparagraph (A), by striking
18 “and” after the semicolon at the end;

19 (B) in subparagraph (B), by adding “and”
20 after the semicolon at the end; and

21 (C) by adding at the end the following sub-
22 paragraph:

23 “(C) provide for entering into agreements with the
24 operators of community rehabilitation programs or to
25 make awards of grants or contracts to nonprofit private

1 organizations, for the provision of special recreation activi-
2 ties and services, that are, whenever possible, provided in
3 settings with peers who are not individuals with disabil-
4 ities;”.

5 (2) SCOPE OF SERVICES.—Section 103(a) of
6 the Rehabilitation Act of 1973 (29 U.S.C. 723(a))
7 is amended—

8 (A) in paragraph (15), by striking “and”
9 after the semicolon at the end;

10 (B) in paragraph (16), by striking the pe-
11 riod at the end and inserting “; and”; and

12 (C) by adding at the end the following
13 paragraph:

14 “(17) special recreation activities and serv-
15 ices.”.

16 (c) PROJECTS WITH INDUSTRY.—Section 101(a) of
17 the Rehabilitation Act of 1973 (29 U.S.C. 721(a)) is
18 amended—

19 (1) in paragraph (35), by striking “and” after
20 the semicolon at the end;

21 (2) in paragraph (36), by striking the period at
22 the end and inserting “; and”; and

23 (3) by adding at the end the following para-
24 graph:

1 “(37) provide satisfactory assurances to the Commis-
2 sioner that the State has awarded grants to individual em-
3 ployers, community rehabilitation program providers,
4 labor unions, trade associations, Indian tribes, tribal orga-
5 nizations, designated States units, and other entities that
6 are jointly financed to create and expand job and career
7 opportunities for individuals with disabilities, which pro-
8 vide training in realistic work settings, job placements, de-
9 velopment and modification of jobs and career opportuni-
10 ties, and distribution of rehabilitation technology, includ-
11 ing necessary support services.”.

12 (d) DEFINITIONS.—Section 7 of the Rehabilitation
13 Act of 1973 (29 U.S.C. 706) is amended by adding at
14 the end the following paragraph:

15 “(36) The term ‘special recreation activities and serv-
16 ices’ means activities and services that provide individuals
17 with disabilities with recreational activities and related ex-
18 periences to aid in the employment, mobility, socialization,
19 independence, and community integration of such individ-
20 uals. These may include, but are not limited to, vocational
21 skills development, leisure education, leisure networking,
22 leisure resource development, physical education and
23 sports, scouting and camping, 4-H activities, music, danc-
24 ing, handicrafts, art, and homemaking.”.

25 (e) CONFORMING PROVISIONS.—

1 (1) REPEALS.—The Rehabilitation Act of 1973
2 (29 U.S.C. 701 et seq.) is amended by striking the
3 following provisions:

4 (A) Subsection (c) of section 311.

5 (B) Section 316.

6 (C) Parts B and C of title VI.

7 (2) FUNDING.—Section 100(b)(1) of the Reha-
8 bilitation Act of 1973 (29 U.S.C. 720(b)(1)) is
9 amended by adding at the end the following: “(For
10 fiscal year 1996, in determining the amount to be
11 appropriated under the preceding sentence, the
12 amount appropriated for fiscal year 1995 under this
13 subsection is deemed to be the sum of the aggregate
14 amount appropriated for carrying out section 311(c),
15 section 316, and parts B and C of title VI and the
16 amount actually appropriated under this subsection
17 for fiscal year 1994.)”.

18 (3) REDESIGNATIONS; CROSS-REFERENCES.—
19 The Rehabilitation Act of 1973 (29 U.S.C. 701 et
20 seq.) is amended—

21 (A) in section 101(a)(5)(A), by striking
22 “including individuals served under part C of
23 title VI of this Act”;

1 (B) in section 310, by striking “sections
2 311(d), 311(e), 312, and 316” and inserting
3 “sections 311(c), 311(d), and 312”;

4 (C) in section 311, by redesignating sub-
5 sections (d) through (f) as subsections (c)
6 through (e), respectively;

7 (D) in title VI, by redesignating part D as
8 part B; and

9 (E) in section 802(j)—

10 (i) in paragraph (1), by striking
11 “Consistent with” and all that follows
12 through “the Commissioner may” and in-
13 sserting “The Commissioner may”; and

14 (ii) in paragraph (3)(B), by striking
15 clause (ii) and redesignating clauses (iii)
16 through (vi) as clauses (ii) through (v), re-
17 spectively.

18 **PART 2—REPEAL OF PROGRAMS**

19 **SEC. 10041. HIGHER EDUCATION FOR STUDENTS FROM MI-**
20 **GRANT AND SEASONAL FARMWORKER FAMI-**
21 **LIES.**

22 Subpart 5 of part A of title IV of the Higher Edu-
23 cation Act of 1965 (20 U.S.C. 1070d-2) is repealed.

1 **SEC. 10042. CERTAIN VETERANS PROGRAMS.**

2 (a) DISABLED VETERANS OUTREACH PROGRAM AND
3 LOCAL VETERANS EMPLOYMENT REPRESENTATIVE PRO-
4 GRAM.—Sections 4103A, 4104, and 4104A of title 38,
5 United States Code, are repealed.

6 (b) HOMELESS VETERANS REINTEGRATION
7 PROJECT.—Section 738 of Public Law 100–77 (42 U.S.C.
8 11448) is repealed.

9 (c) CONFORMING AMENDMENTS.—(1) Section
10 3117(a)(2) of title 38, United States Code, is amended—

11 (A) by striking subparagraph (B) and redesignating
12 subparagraph (C) as subparagraph (B); and

13 (B) by inserting “and” after the semicolon at
14 the end of subparagraph (A).

15 (2) Section 3672(d) of title 38, United States Code,
16 is amended by striking “and shall utilize” and all that fol-
17 lows through the end thereof and inserting in lieu thereof
18 a period.

19 (3) Section 4102A(b) of title 38, United States Code,
20 is amended—

21 (A) by inserting “and” at the end of paragraph

22 (4);

23 (B) by striking paragraphs (5) and (7) of sub-
24 section (b);

1 (C) by redesignating paragraph (6) as para-
2 graph (5) and in that paragraph by striking “; and”
3 and inserting a period; and

4 (D) by striking subsection (c).

5 (4) Section 4106(a) of title 38, United States Code,
6 is amended—

7 (A) in the fifth sentence—

8 (i) by striking “in all of the States for the
9 purposes specified in paragraph (5) of section
10 4102A(b) of this title and”; and

11 (ii) by striking “sections.” and inserting
12 “section.”; and

13 (B) in the sixth sentence, by striking “and of
14 the proposed numbers, by State, of disabled veter-
15 ans’ outreach program specialists appointed under
16 section 4103A of this title and local veterans’ em-
17 ployment representatives assigned under section
18 4104 of this title.”.

19 (5) Section 4107(c) of title 38, United States Code,
20 is amended—

21 (A) by inserting “and” at the end of paragraph
22 (3);

23 (B) by striking paragraph (4);

24 (C) by redesignating paragraph (5) as para-
25 graph (4) and in that paragraph—

1 (i) by striking “including an evaluation of
2 the effectiveness of such programs during such
3 program year in meeting the requirements of
4 section 4102A(b) of this title,”; and

5 (ii) by striking “(including” and all that
6 follows through “representatives)”.

7 (6) Section 739(b) of Public Law 100–77 (42 U.S.C.
8 11449) is amended by striking “other than section 738
9 and for the program under section 738”.

10 (7) The table of sections for chapter 41 of title 38,
11 United States Code, is amended by striking the items re-
12 lating to sections 4103A, 4104, and 4104A.

13 **SEC. 10043. FOSTER GRANDPARENT AND SENIOR COMPAN-**
14 **ION PROGRAMS AND PROGRAMS UNDER**
15 **OLDER AMERICANS ACT OF 1965.**

16 (a) FOSTER GRANDPARENT AND SENIOR COMPANION
17 PROGRAMS.—The Domestic Volunteer Service Act (42
18 U.S.C. 4950 et seq.) is amended—

19 (1) in section 200—

20 (A) in paragraph (1) by inserting “and” at
21 the end,

22 (B) in paragraph (2) by striking the semi-
23 colon at the end and inserting a period, and

24 (C) by striking paragraphs (3) and (4),

25 (2) in title II—

1 (A) by striking parts B and C, and

2 (B) in part D—

3 (i) by redesignating such part as part

4 B,

5 (ii) in sections 221 and 225 by strik-

6 ing “parts A, B, and C” each place it ap-

7 pears and inserting “part A”, and

8 (iii) by redesignating part E as part

9 C,

10 (3) in section 416(f)(2) by striking “parts (B)

11 and” and inserting “part”,

12 (4) in section 421—

13 (A) by striking paragraphs (9), (10), (17),

14 and (18), and

15 (B) in paragraph (14) by striking “(B),

16 (C), and (E)” and inserting “and (C)”,

17 (5) in section 502—

18 (A) by striking subsections (b) and (c),

19 and

20 (B) in subsection (d)—

21 (i) by striking “part E” and inserting

22 “part C”, and

23 (ii) by redesignating such subsection

24 as subsection (c), and

1 (6) in section 503(d) by striking “part E” and
2 inserting “part C”.

3 (b) AMENDMENT TO THE OLDER AMERICANS ACT OF
4 1965.—Title V of the Older Americans Act of 1965 (42
5 U.S.C. 3056–3056i) is repealed.

6 **SEC. 10044. JOB TRAINING PARTNERSHIP ACT.**

7 (a) IN GENERAL.—The Job Training Partnership
8 Act (29 U.S.C. 1501 et seq.), except sections 421 through
9 439 of such Act (29 U.S.C. 1691 et seq.) (relating to the
10 Job Corps), is hereby repealed.

11 (b) CONFORMING AMENDMENTS TO JOB CORPS.—
12 The Job Training Partnership Act (29 U.S.C. 1501 et
13 seq.) is amended—

14 (1) by redesignating sections 421 through 439
15 as sections 1 through 20, respectively;

16 (2) in section 1 (as redesignated), by striking
17 “part” each place it appears and inserting “Act”;

18 (3) in section 3(4) (as redesignated), by strik-
19 ing “sections 424 and 425” and inserting “sections
20 4 and 5”;

21 (4) in section 4 (as redesignated)—

22 (A) in subsection (a), by striking “entities
23 administering programs under title II of this
24 Act,”; and

1 (B) in subsection (b), by striking “part”
2 and inserting “Act”;

3 (5) in section 6 (as redesignated)—

4 (A) in subsection (a), by striking “section
5 428” and inserting “section 8”; and

6 (B) by striking subsection (d);

7 (6) in section 7 (as redesignated)—

8 (A) by striking subsection (b); and

9 (B) by redesignating subsection (c) as sub-
10 section (b);

11 (7) in section 13 (as redesignated)—

12 (A) in subsection (a)(4), by striking “part”
13 and inserting “Act”;

14 (B) in subsection (c)(1), by striking “and
15 activities authorized under sections 452 and
16 453”; and

17 (C) in subsection (e), by striking “section
18 431” and inserting “section 11”;

19 (8) in section 14 (as redesignated)—

20 (A) in subsection (a)—

21 (i) in the matter preceding paragraph
22 (1), by striking “section 427” and insert-
23 ing “section 7”; and

24 (ii) in paragraph 4(A), by striking
25 “section 428” and inserting “section 8”;

1 (B) in subsection (c)(3), by striking “sec-
2 tion 423” and inserting “section 3”;

3 (C) in subsection (d), by striking “sections
4 424 and 425” and inserting “sections 4 and 5”;
5 and

6 (D) in subsection (e), by striking “, pursu-
7 ant to section 452(d),”;

8 (9) in section 16 (as redesignated), by striking
9 “part” each place it appears and inserting “Act”;

10 (10) in section 19 (as redesignated), by striking
11 “part” each place it appears and inserting “Act”;

12 (11) in section 20 (as redesignated), by striking
13 “part” and inserting “Act”; and

14 (12) by adding at the end the following new
15 section:

16 **“SEC. 21. AUTHORIZATION OF APPROPRIATIONS.**

17 “There are authorized to be appropriated to carry out
18 this Act—

19 “(1) \$1,098,000,000 for fiscal year 1997;

20 “(2) \$1,128,000,000 for fiscal year 1998;

21 “(3) \$1,158,000,000 for fiscal year 1999;

22 “(4) \$1,189,000,000 for fiscal year 2000; and

23 “(5) \$1,221,000,000 for fiscal year 2001.”.

1 **SEC. 10045. APPALACHIAN VOCATIONAL AND OTHER EDU-**
2 **CATION FACILITIES AND OPERATIONS PRO-**
3 **GRAM.**

4 Section 211 of the Appalachian Regional Develop-
5 ment Act of 1965 (40 U.S.C. App. 211) is repealed.

6 **SEC. 10046. TARGETED JOBS CREDIT.**

7 (a) IN GENERAL.—Part IV of subchapter A of chap-
8 ter 1 of the Internal Revenue Code of 1986 is amended
9 by striking subpart F (relating to rules for computing tar-
10 geted jobs credit).

11 (b) TECHNICAL AMENDMENTS.—

12 (1) Subsection (b) of section 38 of such Code
13 is amended by striking paragraph (2) and by redес-
14 ignating the succeeding paragraphs accordingly.

15 (2) The table of subparts for part IV of sub-
16 chapter A of chapter 1 of such Code is amended by
17 striking the item relating to subpart F.

18 **SEC. 10047. SERVICE MEMBERS OCCUPATIONAL CONVER-**
19 **SION AND TRAINING ACT OF 1992.**

20 The Service Members Occupational Conversion and
21 Training Act of 1992 (10 U.S.C. 1143 note) is repealed.

22 **SEC. 10048. ADULT EDUCATION PROGRAMS.**

23 The Adult Education Act (20 U.S.C. 1201 et seq.)
24 is repealed.

1 **SEC. 10049. VOCATIONAL EDUCATION PROGRAMS.**

2 The Carl D. Perkins Vocational and Applied Tech-
3 nology Education Act (20 U.S.C. 2301 et seq.) is repealed.

4 **SEC. 10050. NATIONAL LITERACY PROGRAMS.**

5 The National Literacy Act of 1991 (20 U.S.C. 1211–
6 2) is repealed.

7 **SEC. 10051. INDIAN EMPLOYMENT, TRAINING AND RELATED**
8 **SERVICES DEMONSTRATION PROGRAM.**

9 The Indian Employment, Training and Related Serv-
10 ices Demonstration Act of 1992 (25 U.S.C. 3401 et seq.)
11 is repealed.

12 **SEC. 10052. SPECIAL PROVISIONS RELATING TO INDIAN**
13 **TRIBES.**

14 Subsection (i) of section 682 of the Social Security
15 Act (42 U.S.C. 682(i)) is repealed.

16 **SEC. 10053. LITERACY CORPS.**

17 Section 109 of the Domestic Volunteer Service Act
18 of 1973 (42 U.S.C. 4959) is repealed.

19 **SEC. 10054. MISCELLANEOUS REPEALERS.**

20 The following provisions of law are hereby repealed:

21 (1) The Act of June 6, 1933 (29 U.S.C. 49 et
22 seq.; commonly referred to as the “Wagner-Peyser
23 Act”).

24 (2) Subtitle A of title VII of Stewart B. McKin-
25 ney Homeless Assistance Act (42 U.S.C. 11421 et
26 seq.).

1 (3) Subtitle C of title VII of Stewart B. McKin-
2 ney Homeless Assistance Act (42 U.S.C. 11441 et
3 seq.).

4 (4) Chapter 2 of title II of the Trade Act of
5 1974 (19 U.S.C. 2271 and following) and the items
6 relating to such chapter in the table of contents of
7 such Act.

8 (5) Section 402 of the Homeownership and Op-
9 portunity Through HOPE Act (42 U.S.C. 12870).

10 (6) Section 204 of the Immigration Reform and
11 Control Act of 1986 (8 U.S.C. 1255a note).

12 **Subtitle B—Department Reform**

13 **CHAPTER 1—SHORT TITLE; FINDINGS;**

14 **AND PURPOSE**

15 **SEC. 10101. SHORT TITLE.**

16 This subtitle may be cited as the “Back to Basics
17 Education Reform Act”.

18 **SEC. 10102. FINDINGS.**

19 The Congress finds the following:

20 (1) Principles of federalism embodied in the
21 Constitution of the United States entrust authority
22 over issues of educational policy to the States and
23 the people and a Federal Department of Education
24 is inconsistent with such principles.

1 (2) Tradition and experience dictate that the
2 governance and management of schools in the
3 United States are best performed by parents, teach-
4 ers and communities.

5 (3) The intrusion by the Department of Edu-
6 cation into education policy has not benefited the
7 quality of education in this nation.

8 (4) The Department of Education has weak-
9 ened the ability of parents to make essential deci-
10 sions about their children's education and has un-
11 dermined the capacity of communities to govern
12 their schools.

13 (5) In the 15 years of its existence, the Depart-
14 ment of Education has grown from 130 programs
15 and a budget of \$14 billion to over 240 separately
16 authorized programs which cost almost \$32 billion
17 annually. Meanwhile, education performance has
18 stagnated or deteriorated.

19 (6) Since 1980, the year the Federal role in
20 education was elevated to department status, the
21 graduation rate has dropped 1.3 percent. Only 71.2
22 percent of students who enroll in the ninth grade
23 now graduate from high school.

1 (7) The Department of Education has fostered
2 over-regulation, standardization, bureaucratization,
3 and litigation in United States education.

4 (8) The Department of Education expends
5 large amounts of money on its own maintenance and
6 overhead. As an organization, it is inefficient, ill-
7 managed, and wasteful.

8 (9) Recent tests reflect poor results in mathe-
9 matics and reading for American students compared
10 with students from other nations.

11 (10) Only through initiatives led by parents and
12 local communities with the power to act can the
13 United States elevate educational performance to-
14 ward an acceptable level.

15 (11) The Department of Education has been
16 hostile to many promising reform ideas.

17 **SEC. 10103. PURPOSES.**

18 The purposes of this subtitle are—

19 (1) to improve the quality of elementary and
20 secondary and higher education programs in the Na-
21 tion.

22 (2) to return the responsibility and authority
23 for education to parents, teachers, communities, stu-
24 dents, and States, and provide them greater control
25 over education spending.

1 The Office shall be administered under the super-
2 vision and direction of the Assistant Secretary for
3 the Administration for Families and Children. The
4 Director for Economic Opportunities shall receive
5 compensation at the rate prescribed for level V of
6 the Executive Schedule under section 5315 of title
7 5, United States Code.

8 (2) INITIAL APPOINTMENT OF ADMINIS-
9 TRATOR.—Notwithstanding any other provision of
10 this subtitle or any other law, the President may, at
11 any time after the date of the enactment of this Act,
12 appoint an individual to serve as Director of Eco-
13 nomic Opportunities, as such position is established
14 under paragraph (1). An appointment under this
15 paragraph may not be construed to affect the posi-
16 tion of Secretary of Education or the authority of
17 the Secretary before the effective date specified in
18 section 10119(a).

19 (c) DUTIES.—The Director shall be responsible for—

20 (1) the administration of all functions of the
21 Office pursuant to section 10112 and other provi-
22 sions of law;

23 (2) the administration and wind-up of any out-
24 standing obligations of the Federal Government

1 under any programs terminated or repealed by this
2 subtitle; and

3 (3) taking such other actions as may be nec-
4 essary to wind up any outstanding affairs of the De-
5 partment of Education and the Office.

6 (d) TRANSFER OF FUNCTIONS.—Except as otherwise
7 provided in this subtitle, the Director shall perform all
8 functions that, immediately before the effective date of
9 this section under section 10119(a), were functions of the
10 Department of Education (or any office of the Depart-
11 ment) or were performed by the Secretary of Education
12 or any other officer or employee of the Department in the
13 capacity as such officer or employee.

14 (e) ABOLITION OF OFFICE.—The Office and all of
15 its functions are abolished effective upon the expiration
16 of the authorization for the programs under its jurisdic-
17 tion.

18 **SEC. 10113. PRINCIPAL OFFICERS.**

19 (a) DIRECTORS.—There shall be in the Office—

20 (1) an Assistant Director of Childhood School-
21 ing; and

22 (2) an Assistant Director of Advanced School-
23 ing.

1 (b) APPOINTMENT.—Each of the Assistant Directors
2 in the Office of Economic Opportunities shall be appointed
3 by the Secretary of Health and Human Services.

4 **SEC. 10114. CONTINUATION OF SERVICE OF DEPARTMENT**
5 **OFFICER.**

6 (a) CONTINUATION OF SERVICE OF SECRETARY.—
7 The individual serving as the Secretary of Education on
8 the effective date of this chapter may serve as Director
9 until the date an individual is appointed under this chap-
10 ter to the position of Director, or until the end of the 120-
11 day period provided for in section 3348 of title 5, United
12 States Code (relating to limitations on the period of time
13 a vacancy may be filled temporarily), whichever is earlier.

14 (b) COMPENSATION FOR CONTINUED SERVICE.—Any
15 individual who acts as the Director under subsection (a)
16 after the effective date of this chapter and before the first
17 appointment of a person to such position after such date
18 shall be compensated pursuant to section 10112(b)(1) for
19 so serving or acting.

20 **SEC. 10115. REORGANIZATION.**

21 The Secretary of Health and Human Services may
22 allocate or reallocate any function of the Office pursuant
23 to this subtitle among the officers of the Office, and may,
24 in accordance with the transfer of functions by this sub-
25 title, consolidate, alter, or discontinue in the Office any

1 organizational entities that were entities of the Depart-
2 ment of Education, as the Secretary of Health and
3 Human Services considers necessary or appropriate. Not-
4 withstanding any other provision of law, the Secretary of
5 Health and Human Services may not transfer any func-
6 tion or personnel of the Office to any agency outside of
7 the Office.

8 **SEC. 10116. PLAN FOR WINDING UP AFFAIRS.**

9 Not later than the effective date specified in section
10 10119, the President shall submit to the Congress a plan
11 for winding up the affairs of the Department of Education
12 in accordance with this subtitle.

13 **SEC. 10117. GAO REPORT.**

14 Not later than 180 days after the date of enactment
15 of this Act, the Comptroller General of the United States
16 shall submit to the Congress a report which shall include
17 recommendations for the most efficient means of achiev-
18 ing, in accordance with this subtitle—

19 (1) the complete abolition of the Department of
20 Education; and

21 (2) the termination or transfer or other con-
22 tinuation of functions of the Department of Edu-
23 cation.

1 **SEC. 10118. CONFORMING AMENDMENTS.**

2 (a) PRESIDENTIAL SUCCESSION.—Section 19(d)(1)
3 of title 3, United States Code, is amended by striking
4 “Secretary of Education,”.

5 (b) EXECUTIVE DEPARTMENTS.—Section 101 of title
6 5, United States Code, is amended by striking the follow-
7 ing item: “The Department of Education.”.

8 (c) SECRETARY’S COMPENSATION.—Section 5312 of
9 title 5, United States Code, is amended by striking the
10 following item: “Secretary of Education.”.

11 (d) COMPENSATION FOR POSITIONS AT LEVEL II.—
12 Section 5313 of title 5, United States Code, is amended
13 by striking the following item: “Deputy Secretary of Edu-
14 cation.”.

15 (e) COMPENSATION FOR POSITIONS AT LEVEL III.—
16 Section 5314 of title 5, United States Code, is amended
17 by striking the following item: “Under Secretary of Edu-
18 cation.”;

19 (f) COMPENSATION FOR POSITIONS AT LEVEL IV.—
20 Section 5315 of title 5, United States Code, is amended—

21 (1) by striking the following items: “Assistant
22 Secretaries of Education (10). “General Counsel,
23 Department of Education. “Inspector General, De-
24 partment of Education.”;

25 (2) by striking the following item: “Chief Fi-
26 nancial Officer, Department of Education.”; and

1 (3) by striking the following item: “Liaison for
2 Community and Junior Colleges, Department of
3 Education.”.

4 (g) COMPENSATION FOR POSITIONS AT LEVEL V.—
5 Section 5316 of title 5, United States Code, is amended
6 by striking the following item: “Additional officers, De-
7 partment of Education (4).”.

8 (h) INSPECTOR GENERAL ACT OF 1978.—The In-
9 specter General Act of 1978 (5 U.S.C. App.) is amend-
10 ed—

11 (1) in section 9(a)(1), by striking subparagraph
12 (D);

13 (2) in section 11(1), by striking “Education,”;
14 and

15 (3) in section 11(2), by striking “Education,”.

16 **SEC. 10119. EFFECTIVE DATE.**

17 (a) IN GENERAL.—Except as provided in subsection
18 (b), this chapter shall take effect on the date that is one
19 year after the date of enactment of this Act.

20 (b) INITIAL APPOINTMENT OF DIRECTOR.—The fol-
21 lowing provisions of this chapter shall take effect on the
22 date of enactment of this Act:

23 (1) Section 10116.

24 (2) Section 10117.

1 **SEC. 10120. LIMITATION ON EXPENDITURES.**

2 The amount expended by the United States each fis-
3 cal year for the administration of a function transferred
4 by this subtitle shall not exceed 70 percent of the total
5 amount expended for the administration of that function
6 during fiscal year 1995.

7 **CHAPTER 3—EDUCATION PROGRAMS**

8 **Subchapter A—Elementary and Secondary**

9 **Education**

10 **PART I—ELEMENTARY AND SECONDARY**

11 **EDUCATION BLOCK GRANT PROGRAM**

12 **SEC. 10131. GOALS OF ELEMENTARY AND SECONDARY EDU-**
13 **CATION BLOCK GRANT PROGRAM.**

14 The Director of the Office of Economic Opportunities
15 under the Administration for Children and Families in the
16 Department of Health and Human Services is authorized
17 to provide the Governor of each State that complies with
18 the requirements of section 10133 a grant in an amount
19 determined under section 10135.

20 **SEC. 10132. PROGRAM AUTHORIZED.**

21 Each State shall, subject to the requirements of this
22 subtitle and appropriations Acts, receive a grant under
23 this subtitle in each fiscal year to carry out the purposes
24 of this subtitle.

1 **SEC. 10133. STATE ELIGIBILITY.**

2 (a) IN GENERAL.—To be eligible to receive a grant
3 under this subtitle, a State shall submit an application to
4 the Director of Economic Opportunities which contains
5 the assurances required by this chapter. Such application
6 must be submitted at such time, in such form and manner
7 as the Director may reasonably require.

8 (b) ASSURANCES.—Such application shall include the
9 following assurances:

10 (1) IMPROVE EDUCATION.—The Governor shall
11 use funds received to improve education.

12 (2) DISTRIBUTION.—The Governor shall estab-
13 lish a procedure to distribute funds to local edu-
14 cational entities or to provide services to children at-
15 tending local educational entities.

16 (3) ASSURANCES FROM LOCAL EDUCATIONAL
17 ENTITIES.—The Governor shall require a local edu-
18 cational entity that seeks funds under this chapter
19 to provide assurances that—

20 (A) funds will be used to improve edu-
21 cation;

22 (B) parents, members of the community,
23 and community leaders will be involved in deci-
24 sionmaking at the local level; and

1 (C) such entity that receives funds under
2 this chapter will comply with Federal civil
3 rights laws.

4 **SEC. 10134. GENERAL STATE REQUIREMENTS.**

5 (a) FUNDS FOR LOCAL USE.—

6 (1) IN GENERAL.—Not less than 98 percent of
7 the amount of funds received by a State under this
8 chapter shall be made available to local educational
9 entities.

10 (2) LOCAL DISCRETION.—A local educational
11 entity that receives funds from a State will have the
12 discretion to spend funds received from the State to
13 develop programs that improve education.

14 (b) ADMINISTRATIVE COSTS.—Not more than 2 per-
15 cent of funds received under this chapter may be used by
16 a State or a local educational entity for administrative
17 purposes.

18 **SEC. 10135. AMOUNT OF STATE ALLOTMENT.**

19 (a) IN GENERAL.—Except as provided in subsections
20 (b) and (c), there shall be allotted to each State, which
21 for purposes of this section shall not include the terri-
22 tories, an amount which bears the same ratio to the
23 amount of funds appropriated for this chapter in any fis-
24 cal year as the population of children, aged 5 through 17

1 years of age, of such State bears to the population of such
2 children of all the States.

3 (b) STATE MINIMUM.—Of the total amount appro-
4 priated to carry out this subtitle in any fiscal year each
5 State shall receive not less than one quarter of one percent
6 of such amounts.

7 (c) SET ASIDE FOR TERRITORIES.—Of the amount
8 allotted under subsection (a), the Director shall allot not
9 more than one quarter of one percent among Puerto Rico,
10 the Commonwealth of the Northern Mariana Islands,
11 American Samoa, Guam, and the Virgin Islands.

12 **SEC. 10136. LOCAL FISCAL ACCOUNTABILITY.**

13 A local educational entity that receives funds from
14 a State under this subtitle in any fiscal year shall be re-
15 quired to make reasonably available—

16 (1) a proposed budget regarding how such
17 funds shall be used; and

18 (2) an accounting of the actual use of such
19 funds at the end of such entity's fiscal year.

20 **SEC. 10137. PARTICIPATION OF CHILDREN ENROLLED IN**
21 **PRIVATE SCHOOLS.**

22 (a) SECULAR, NEUTRAL, NONIDEOLOGICAL.—Any
23 educational services or other benefits, including materials
24 and equipment, provided to children enrolled in private
25 schools shall be secular, neutral, and nonideological.

1 (b) BYPASS.—

2 (1) IN GENERAL.—If under law a State is pro-
3 hibited from providing for the participation under
4 this chapter of eligible children enrolled in private el-
5 elementary and secondary schools, the Office of Eco-
6 nomic Opportunities, at the request of the Governor,
7 shall arrange for services for such children to the ex-
8 tent consistent with the number of eligible children
9 identified under section 10135 in a local educational
10 agency who are enrolled in private elementary and
11 secondary schools.

12 (2) EQUITABLE SERVICES.—Services provided
13 under this section shall be equitable in comparison
14 to services and other benefits provided for public
15 school children participating in programs under this
16 chapter.

17 (3) REDUCTION.—The amount of funds appro-
18 priated to the State pursuant to section 10135 shall
19 be reduced by the amount necessary to carry out
20 this section.

21 **SEC. 10138. DEFINITIONS.**

22 Except as otherwise provided, for the purposes of this
23 subtitle, the following terms have the following meanings:

24 (1) DIRECTOR.—The term “Director” means
25 the Director of Economic Opportunities under the

1 Administration for Children and Families in the De-
2 partment of Health and Human Services.

3 (2) LOCAL EDUCATIONAL ENTITY.—The term
4 “local educational entity” means a local educational
5 agency or public or a private elementary or second-
6 ary school.

7 (2) STATE.—The term “State” means any of
8 the several States, the District of Columbia, the
9 Commonwealth of Puerto Rico, the Virgin Islands,
10 American Samoa, Guam, and the Commonwealth of
11 the Northern Mariana Islands.

12 **SEC. 10139. AUTHORIZATION OF APPROPRIATIONS.**

13 There are authorized to be appropriated
14 \$9,000,000,000 for each of the fiscal years 1998 through
15 2000 to carry out the programs authorized under this sub-
16 title.

17 **PART II—OTHER ELEMENTARY AND SECONDARY**
18 **EDUCATION PROGRAMS**

19 **SEC. 10141. AMENDMENTS AND REPEALS OF CERTAIN EDU-**
20 **CATION PROVISIONS.**

21 (a) ELEMENTARY AND SECONDARY EDUCATION ACT
22 OF 1965.—

23 (1) IN GENERAL.—Titles I, II, III, IV, V, VI,
24 VII, X, XI, XII, XIII, XIV, and parts B and C of

1 title IX of the Elementary and Secondary Education
2 Act of 1965 are repealed.

3 (2) IMPACT AID.—(A) Section 8003 of the Ele-
4 mentary and Secondary Education Act of 1965 (20
5 U.S.C. 7703) is amended by striking subsection (e)
6 of such section.

7 (B) Except as provided under subparagraph
8 (A), the programs provided under title VIII of the
9 Elementary and Secondary Education Act of 1965
10 shall be administered by the Department of Defense
11 through the Assistant Secretary for Force Manage-
12 ment Policy.

13 (3) INDIAN EDUCATION.—Part A of title IX of
14 the Elementary and Secondary Education Act of
15 1965 shall be administered by the Department of
16 the Interior through the Assistant Secretary for In-
17 dian Affairs.

18 (b) GOALS 2000: EDUCATE AMERICA ACT.—Goals
19 2000: Educate America Act is repealed.

20 (c) SCHOOL-TO-WORK OPPORTUNITIES ACT.—The
21 School-to-Work Opportunities Act is repealed.

22 (d) GENERAL EDUCATION PROVISIONS ACT.—Parts
23 D and F, sections 422, 424, 425, 427, 428, 429, 433,
24 439, and 443, and paragraph (3) of section 431(a) of the
25 General Education Provisions Act are repealed.

1 (e) NATIONAL EDUCATION STATISTICS ACT OF
2 1994.—The National Education Statistics Act of 1994 is
3 repealed.

4 (f) EFFECTIVE DATE.—The repeals and transfers
5 made by subsections (a), (b), (c), and (d) shall take effect
6 on the date that is one year after the date of enactment
7 of this Act.

8 **Subchapter II—Conforming Amendments to**
9 **the Individuals with Disabilities Edu-**
10 **cation Act**

11 **SEC. 10142. AMENDMENTS TO PROVISIONS REFERENCING**
12 **SECRETARY OF EDUCATION AND DEPART-**
13 **MENT OF EDUCATION.**

14 (a) TRANSFER OF AUTHORITY FROM SECRETARY OF
15 EDUCATION TO SECRETARY OF HEALTH AND HUMAN
16 SERVICES.—The Individuals with Disabilities Education
17 Act (20 U.S.C. 1400 et seq.) is amended in sections
18 602(a)(14), 611(f), and 684(b)(5) by striking “Secretary
19 of Education” each place such term appears and inserting
20 “Secretary of Health and Human Services”.

21 (b) TRANSFER OF AUTHORITY FROM DEPARTMENT
22 OF EDUCATION TO DEPARTMENT OF HEALTH AND
23 HUMAN SERVICES.—The Individuals with Disabilities
24 Education Act (20 U.S.C. 1400 et seq.) is amended in
25 sections 610 and 621(a)(3) by striking “Department of

1 Education” each place such term appears and inserting
2 “Department of Health and Human Services”.

3 **SEC. 10143. AMENDMENTS TO DEFINITIONS.**

4 (a) DEFINITION OF EXCESS COSTS.—Subparagraph
5 (A) of section 602(a)(21) of the Individuals with Disabil-
6 ities Education Act (20 U.S.C. 1401(a)(21)(A)) is amend-
7 ed to read as follows:

8 “(A) amounts received—

9 “(i) under this part, or

10 “(ii) under subchapter I of chapter 3
11 of the Back to Basics Education Act,
12 and”.

13 (b) DEFINITION OF NATIVE LANGUAGE.—Paragraph
14 (22) of section 602(a) of the Individuals with Disabilities
15 Education Act (20 U.S.C. 1401(a)(22)) is amended to
16 read as follows:

17 “(22) The term ‘native language’, when used
18 with reference to an individual of limited-English
19 proficiency, means the language normally used by
20 the individual, or in the case of an individual aged
21 3 through 21, the language normally used by the
22 parents of the individual.”.

1 **SEC. 10144. TRANSFER OF ADMINISTERING AUTHORITY TO**
2 **OFFICE OF ECONOMIC OPPORTUNITIES.**

3 The Individuals with Disabilities Education Act (20
4 U.S.C. 1400 et seq.) is amended—

5 (1) by striking section 603 and inserting the
6 following:

7 “OFFICE OF ECONOMIC OPPORTUNITIES
8 “SEC. 603. The Secretary of Health and Human
9 Services, acting through the Director for Economic Oppor-
10 tunities, shall administer and carry out this subtitle. The
11 Office of Economic Opportunities shall be the principal
12 agency in the Department of Health and Human Services
13 for administering and carrying out programs and activities
14 concerning the education and training of individuals with
15 disabilities.”;

16 (2) in section 621(f)(1), by striking “Office of
17 Special Education Programs” and inserting “Office
18 of Economic Opportunities”; and

19 (3) in section 685(b)(1), by striking “Office of
20 Special Education Programs;” and inserting “Office
21 of Economic Opportunities;”.

22 **SEC. 10145. OUTREACH SERVICES FOR CERTAIN INSTITU-**
23 **TIONS OF HIGHER EDUCATION.**

24 Subclause (II) of section 610(j)(2)(C)(ii) of the Indi-
25 viduals with Disabilities Education Act (20 U.S.C.
26 1409(j)(2)(C)(ii)(II)) is amended to read as follows:

1 “(II) institutions of higher education which
2 have an enrollment which includes a substantial
3 percentage of needy students (as determined by
4 the Director) and the average educational and
5 general expenditures of which are low, per full-
6 time equivalent undergraduate student, in com-
7 parison with the average educational and gen-
8 eral expenditures per full-time equivalent under-
9 graduate student of institutions that offer simi-
10 lar instruction;”.

11 **Subchapter III—Higher Education Programs**

12 **PART I—ELIMINATION AND REDUCTION OF**

13 **PROGRAMS**

14 **SEC. 10151. REPEAL OF HIGHER EDUCATION LAWS.**

15 (a) IN GENERAL.—Except as provided in subsection
16 (b) and (c), the Higher Education Act of 1965 (20 U.S.C.
17 1001) is repealed effective one year after the date of the
18 enactment of this Act.

19 (b) EXCEPTIONS.—Subsection (a) shall not apply to
20 the following:

21 (1) The first section, containing the short title
22 of such Act.

23 (2) Subpart 1 of part A of title IV, relating to
24 Pell Grants.

1 (3) Part B of such title, relating to the Federal
2 Family Education Loan Program.

3 (4) Part E of such title, relating to Perkins
4 Loans.

5 (5) Parts F, G, and H of such title, relating to
6 needs analysis, general provisions, and the program
7 integrity triad.

8 (6) Section 1201, relating to definitions.

9 (c) CONTINUING AUTHORITY TO COLLECT LOANS.—
10 Subsection (a) shall not affect the authority of the United
11 States to collect any loan made under any provision re-
12 pealed by such subsection.

13 (d) PERKINS LOANS.—Section 461(b) of the Higher
14 Education Act of 1965 is amended to read as follows:

15 “(b) CONTRIBUTIONS DISCONTINUED.—No funds
16 are authorized to be appropriated for fiscal year 1996 or
17 any succeeding year for the purpose of making contribu-
18 tions to student loan funds established under this part.”.

19 (e) LIMITATION ON FUNDS FOR HOWARD UNIVER-
20 SITY.—Section 8 of the Act of March 2, 1867 is amend-
21 ed—

22 (1) by inserting “(a)” after “SEC. 8.”; and

23 (2) by adding at the end the following new sub-
24 section:

1 “(b) Notwithstanding subsection (a) and any provi-
2 sion of the Howard University Endowment Act, the total
3 amount that is authorized to be appropriated pursuant to
4 this section and such Endowment Act shall not exceed the
5 total amount appropriated pursuant to this section and
6 such Endowment Act for fiscal year 1995, and of such
7 total amount—

8 “(1) not less than 30 percent of the amount ap-
9 propriated for fiscal year 1998 shall be appropriated
10 for purposes of such Endowment Act;

11 “(2) not less than 60 percent of the amount ap-
12 propriated for fiscal year 1999 shall be appropriated
13 for purposes of such Endowment Act; and

14 “(3) not less than 100 percent of the amount
15 appropriated for fiscal year 2000 shall be appro-
16 priated for purposes of such Endowment Act.

17 Notwithstanding subsection (a) and any provision of the
18 Howard University Endowment Act, no funds are author-
19 ized to be appropriated pursuant to this section or such
20 Endowment Act for fiscal year 2001 or any succeeding
21 fiscal year.”.

22 **SEC. 10152. AMENDMENT TO THE FEDERAL CREDIT RE-**
23 **FORM ACT.**

24 (a) AMENDMENT.—Section 502(5)(B) of the Con-
25 gressional Budget Act is amended to read as follows:

1 “(B) The cost of a direct loan shall be the
2 net present value, at the time when the direct
3 loan is disbursed, of the following cash flows for
4 the estimated life of the loan—

5 “(i) loan disbursements;

6 “(ii) repayments of principal;

7 “(iii) payments of interest and other
8 payments by or to the Government over
9 the life of the loan after adjusting for esti-
10 mated defaults, prepayments, fees, pen-
11 alties and other recoveries; and

12 “(iv) in the case of a direct loan made
13 pursuant to a program for which the Office
14 of Management and Budget estimates that
15 for the coming fiscal year (or for any prior
16 fiscal year) loan commitments will equal or
17 exceed \$5,000,000,000, direct expenses, in-
18 cluding but not limited to the following: ex-
19 penses arising from activities related to
20 credit extension; loan origination; loan
21 servicing; technical assistance; training;
22 program promotion; payments to contrac-
23 tors, other government entities, and pro-
24 gram participants; collection of delinquent

1 loans; and write-off and close-out of
2 loans.”.

3 (b) EFFECTIVE DATE.—The amendment made by
4 subsection (a) shall apply to all fiscal years beginning on
5 or after October 1, 1995, and to statutory changes made
6 on or after the date of enactment of this Act.

7 **SEC. 10153. SALE OF FDSL LOAN PORTFOLIOS.**

8 The Higher Education Act of 1965 Act (20 U.S.C.
9 1087h) is amended by inserting after section 458 the fol-
10 lowing new section:

11 **“SEC. 459. SALE OF FEDERAL DIRECT STUDENT LOAN**
12 **PORTFOLIOS.**

13 “(a) AUCTION SALES OF LOAN PORTFOLIOS.—The
14 Secretary shall conduct auctions to sell the outstanding
15 portfolio of loans made pursuant to this part. Such auc-
16 tions shall consist of sales of portfolios representative of
17 the overall characteristics of the direct loans held by the
18 Secretary. Auctions shall be held for portfolios of not less
19 than \$40,000,000 of loans per sale. The first sale of loans
20 shall take place not later than 120 days after the date
21 of enactment of this section, and shall not include Federal
22 guarantees or reinsurance against the contingency of bor-
23 rower default, death, or disability.

24 “(b) LOAN TERMS SUBJECT TO PROMISSORY
25 NOTE.—Such loans shall be subject to the terms and con-

1 ditions as specified in the borrower promissory note, and
2 shall not be subject to further Federal regulations pursu-
3 ant to this subtitle.

4 “(c) DISPOSITION OF PROCEEDS.—All proceeds re-
5 ceived as a result of the auctions conducted pursuant to
6 this part shall be returned to the United States Depart-
7 ment of the Treasury after deduction of expenses incurred
8 by the Department of Education in connection with the
9 auctions required pursuant to this section.”.

10 **SEC. 10154. STUDENT LOAN PROGRAM; STATEMENT OF**
11 **POLICY.**

12 The Congress finds that the Federal student loan
13 programs should be reviewed to evaluate whether reforms
14 need to be made to the programs based on the principles
15 of risk sharing, market-based orientation, privatization,
16 and deregulation.

17 **SEC. 10155. ELIMINATION OF IN-SCHOOL INTEREST SUB-**
18 **SIDIES.**

19 (a) GUARANTEED LOANS.—Section 428(a) of the
20 Higher Education Act of 1965 (20 U.S.C. 1078(a)) is
21 amended by adding at the end the following new para-
22 graph:

23 “(8) TERMINATION OF INTEREST SUBSIDIES.—
24 Notwithstanding paragraph (3), no portion of the in-
25 terest shall be paid by the Secretary under this sub-

1 section on any loan made on or after October 1,
2 1995. Interest on the unpaid principal amount of
3 any such loan—

4 “(A) which accrues prior to the beginning
5 of the repayment period of the loan, or

6 “(B) which accrues during a period in
7 which principal need not be paid (whether or
8 not such principal is in fact paid) by reason of
9 a provision described in subsection (b)(1)(M) of
10 this section or in section 427(a)(2)(C),

11 shall, at the option of the borrower—

12 “(i) be paid monthly or quarterly, or

13 “(ii) be added by the lender to the prin-
14 cipal amount of the loan at the commencement
15 of the repayment period.”.

16 **PART II—HIGHER EDUCATION BLOCK GRANT**

17 **SEC. 10161. PURPOSE.**

18 It is the purpose of this part to authorize block grants
19 to States to assist institutions of higher education in order
20 to improve access to higher education and to improve the
21 quality of educational programs.

22 **SEC. 10162. DISTRIBUTION OF FUNDS.**

23 (a) IN GENERAL.—From the funds appropriated
24 under section 10165, the Director shall allocate to the
25 Governor of each State that has submitted the assurances

1 required by section 10163 an amount that bears the same
2 ratio to the amount so appropriated as the number of stu-
3 dents enrolled in institutions of higher education in such
4 State bears to the total number of students so enrolled
5 in all the States.

6 (b) EXCEPTION FOR SMALL STATES.—Notwithstand-
7 ing subsection (a), no State shall be allocated less than
8 0.25 percent of the funds appropriated under section
9 10165.

10 (c) DETERMINATION OF NUMBER OF STUDENTS.—
11 The Director shall determine the number of students in
12 each State on the basis of a certification from the Gov-
13 ernor of each State.

14 **SEC. 10163. STATE ASSURANCES.**

15 Any State seeking to obtain an allocation under sec-
16 tion 10162 shall submit to the Director an application
17 that contains the following assurances:

18 (1) The Governor of such State will establish a
19 procedure for the distribution of funds to participat-
20 ing institutions of higher education.

21 (2) The Governor will use the funds obtained
22 under this part only for the improvement of higher
23 education.

24 (3) The Governor will require each participating
25 institution to submit assurances to the State that

1 they will use funds obtained under this part only for
2 the improvement of higher education.

3 (4) The Governor will require each participating
4 institution to submit assurances that the institution
5 will comply with Federal civil rights laws.

6 **SEC. 10164. USE OF FUNDS.**

7 (a) IN GENERAL.—Any funds obtained by a partici-
8 pating institution under this part may, subject to the pro-
9 visions of this part, be used for any existing or new pro-
10 gram.

11 (b) LIMITATION ON ADMINISTRATIVE COSTS.—Not
12 more than 2 percent of the funds allocated to any State
13 or institution under this chapter may be used for adminis-
14 trative costs.

15 **SEC. 10165. PUBLIC DISCLOSURE.**

16 Institutions receiving funding under this chapter
17 shall make reasonably available to the community, par-
18 ents, and students a listing of the uses of such funds.

19 **SEC. 10166. AUTHORIZATION OF APPROPRIATIONS.**

20 There are authorized to be appropriated to carry out
21 this subtitle \$2,000,000,000 for each of fiscal years 1998
22 through 2000.

23 **SEC. 10167. DEFINITIONS.**

24 As used in this subtitle—

1 (1) unless otherwise provided, the terms used in
2 this part that are defined in section 1201 of the
3 Higher Education Act of 1965 have the meanings
4 provided in such section;

5 (2) the term “State” means the several States
6 and the District of Columbia; and

7 (3) the term “Director” means the Director of
8 Economic Opportunities in the Department of
9 Health and Human Services.

10 **Subchapter IV—Miscellaneous Provisions**

11 **SEC. 10171. CONSTRUCTION.**

12 Notwithstanding the provisions of this subtitle, noth-
13 ing in this subtitle shall be construed to affect continued
14 funding for Galludet University, the American Printing
15 House for the Blind, or the National Institute for the Deaf
16 at fiscal year 1995 levels through fiscal year 2000.

17 **SEC. 10172. REGULATIONS.**

18 For purposes of this chapter, the Secretary of Health
19 and Human Services shall consult with Congress before
20 issuing regulations regarding the grants provided under
21 part I of subchapter A and part II of subchapter C of
22 this chapter and shall only issue regulations that are nec-
23 essary for the timely distribution of funds to the States.

1 **SEC. 10173. CONSOLIDATED APPLICATION.**

2 The Secretary of Health and Human Services shall
3 provide for a consolidated application for grants provided
4 under part I of subchapter A and part II of subchapter
5 C of this chapter. Consolidated applications also shall be
6 permitted at the local level.

7 **SEC. 10174. APPROPRIATIONS.**

8 The amount that is authorized to be appropriated for
9 programs under part II of subchapter A, subchapter B,
10 and part I of subchapter C shall not exceed the amount
11 appropriated for such programs for fiscal year 1995. Such
12 programs shall be authorized through fiscal year 2000.

13 **SEC. 10175. FEDERAL CIVIL RIGHTS.**

14 (a) IN GENERAL.—

15 (1) APPLICABILITY.—Nothing in this chapter
16 shall be construed to affect the applicability of civil
17 rights laws relating to any program established,
18 transferred, or consolidated under this subtitle.

19 (2) DUTIES.—The Secretary of Health and
20 Human Services shall be responsible for carrying out
21 any other civil rights functions performed by the
22 Secretary of Education as such functions were per-
23 formed on the day before the date of the enactment
24 of this Act.

25 (b) HEALTH AND HUMAN SERVICES.—The Director
26 of the Office of Civil Rights of the Department of Health

1 and Human Services shall submit a report annually to the
2 Secretary of Health and Human Services, the President,
3 and the appropriate committees of Congress summarizing
4 the compliance and enforcement activities of the Office of
5 Civil Rights as such activities pertain to the Office of Eco-
6 nomic Opportunities. The report shall identify significant
7 civil rights or compliance problems for which the Office
8 of Civil Rights has made a recommendation for corrective
9 action and which, in the judgment of the Director of the
10 Office of Civil Rights, adequate progress is not being
11 made.

12 (c) DEPARTMENT OF JUSTICE.—The Assistant At-
13 torney General in charge of the Civil Rights Division of
14 the Department of Justice shall submit annually a report
15 to the Attorney General, the President, and the appro-
16 priate committees of Congress summarizing the activities
17 of the Civil Rights Division as such activities pertain to
18 the grantees of programs authorized by this subtitle.

19 **CHAPTER 4—GENERAL PROVISIONS**

20 **SEC. 10181. REFERENCES.**

21 Any reference in any other Federal law, Executive
22 order, rule, regulation, or delegation of authority, or any
23 document of or pertaining to an office from which a func-
24 tion is transferred by this subtitle—

1 (1) to the Secretary of Education or an officer
2 of the Department of Education, is deemed to refer
3 to the head of the department or office to which
4 such function is transferred; or

5 (2) to the Department of Education is deemed
6 to refer to the department or office to which such
7 function is transferred.

8 **SEC. 10182. EXERCISE OF AUTHORITIES.**

9 Except as otherwise provided by law, a Federal offi-
10 cial to whom a function is transferred by this subtitle may,
11 for purposes of performing the function, exercise all au-
12 thorities under any other provision of law that were avail-
13 able with respect to the performance of that function to
14 the official responsible for the performance of the function
15 immediately before the transfer of the function under this
16 subtitle.

17 **SEC. 10183. SAVINGS PROVISIONS.**

18 (a) **LEGAL DOCUMENTS.**—All orders, determinations,
19 rules, regulations, permits, grants, loans, contracts, agree-
20 ments, certificates, licenses, and privileges—

21 (1) that have been issued, made, granted, or al-
22 lowed to become effective by the President, the Sec-
23 retary of Education, any officer or employee of any
24 office transferred by this subtitle, or any other Gov-
25 ernment official, or by a court of competent jurisdic-

1 tion, in the performance of any function that is
2 transferred by this subtitle, and

3 (2) that are in effect on the date of such trans-
4 fer (or become effective after such date pursuant to
5 their terms as in effect on the date of such transfer),
6 shall continue in effect according to their terms until
7 modified, terminated, superseded, set aside, or revoked in
8 accordance with law by the President, any other author-
9 ized official, a court of competent jurisdiction, or operation
10 of law.

11 (b) PROCEEDINGS.—This subtitle shall not affect any
12 proceedings or any application for any benefits, service,
13 license, permit, certificate, or financial assistance pending
14 on the effective date of this chapter with respect to a func-
15 tion transferred by this subtitle, but such proceedings and
16 applications shall be continued. Orders shall be issued in
17 such proceedings, appeals shall be taken therefrom, and
18 payments shall be made pursuant to such orders, as if this
19 subtitle had not been enacted, and orders issued in any
20 such proceeding shall continue in effect until modified, ter-
21 minated, superseded, or revoked by a duly authorized offi-
22 cial, by a court of competent jurisdiction, or by operation
23 of law. Nothing in this subsection shall be considered to
24 prohibit the discontinuance or modification of any such
25 proceeding under the same terms and conditions and to

1 the same extent that such proceeding could have been dis-
2 continued or modified if this subtitle had not been enacted.

3 (c) SUITS.—This subtitle shall not affect suits com-
4 menced before the effective date of this chapter and in
5 all such suits, proceeding shall be had, appeals taken, and
6 judgments rendered in the same manner and with the
7 same effect as if this subtitle had not been enacted.

8 (d) NONABATEMENT OF ACTIONS.—No suit, action,
9 or other proceeding commenced by or against the Depart-
10 ment of Education or the Secretary of Education, or by
11 or against any individual in the official capacity of such
12 individual as an officer or employee of an office trans-
13 ferred by this subtitle, shall abate by reason of the enact-
14 ment of this Act.

15 (e) CONTINUANCE OF SUITS.—If, before the effective
16 date of this chapter, any officer of the Department of
17 Education in the official capacity of such officer is party
18 to a suit with respect to a function of the officer, and
19 under this subtitle such function is transferred to any
20 other officer or office, then such suit shall be continued
21 with the other officer or the head of such other office, as
22 applicable, substituted or added as a party.

23 **SEC. 10184. TRANSFER OF ASSETS.**

24 Except as otherwise provided in this subtitle, so much
25 of the personnel, property, records, and unexpended bal-

1 ances of appropriations, allocations, and other funds em-
2 ployed, used, held, available, or to be made available in
3 connection with a function transferred to an official by
4 this subtitle shall be available to the official at such time
5 or times as the President directs for use in connection with
6 the functions transferred.

7 **SEC. 10185. DELEGATION AND ASSIGNMENT.**

8 Except as otherwise expressly prohibited by law or
9 otherwise provided in this subtitle, an official to whom
10 functions are transferred under this subtitle (including the
11 head of any office to which functions are transferred under
12 this subtitle) may delegate any of the functions so trans-
13 ferred to such officers and employees of the office of the
14 official as the official may designate, and may authorize
15 successive redelegations of such functions as may be nec-
16 essary or appropriate. No delegation of functions under
17 this section or under any other provision of this subtitle
18 shall relieve the official to whom a function is transferred
19 under this subtitle of responsibility for the administration
20 of the function.

21 **SEC. 10186. AUTHORITY OF OFFICE OF MANAGEMENT AND**
22 **BUDGET WITH RESPECT TO FUNCTIONS**
23 **TRANSFERRED.**

24 (a) DETERMINATIONS.—If necessary, the Director of
25 the Office of Management and Budget shall make any de-

1 termination of the functions that are transferred under
2 this subtitle.

3 (b) INCIDENTAL TRANSFERS.—The Director of the
4 Office of Management and Budget, at such time or times
5 as the Director shall provide, may make such determina-
6 tions as may be necessary with regard to the functions
7 transferred by this subtitle, and to make such additional
8 incidental dispositions of personnel, assets, liabilities,
9 grants, contracts, property, records, and unexpended bal-
10 ances of appropriations, authorizations, allocations, and
11 other funds held, used, arising from, available to, or to
12 be made available in connection with such functions, as
13 may be necessary to carry out the provisions of this sub-
14 title. The Director of the Office of Management and Budg-
15 et shall provide for the termination of the affairs of all
16 entities terminated by this subtitle and for such further
17 measures and dispositions as may be necessary to effec-
18 tuate the purposes of this subtitle.

19 **SEC. 10187. PROPOSED CHANGES IN LAW.**

20 Not later than 90 days before the effective date speci-
21 fied in section 10119, the Director of the Office of Man-
22 agement and Budget shall submit to the Congress a de-
23 scription of any changes in Federal law necessary to re-
24 flect abolishments, transfers, terminations, and disposals
25 under this subtitle.

1 **SEC. 10188. DEFINITION OF TRANSFER.**

2 For purposes of this chapter, the vesting of a func-
3 tion in a department or office pursuant to reestablishment
4 of an office shall be considered to be the transfer of the
5 function.

6 **SEC. 10189. DEFINITIONS.**

7 For purposes of this chapter, the following definitions
8 shall apply:

9 (1) DIRECTOR.—The term “Director” means
10 the Director for Economic Opportunities in the Ad-
11 ministration for Families and Children in the De-
12 partment of Health and Human Services, estab-
13 lished under section 10112(a).

14 (2) FUNCTION.—The term “function” includes
15 any duty, obligation, power, authority, responsibility,
16 right, privilege, activity, or program.

17 (3) OFFICE.—The term “Office” means the Of-
18 fice of Economic Opportunities in the Department of
19 Health and Human Services, established under sec-
20 tion 10112(a).

21 **CHAPTER 5—STATEMENTS OF POLICY**

22 **SEC. 10191. STATEMENT OF POLICY REGARDING FEDERAL**
23 **EDUCATION FUNDING.**

24 Congress finds that there should be a review and eval-
25 uation as to the feasibility of further enhancing the ability
26 of States and local communities to fund education by re-

1 ducing the Federal tax burden and commensurately elimi-
2 nating Federal Government involvement in providing
3 grants for education programs.

4 **SEC. 10192. STATEMENT OF POLICY REGARDING JOB**
5 **TRAINING PROGRAMS.**

6 The Congress finds that all job training programs
7 under the jurisdiction of the Department of Education—

8 (1) should be reviewed and transferred to the
9 Department of Labor; and

10 (2) should be consolidated into 1 or more block
11 grants.

12 **SEC. 10193. STATEMENT OF POLICY REGARDING INDIAN**
13 **EDUCATION.**

14 Congress finds that any program transferred as a re-
15 sult of this subtitle to the Department of the Interior
16 should be reviewed by Congress to ensure that such pro-
17 grams benefit Native American children that live on res-
18 ervations.

19 **Subtitle C—Elementary and**
20 **Secondary Education Reforms**

21 **SEC. 10201. ELIMINATION OF IMPACT AID.**

22 (a) IN GENERAL.—Title VIII of the Elementary and
23 Secondary Education Act of 1965 (20 U.S.C. 7701 et
24 seq.) is hereby repealed.

1 (b) EFFECTIVE DATE.—The amendment made by
2 subsection (a) shall take effect on October 1, 1995, or the
3 date of the enactment of this Act, whichever occurs later.

4 **SEC. 10202. EISENHOWER REGIONAL MATHEMATICS AND**
5 **SCIENCE EDUCATION CONSORTIA.**

6 Title XIII of the Elementary and Secondary Edu-
7 cation Act of 1965 is amended by striking part C.

8 **SEC. 10203. LIMITATION ON AUTHORIZATIONS OF APPRO-**
9 **PRIATIONS FOR THE INDIVIDUALS WITH DIS-**
10 **ABILITIES EDUCATION ACT.**

11 Part A of the Individuals with Disabilities Education
12 Act (20 U.S.C. 1400 et seq.) is amended by adding at
13 the end the following:

14 “LIMITATION ON AUTHORIZATIONS OF APPROPRIATIONS
15 “SEC. 610A. Notwithstanding any other provision of
16 this title, the aggregate amount of funds authorized to be
17 appropriated to carry out this title may not exceed
18 \$3,252,846,000 for each of the fiscal years 1996 through
19 2000.”.

20 **SEC. 10204. EDUCATION IMPROVEMENT.**

21 Not more than \$320,298,000 may be made available
22 to carry out the Eisenhower Professional Development
23 State Grant program under title II of the Elementary and
24 Secondary Education Act of 1965 for each of fiscal years
25 1996, 1997, 1998, 1999, and 2000.

1 **SEC. 10205. INNOVATIVE EDUCATION PROGRAM STRATE-**
2 **GIES.**

3 Not more than \$347,250,000 may be available to
4 carry out State grant programs under title VI of the Ele-
5 mentary and Secondary Education Act of 1965 for each
6 of fiscal years 1996, 1997, 1998, 1999, and 2000.

7 **SEC. 10206. SAFE AND DRUG-FREE SCHOOLS AND COMMU-**
8 **NITIES.**

9 (a) STATE GRANTS.—Not more than \$456,962,000
10 may be available to carry out State grant programs under
11 subpart 1 of part A of title IV of the Elementary and
12 Secondary Education Act of 1965 for each of fiscal years
13 1996, 1997, 1998, 1999, and 2000.

14 (b) NATIONAL PROGRAMS.—Not more than
15 \$25,000,000 may be available to carry out National pro-
16 grams under subpart 2 of part A of title IV of the Elemen-
17 tary and Secondary Education Act of 1965 for each of
18 fiscal years 1996, 1997, 1998, 1999, and 2000.

19 **SEC. 10207. EDUCATION INFRASTRUCTURE.**

20 Not more than \$100,000,000 may be made available
21 to carry out education infrastructure programs under title
22 XII of the Elementary and Secondary Education Act of
23 1965 for each of fiscal years 1996, 1997, 1998, 1999, and
24 2000.

1 **SEC. 10208. INEXPENSIVE BOOK DISTRIBUTION.**

2 Not more than \$10,300,000 may be made available
3 to carry out the Inexpensive Book Distribution program
4 under part E of title X of the Elementary and Secondary
5 Education Act of 1965 for each of fiscal years 1996, 1997,
6 1998, 1999, and 2000.

7 **SEC. 10209. ARTS IN EDUCATION.**

8 Not more than \$12,000,000 may be made available
9 to carry out the Arts in Education Program under part
10 D of title X of the Elementary and Secondary Education
11 Act of 1965 for each of fiscal years 1996, 1997, 1998,
12 1999, and 2000.

13 **SEC. 10210. CHRISTA McAULIFFE SCHOLARSHIPS.**

14 Not more than \$1,946,000 may be made available to
15 carry out Christa McAuliffe Scholarships by the Depart-
16 ment of Education for each of fiscal years 1996, 1997,
17 1998, 1999, and 2000.

18 **SEC. 10211. MAGNET SCHOOLS ASSISTANCE.**

19 Not more than \$111,519,000 may be made available
20 to carry out the Magnet Schools Assistance program
21 under part A of title V of the Elementary and Secondary
22 Education Act of 1965 for each of fiscal years 1996, 1997,
23 1998, 1999, and 2000.

1 **SEC. 10212. EDUCATION FOR HOMELESS CHILDREN AND**
2 **YOUTH.**

3 Not more than \$28,811,000 may be made available
4 to carry out Education for Homeless Children and Youth
5 programs under subtitle B of title VII of the Stewart B.
6 McKinney Homeless Assistance Act for each of fiscal
7 years 1996, 1997, 1998, 1999, and 2000.

8 **SEC. 10213. WOMEN'S EDUCATIONAL EQUITY.**

9 Not more than \$3,967,000 may be made available to
10 carry out the Women's Educational Equity programs
11 under part B of title V of the Elementary and Secondary
12 Education Act of 1965 for each of fiscal years 1996, 1997,
13 1998, 1999, and 2000.

14 **SEC. 10214. TRAINING AND ADVISORY SERVICES.**

15 Not more than \$21,419,000 may be made available
16 to the Department of Education to carry out the Training
17 and Advisory services under title IV-A of the Civil Rights
18 Act for each of fiscal years 1996, 1997, 1998, 1999, and
19 2000.

20 **SEC. 10215. DROPOUT DEMONSTRATIONS.**

21 Not more than \$28,000,000 may be made available
22 to carry out the School Dropout program under part C
23 of title V of the Elementary and Secondary Education Act
24 of 1965 for each of fiscal years 1996, 1997, 1998, 1999,
25 and 2000.

1 **SEC. 10216. TRAINING IN EARLY CHILDHOOD EDUCATION**
2 **AND VIOLENCE COUNSELING.**

3 Not more than \$13,875,000 may be made available
4 to the Department of Education to carry out Early Child-
5 hood Education and Violence Training programs for each
6 of fiscal years 1996, 1997, 1998, 1999, and 2000.

7 **SEC. 10217. CHARTER SCHOOLS.**

8 Not more than \$6,000,000 may be made available to
9 carry out the Charter Schools program under part C of
10 title X of the Elementary and Secondary Education Act
11 of 1965 for each of fiscal years 1996, 1997, 1998, 1999,
12 and 2000.

13 **SEC. 10218. AUTHORIZED ACTIVITIES.**

14 Part A of title II of the Elementary and Secondary
15 Education Act of 1965 is amended by striking section
16 2101.

17 **SEC. 10219. PROFESSIONAL DEVELOPMENT DEMONSTRATION PROJECT.**

18
19 Title II of the Elementary and secondary Education
20 Act of 1965 is amended by striking part C.

21 **SEC. 10220. IMMIGRANT EDUCATION.**

22 Title VII of the Elementary and Secondary Edu-
23 cation Act of 1965 is amended by striking parts B and
24 C.

1 **SEC. 10221. EDUCATION FOR NATIVE HAWAIIANS.**

2 Title IX of the Elementary and Secondary Education
3 Act of 1965 is amended by striking part B.

4 **SEC. 10222. PROGRAMS OF NATIONAL SIGNIFICANCE.**

5 Title X of the Elementary and Secondary Education
6 Act of 1965 is amended by striking parts A, G, and H.

7 **SEC. 10223. LAW-RELATED EDUCATION.**

8 Part F of title X of the Elementary and Secondary
9 Education Act of 1965 is amended by striking section
10 10602.

11 **SEC. 10224. PUBLIC LIBRARY CONSTRUCTION.**

12 Title III of the Improving America's Schools Act of
13 1994 is amended by striking part G.

14 **SEC. 10225. NATIONAL ASSESSMENT OF EDUCATIONAL**
15 **PROGRESS.**

16 Title IV of the Improving America's Schools Act of
17 1994 is amended by striking section 411.

18 **Subtitle D—Community Program**
19 **Reforms**

20 **SEC. 10301. REPEAL OF THE NATIONAL FOUNDATION ON**
21 **THE ARTS AND THE HUMANITIES ACT OF**
22 **1965.**

23 (a) REPEAL OF THE NATIONAL FOUNDATION ON
24 THE ARTS AND THE HUMANITIES ACT OF 1965.—The
25 National Foundation on the Arts and the Humanities Act
26 of 1965 (20 U.S.C. 951–60) is repealed.

1 (b) TRANSITION PROVISIONS.—The Director of the
2 Office of Management and Budget shall provide for the
3 termination of the affairs of the Federal entities termi-
4 nated by the repeal made by subsection (a), including the
5 appropriate transfer or other disposition of personnel, as-
6 sets, liabilities, grants, contracts, property, records, and
7 unexpended balances of appropriations, authorizations, al-
8 locations, and other funds held, used, arising from, avail-
9 able to, or to be made available in connection with imple-
10 menting the authorities terminated by the repeal made by
11 subsection (a).

12 (c) EFFECTIVE DATE.—This section shall take effect
13 on October 1, 1995.

14 **SEC. 10302. REPEAL OF NATIONAL AND COMMUNITY SERV-**
15 **ICE ACT OF 1990, DOMESTIC VOLUNTEER**
16 **SERVICE ACT OF 1973, AND RELATED PROVI-**
17 **SIONS.**

18 (a) NATIONAL AND COMMUNITY SERVICE ACT OF
19 1990.—Effective October 1, 1995, the National and Com-
20 munity Service Act of 1990 (42 U.S.C. 12501 et seq.) is
21 repealed.

22 (b) DOMESTIC VOLUNTEER SERVICE ACT OF
23 1973.—Effective October 1, 1995, the Domestic Volun-
24 teer Service Act of 1973 (42 U.S.C. 4950 et seq.) is re-
25 pealed.

1 (c) PUBLIC LANDS CORPS.—Effective October 1,
2 1995, title II of Public Law 91–378 (16 U.S.C. 1721 et
3 seq.), as added by section 105 of the National and Com-
4 munity Service Trust Act of 1993 (Public Law 103–82;
5 107 Stat. 848), is repealed.

6 (d) URBAN YOUTH CORPS.—Effective October 1,
7 1995, section 106 of the National and Community Service
8 Trust Act of 1993 (42 U.S.C. 12656) is repealed.

9 (e) NATIONAL GUARD CIVILIAN YOUTH OPPORTUNI-
10 TIES PILOT PROGRAM.—Effective October 1, 1995, sec-
11 tion 1091 of the National Defense Authorization Act for
12 Fiscal Year 1993 (Public Law 102–484; 32 U.S.C. 501
13 note) is repealed.

14 (f) EFFECT OF REPEAL.—Upon the repeal of the
15 provisions specified in this section, the President shall as-
16 sign to an agency of the United States the responsibility
17 for liquidating the affairs of the entities or activities elimi-
18 nated as a result of the repeal. The property, records, and
19 unexpended balances (available or to be made available)
20 of appropriations, allocations, and other funds of the
21 eliminated entities and activities shall be transferred to
22 such agency. The repeal of such provisions shall not affect
23 any obligation incurred by the eliminated entities and ac-
24 tivities before October 1, 1995, and the agency responsible
25 for liquidating the affairs of the eliminated entities and

1 activities shall satisfy such obligations, subject to the same
2 terms and conditions that would apply in the absence of
3 the repeal.

4 **SEC. 10303. REPEAL OF THE MUSEUM SERVICES ACT.**

5 (a) REPEALER.—Title II of the Arts, Humanities,
6 and Cultural Affairs Act of 1976 (20 U.S.C. 961–969)
7 is repealed.

8 (b) EFFECTIVE DATE.—Subsection (a) shall take ef-
9 fect on October 1, 1995.

10 **SEC. 10304. TERMINATE FEDERAL FUNDING FOR THE JOHN**

11 **F. KENNEDY CENTER FOR THE PERFORMING**
12 **ARTS.**

13 Section 12 of the John F. Kennedy Center Act (20
14 U.S.C. 76r) is repealed.

15 **SEC. 10305. REPEAL OF THE OLDER AMERICANS COMMU-**
16 **NITY SERVICE EMPLOYMENT ACT.**

17 (a) REPEALER.—Title V of the Older Americans Act
18 of 1965 (42 U.S.C. 3056–3056i) is repealed.

19 (b) EFFECTIVE DATE.—Subsection (a) shall take ef-
20 fect on October 1, 1995.

21 **SEC. 10306. CONSOLIDATION OF CERTAIN SOCIAL SERVICE**
22 **PROGRAMS.**

23 (a) AMENDMENT TO TITLE XX OF THE SOCIAL SE-
24 CURITY ACT.—

1 (1) PAYMENTS TO STATES.—Section 2002(a)(2)
2 of the Social Security Act (40 U.S.C. 1397a(a)(2))
3 is amended—

4 (A) in subparagraph (A)—

5 (i) by inserting “, services to meet
6 housing and energy needs,” after “health
7 support services”, and

8 (ii) by striking “and” at the end,

9 (B) in subparagraph (B)—

10 (i) in clause (ii) by striking “and” at
11 the end,

12 (ii) in clause (iii) by striking the pe-
13 riod at the end and inserting “; and”, and

14 (iii) by inserting after clause (iii) the
15 following:

16 “(iv) activities—

17 “(I) to plan, develop, establish,
18 expand, improve, or operate before-
19 and after-school child care programs
20 for school-age children, and resource
21 and referral systems that provide in-
22 formation on dependent care services;
23 and

24 “(II) to improve the quality of
25 child care, and to increase the avail-

1 ability of early childhood development
2 and before- and after-school child care
3 services.”.

4 (2) ALLOTMENTS.—Section 2003(c) of the So-
5 cial Security Act (40 U.S.C. 1397b(c)) is amended—

6 (A) in paragraph (4) by striking “and” at
7 the end,

8 (B) in paragraph (5) by striking “each fis-
9 cal year after fiscal year 1989.” and inserting
10 “each of the fiscal years 1990, 1991, 1992,
11 1993, 1994, and 1995; and

12 (C) by adding at the end the following:

13 “(6) \$4,009,379,000 for fiscal year 1996.”.

14 (b) REPEALERS.—

15 (1) COMMUNITY SERVICES BLOCK GRANT
16 ACT.—Subtitle B of title VI of the Omnibus Budget
17 Reconciliation Act of 1981 (42 U.S.C. 9901–9912)
18 is repealed.

19 (2) CHILD CARE AND DEVELOPMENT BLOCK
20 GRANT ACT.—Subchapter C of chapter 8 of subtitle
21 A of title VI of the Omnibus Budget Reconciliation
22 Act of 1981 (42 U.S.C. 9858–9858S) is repealed.

23 (3) STATE DEPENDENT CARE DEVELOPMENT
24 GRANTS ACT.—Subchapter E of chapter 8 of sub-
25 title A of title VI of the Omnibus Budget Reconcili-

1 ation Act of 1981 (42 U.S.C. 9871–9877) is re-
2 pealed.

3 (c) EFFECTIVE DATE.—Subsections (a) and (b) shall
4 take effect on October 1, 1995.

5 **SEC. 10307. AMENDMENTS TO THE OLDER AMERICANS ACT**
6 **OF 1965.**

7 (a) FEDERAL COUNCIL ON THE AGING.—Section
8 204(g) of the Older Americans Act of 1965 (42 U.S.C.
9 3015(g)) is amended—

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

11 (2) by striking “\$300,000” and all that follows
12 through “1995”, and inserting “\$176,000 for each
13 of the fiscal years 1996, 1997, 1998, 1999, and
14 2000”.

15 (b) AUTHORIZATION OF APPROPRIATIONS FOR TITLE
16 II OF THE ACT.—Section 215 of the Older Americans Act
17 of 1965 (42 U.S.C. 3020f) is amended—

18 (1) in subsection (a) by striking “such sums”
19 and all that follows through “1995”, and inserting
20 “\$16,524,000 for each of the fiscal years 1996,
21 1997, 1998, 1999, and 2000”, and

22 (2) in subsection (b) by amending paragraph
23 (1) to read as follows:

24 “(1) \$29,000,000 for each of the fiscal years
25 1996, 1997, 1998, 1999, and 2000; and”.

1 (c) AUTHORIZATION OF APPROPRIATIONS FOR TITLE
2 III OF THE ACT.—

3 (1) SUPPORTIVE SERVICES AND SENIOR CEN-
4 TERS.—Section 303(a)(1) of the Older Americans
5 Act of 1965 (42 U.S.C. 3023(a)(1)) is amended—

6 (A) by striking “are” and inserting “is”,
7 and

8 (B) by striking “\$461,376,000” and all
9 that follows through “1995”, and inserting
10 “\$306,711,000 for each of the fiscal years
11 1996, 1997, 1998, 1999, and 2000”.

12 (2) CONGREGATE NUTRITION SERVICES.—Sec-
13 tion 303(b)(1) of the Older Americans Act of 1965
14 (42 U.S.C. 3023(b)(1)) is amended—

15 (A) by striking “are” and inserting “is”,
16 and

17 (B) by striking “\$505,000,000” and all
18 that follows through “1995”, and inserting
19 “\$375,809,000 for each of the fiscal years
20 1996, 1997, 1998, 1999, and 2000”.

21 (3) HOME-DELIVERED NUTRITION SERVICES.—
22 Section 303(b)(2) of the Older Americans Act of
23 1965 (42 U.S.C. 3023(b)(2)) is amended—

24 (A) by striking “are” and inserting “is”,
25 and

1 (B) by striking “\$120,000,000” and all
2 that follows through “1995”, and inserting
3 “\$93,665,000 for each of the fiscal years 1996,
4 1997, 1998, 1999, and 2000”.

5 (4) SCHOOL-BASED MEALS FOR VOLUN-
6 TEERS.—Section 303(b)(3) of the Older Americans
7 Act of 1965 (42 U.S.C. 3023(b)(3)) is amended—

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

10 (2) by striking “fiscal year 1992” and all
11 that follows through “1995”, and inserting “for
12 each of the fiscal years 1996, 1997, 1998,
13 1999, and 2000”.

14 (5) IN-HOME SERVICES.—Section 303(d) of the
15 Older Americans Act of 1965 (42 U.S.C. 3023(d))
16 is amended—

17 (A) by striking “are” and inserting “is”,
18 and

19 (B) by striking “\$45,388,000” and all that
20 follows through “1995”, and inserting
21 “\$7,075,000 for each of the fiscal years 1996,
22 1997, 1998, 1999, and 2000”.

23 (6) SPECIAL NEEDS.—Section 303(e) of the
24 Older Americans Act of 1965 (42 U.S.C. 3023(e))
25 is amended by striking “1992” and all that follows

1 through “1995”, and inserting “1996, 1997, 1998,
2 1999, and 2000”.

3 (7) PREVENTIVE HEALTH, HEALTH EDU-
4 CATION, AND PROMOTION.—Section 303(f) of the
5 Older Americans Act of 1965 (42 U.S.C. 3023(f)) is
6 amended—

7 (A) by striking “are” and inserting “is”,
8 and

9 (B) by striking “\$25,000,000” and all that
10 follows through “1995”, and inserting
11 “\$16,982,000 for each of the fiscal years 1996,
12 1997, 1998, 1999, and 2000”.

13 (8) SUPPORTIVE ACTIVITIES FOR CARE-
14 TAKERS.—Section 303(g) of the Older Americans
15 Act of 1965 (42 U.S.C. 3023(g)) is amended—

16 (A) by striking “are” and inserting “is”, and

17 (B) by striking “fiscal year 1992” and all that
18 follows through “1995”, and inserting “each of the
19 fiscal years 1996, 1997, 1998, 1999, and 2000”.

20 (9) PURCHASE OF AGRICULTURAL COMMOD-
21 ITIES FOR NUTRITION SERVICES.—Section
22 311(c)(1)(A) of the Older Americans Act of 1965
23 (42 U.S.C. 3030a(c)(1)(A)) is amended—

24 (A) by striking “are” and inserting “is”,

1 (B) by striking “\$250,000,000” and all
2 that follows through “1994, and”, and

3 (C) by striking “fiscal year 1995” and in-
4 sserting “each of the fiscal years 1996, 1997,
5 1998, 1999, and 2000”.

6 (d) AUTHORIZATION OF APPROPRIATIONS FOR TITLE
7 IV OF THE ACT.—

8 (1) TRAINING, RESEARCH, AND DISCRETIONARY
9 PROJECTS AND PROGRAMS.—Section 431(a)(1) of
10 the Older Americans Act of 1965 (42 U.S.C.
11 3037(a)(1)) is amended—

12 (A) by striking “are” and inserting “is”,
13 and

14 (B) by striking “\$72,000,000” and all that
15 follows through “1995”, and inserting
16 “\$25,735,000 for each of the fiscal years 1996,
17 1997, 1998, 1999, and 2000”.

18 (2) TRAINING.—Section 431(b) of the Older
19 Americans Act of 1965 (42 U.S.C. 3037(b)) is
20 amended by striking “1992” and all that follows
21 through “1995”, and inserting “1996, 1997, 1998,
22 1999, and 2000”.

23 (e) AUTHORIZATION OF APPROPRIATIONS FOR TITLE
24 VI OF THE ACT.—Section 633(a) of the Older Americans
25 Act of 1965 (42 U.S.C. 3037n(a)) is amended—

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

2 (2) by striking “\$30,000,000” and all that fol-
3 lows through “1995”, and inserting “\$16,902,000
4 for each of the fiscal years 1996, 1997, 1998, 1999,
5 and 2000”.

6 (f) AUTHORIZATION OF APPROPRIATIONS FOR TITLE
7 VII OF THE ACT.—

8 (1) OMBUDSMAN PROGRAM.—Section 702(a) of
9 the Older Americans Act of 1965 (42 U.S.C.
10 3058a(a)) is amended—

11 (A) by striking “are” and inserting “is”,
12 and

13 (B) by striking “\$40,000,000” and all that
14 follows through “1995”, and inserting
15 “\$4,370,000 for each of the fiscal years 1996,
16 1997, 1998, 1999, and 2000”.

17 (2) PREVENTION OF ELDER ABUSE, NEGLECT,
18 AND EXPLOITATION.—Section 702(b) of the Older
19 Americans Act of 1965 (42 U.S.C. 3058a(b)) is
20 amended—

21 (A) by striking “are” and inserting “is”,
22 and

23 (B) by striking “\$15,000,000” and all that
24 follows through “1995”, and inserting

1 “\$4,638,000 for each of the fiscal years 1996,
2 1997, 1998, 1999, and 2000”.

3 (3) STATE ELDER RIGHTS AND LEGAL ASSIST-
4 ANCE DEVELOPMENT PROGRAM.—Section 702(c) of
5 the Older Americans Act of 1965 (42 U.S.C.
6 3058a(c)) is amended—

7 (A) by striking “are” and inserting “is”,
8 and

9 (B) by striking “fiscal year 1992” and all
10 that follows through “1995”, and inserting
11 “each of the fiscal years 1996, 1997, 1998,
12 1999, and 2000”.

13 (4) OUTREACH, COUNSELING, AND ASSISTANCE
14 PROGRAM.—Section 702(d) of the Older Americans
15 Act of 1965 (42 U.S.C. 3058a(d)) is amended—

16 (A) by striking “are” and inserting “is”,
17 and

18 (B) by striking “\$15,000,000” and all that
19 follows through “1995”, and inserting
20 “\$1,976,000 for each of the fiscal years 1996,
21 1997, 1998, 1999, and 2000”.

22 (5) NATIVE AMERICAN ORGANIZATION PROVI-
23 SION.—Section 751(d) of the Older Americans Act
24 of 1965 (42 U.S.C. 3058aa(d)) is amended—

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

3 (B) by striking “fiscal year 1992” and all
4 that follows through “1995”, and inserting “for
5 each of the fiscal years 1996, 1997, 1998,
6 1999, and 2000”.

7 (g) EFFECTIVE DATE.—The amendments made by
8 this section shall take effect on October 1, 1995.

9 **SEC. 10308. TERMINATION OF FUNDING FOR THE COR-**
10 **PORATION FOR PUBLIC BROADCASTING**

11 Part IV of title III of the Communications Act of
12 1934 (47 U.S.C. 390 to 399b), relating to assistance for
13 public telecommunications facilities, telecommunications
14 demonstrations, and the Corporation for Public Broad-
15 casting, is repealed.

16 **Subtitle E—Employment Program**
17 **Reform**

18 **SEC. 10401. TERMINATION OF GENERAL TRADE ADJUST-**
19 **MENT ASSISTANCE.**

20 (a) TERMINATION OF PROGRAM EXTENSION.—(1)
21 Section 285(c)(1) of the Trade Act of 1974 (19 U.S.C.
22 2271 preceding note), is amended by striking “1998” and
23 inserting “1995”.

24 (2) Section 245(a) of the Trade Act of 1974 (19
25 U.S.C. 2317(a)) is amended by striking “each of the fiscal

1 years 1993, 1994, 1995, 1996, 1997, and 1998” and in-
2 serting “fiscal year 1995”.

3 (b) CONFORMING AMENDMENT.—Section
4 236(a)(2)(A) of the Trade Act of 1974 (19 U.S.C.
5 2296(a)(2)(A)) is amended by striking “, except that” and
6 all that follows through “\$70,000,000”.

7 **SEC. 10402. EXTENSION TO ALL STATES OF RULE PROVID-**
8 **ING FOR REDUCTION OF SOCIAL SECURITY**
9 **DISABILITY INSURANCE BENEFITS UPON RE-**
10 **CEIPT OF WORKERS’ COMPENSATION BENE-**
11 **FITS.**

12 (a) PREEMPTION OF STATE LAWS REDUCING PERI-
13 ODIC BENEFITS BY REASON OF ENTITLEMENT TO DIS-
14 ABILITY INSURANCE BENEFITS.—Section 224(d) of the
15 Social Security Act (42 U.S.C. 224a(d)) is amended to
16 read as follows:

17 “(d) The provisions of this section shall supersede
18 any provision of a law or plan of any State, of any political
19 subdivision (as that term is used in section 218(b)(2)),
20 or of any instrumentality of two or more States (as that
21 term is used in section 218(g)) to the extent that the effect
22 of such provision is to reduce periodic benefits referred
23 to in subparagraph (A) or (B) of subsection (a)(2) of any
24 individual under such law or plan on the basis of the enti-
25 tlement of such individual to benefits under section 223.”.

1 (b) EFFECTIVE DATE.—The amendment made by
2 subsection (a) shall apply with respect to individuals who
3 first become entitled to benefits under section 223(a) of
4 the Social Security Act for months beginning on or after
5 January 1, 1996.

6 **SEC. 10403. SERVICE CONTRACT ACT OF 1965.**

7 (a) REPEAL.—The Service Contract Act of 1965 (41
8 U.S.C. 351 et seq.) is repealed.

9 (b) APPLICATION.—The amendment made by sub-
10 section (a) shall not apply to a contract which was entered
11 into before the date of the enactment of this Act and to
12 which the Service Contract Act of 1965 applied.

13 **SEC. 10404. REDUCTION IN OVERHEAD EXPENSES OF DE-**
14 **PARTMENT OF LABOR.**

15 (a) IN GENERAL.—The amount obligated by the De-
16 partment of Labor during fiscal year 1996 for overhead
17 expenses shall not exceed an amount sufficient to reduce
18 outlays for such expenses during such fiscal year (as com-
19 pared to such outlays during fiscal year 1995) by
20 \$67,000,000.

21 (b) OVERHEAD EXPENSES.—For purposes of this
22 section, the term “overhead expenses” means expenses
23 within the following object classifications established by
24 the Director of the Office of Management and Budget:

25 (1) 21.0 (travel and transportation of persons).

1 (2) 22.0 (transportation of things).

2 (3) 23.1 (rental payments to GSA).

3 (4) 23.3 (communications, utilities, and mis-
4 cellaneous charges).

5 (5) 24.0 (printing and reproduction).

6 (6) 25.1 (consulting services).

7 (7) 25.2 (other services).

8 (8) 25.5 (research and development contracts).

9 (9) 26.0 (supplies and materials).

10 (10) 31 (equipment).

11 **TITLE XI—HEALTH**

12 **Subtitle A—Administrative Reform**

13 **SEC. 11001. REDUCTION IN OVERHEAD EXPENSES OF DE-** 14 **PARTMENT OF HEALTH AND HUMAN SERV-** 15 **ICES.**

16 (a) IN GENERAL.—The amount obligated by the De-
17 partment of Health and Human Services during fiscal
18 year 1996 for overhead expenses shall not exceed an
19 amount sufficient to reduce outlays for such expenses dur-
20 ing such fiscal year (as compared to such outlays during
21 fiscal year 1995) by \$346,000,000.

22 (b) OVERHEAD EXPENSES.—For purposes of this
23 section, the term “overhead expenses” means expenses
24 within the following object classifications established by
25 the Director of the Office of Management and Budget:

- 1 (1) 21.0 (travel and transportation of persons).
- 2 (2) 22.0 (transportation of things).
- 3 (3) 23.1 (rental payments to GSA).
- 4 (4) 23.3 (communications, utilities, and mis-
- 5 cellaneous charges).
- 6 (5) 24.0 (printing and reproduction).
- 7 (6) 25.1 (consulting services).
- 8 (7) 25.2 (other services).
- 9 (8) 25.5 (research and development contracts).
- 10 (9) 26.0 (supplies and materials).
- 11 (10) 31 (equipment).

12 **Subtitle B—University Research**
13 **Regarding Health and Other**
14 **Matters**

15 **SEC. 11101. FEDERALLY-SUPPORTED UNIVERSITY RE-**
16 **SEARCH; REDUCTION IN RATES FOR INDI-**
17 **RECT COSTS OF RESEARCH.**

18 (a) AUTHORITY OF FEDERAL AGENCIES REGARDING
19 INDIRECT COSTS OF SUPPORTED RESEARCH.—In making
20 an award of financial assistance to an institution of higher
21 education for a fiscal year for a project of research, the
22 head of the Federal agency involved is subject to the fol-
23 lowing:

- 24 (1) The agency head may in accordance with
25 this section authorize the institution to expend a

1 portion of the award for costs that are indirectly re-
2 lated to the conduct of the project, and are appro-
3 priate for the institution to maintain the program or
4 programs of which the project is a part (which costs
5 regarding a project of research are referred to in
6 this section as “indirect costs”).

7 (2) The agency head may not make the award
8 for the project unless the institution—

9 (A) agrees that the award will be expended
10 for the indirect costs of the project only in ac-
11 cordance with determinations made under this
12 section by the agency head regarding the
13 project; and

14 (B) certifies to the agency head that each
15 award of financial assistance provided by the
16 agency head to the institution for the imme-
17 diately preceding fiscal year for a project of re-
18 search was expended in accordance with the de-
19 terminations made under this section regarding
20 the project.

21 (b) DIRECT AND INDIRECT COSTS AS TOTAL
22 AMOUNT OF ASSISTANCE.—With respect to a project of
23 research for which the head of a Federal agency is under
24 subsection (a)(1) authorizing an award for a fiscal year
25 to be expended for indirect costs, the total amount of the

1 award provided for the project for such year shall consist
2 of an amount provided for the direct costs of the project,
3 together with the sum of—

4 (1) the aggregate amount the agency head de-
5 termines under subparagraph (A) of subsection
6 (c)(1) for the administrative categories of indirect
7 cost; and

8 (2) the aggregate amount the agency head de-
9 termines under subparagraph (B) of such subsection
10 for the nonadministrative categories of such costs.

11 (c) DETERMINATION OF AMOUNTS FOR ADMINISTRA-
12 TIVE AND NONADMINISTRATIVE CATEGORIES.—

13 “(1) IN GENERAL.—With respect to a project of
14 research for which the head of a Federal agency is
15 under subsection (a)(1) authorizing an award for a
16 fiscal year to be expended for indirect costs, the
17 agency head, after consultation with the institution
18 of higher education involved and after consideration
19 of relevant records and materials, shall make a de-
20 termination of—

21 “(A) the amount, expressed as a percent-
22 age in accordance with paragraph (2), that is
23 authorized to be expended for the administra-
24 tive categories of indirect cost (determined indi-

1 vidually for each of such categories or deter-
2 mined in the aggregate for the categories); and

3 “(B) the amount, expressed as a percent-
4 age in accordance with paragraph (2), that is
5 authorized to be made for the nonad-
6 ministrative categories of indirect cost (deter-
7 mined individually for each of such categories
8 or determined in the aggregate for the cat-
9 egories).

10 “(2) CATEGORY PERCENTAGES; MODIFIED DI-
11 RECT COSTS.—The amounts determined under sub-
12 paragraphs (A) and (B) of paragraph (1) for a fiscal
13 year with respect to a project of research shall be
14 determined as a percentage of the modified direct
15 costs of the project. The percentage so determined
16 may not exceed the applicable percentage specified
17 in subsection (d), and shall be in effect only during
18 the fiscal year for which the financial assistance in-
19 volved is provided.

20 (d) GENERAL LIMITATIONS REGARDING CATEGORY
21 PERCENTAGES.—

22 (1) REDUCTION IN RATE FOR ADMINISTRATIVE
23 CATEGORIES.—With respect to an award made by
24 the head of a Federal agency to an institution of
25 higher education for a fiscal year for a project of

1 research, the percentage determined under sub-
2 section (c)(2) for the fiscal year for an administra-
3 tive category of indirect costs may not exceed 90
4 percent of an amount equal to the mean average of
5 the percentages applicable to the institution for the
6 category for awards by the agency head to the insti-
7 tution for fiscal year 1995.

8 (2) REDUCTION IN RATE FOR NONAD-
9 MINISTRATIVE CATEGORIES.—With respect to an
10 award made by the head of a Federal agency to an
11 institution of higher education for a fiscal year for
12 a project of research, the percentage determined
13 under subsection (c)(2) for the fiscal year for a
14 nonadministrative category of indirect costs may not
15 exceed 90 percent of an amount equal to the mean
16 average of the percentages applicable to the institu-
17 tion for the category for awards by the agency head
18 to the institution for fiscal year 1995.

19 (e) INSTITUTION-SPECIFIC UNIFORM RATES ACROSS
20 AWARDS.—With respect to multiple awards made by the
21 head of a Federal agency to an institution of higher edu-
22 cation for a fiscal year for projects of research, the agency
23 head may, for each of the categories of indirect costs (ad-
24 ministrative and nonadministrative), determine a single
25 percentage under subsection (c) that will be applicable to

1 the category for all such awards by the agency head to
2 the institution for the fiscal year. Any such determination
3 is subject to subsection (d).

4 (f) FAILURE TO COMPLY WITH LIMITATION.—In the
5 case of an institution of higher education making an
6 agreement under subsection (a)(2) regarding expenditures
7 for the indirect costs of a project of research, if the head
8 of the Federal agency involved determines that the institu-
9 tion has made an expenditure in violation of the agree-
10 ment, the agency head shall recover from the institution
11 an amount equal to the amount of the expenditure, to-
12 gether with an amount representing interest on the
13 amount of such expenditure.

14 (g) DEFINITIONS.—For purposes of this section:

15 (1) The term “administrative categories”, with
16 respect to the indirect costs of a project of research,
17 means the categories of general administration, de-
18 partmental administration, and administration of
19 the project of research involved (also known as spon-
20 sored project administration).

21 (2) The term “award” means an award of fi-
22 nancial assistance.

23 (3) The term “direct costs”, with respect to a
24 project of research, has the meaning given such term

1 by the Director of the Office of Management and
2 Budget.

3 (4) The term “Federal agency” means each de-
4 partment, agency or instrumentality of the Federal
5 Government, including an executive agency as de-
6 fined in section 105 of title 5, United States Code.

7 (5) The term “financial assistance”, with re-
8 spect to a project of research, means a grant, coop-
9 erative agreement, or contract.

10 (6)(A) The term “indirect cost”, with respect to
11 a project of research, means the costs described in
12 subsection (a)(1), consisting of the 7 categories de-
13 scribed in subparagraph (B), as such costs (and cat-
14 egories) are defined in the document issued by the
15 Director of the Office of Management and Budget
16 and designated by such Director as OMB Circular
17 A-21 (or as defined in any document issued by such
18 Director as a successor to OMB Circular A-21), ex-
19 cept that such term does not include any cost dis-
20 allowed for purposes of title 48, Code of Federal
21 Regulations (relating to the Federal Acquisition
22 Regulations System).

23 (B) The categories referred to in subparagraph
24 (A) are the categories of general administration, de-
25 partmental administration, administration of the

1 project of research involved (also known as spon-
2 sored project administration), operations and main-
3 tenance, student services (in the case of an entity
4 that is an educational institution), libraries (in the
5 case of such an entity), and buildings and equip-
6 ment.

7 (7) The term “institution of higher education”
8 has the meaning given such term in section 1201(a)
9 of the Higher Education Act of 1965.

10 (8) The term “modified direct costs”, with re-
11 spect to a project of research, has the meaning given
12 such term by the Director of the Office of Manage-
13 ment and Budget.

14 (9) The term “nonadministrative categories”,
15 with respect to the indirect costs of a project of re-
16 search, means the categories of operations and
17 maintenance, student services (in the case of an en-
18 tity that is an educational institution), libraries (in
19 the case of such an entity), and buildings and equip-
20 ment.

21 (h) EFFECTIVE DATE.—This section is effective in
22 the case of awards of financial assistance made for fiscal
23 year 1996 or any subsequent fiscal year.

1 **SEC. 11102. REDUCTION IN BUDGET OF NATIONAL INSTI-**
2 **TUTES OF HEALTH.**

3 Title IV of the Public Health Service Act (42 U.S.C.
4 281 et seq.) is amended by adding at the end the following
5 part:

6 “PART J—REDUCTION IN BUDGET OF NATIONAL
7 INSTITUTES OF HEALTH
8 “REDUCTION IN BUDGET

9 “SEC. 499B. (a) 1995 LEVELS LESS SAVINGS RE-
10 GARDING INDIRECT COST RATES.—Notwithstanding any
11 other provision of law, the authorizations of appropria-
12 tions established for carrying out this title for a fiscal year
13 are effective only to the extent that the authorizations for
14 the fiscal year do not, in the aggregate, exceed the follow-
15 ing amount, as applicable to the fiscal year:
16 \$10,841,598,000 for fiscal year 1996, \$10,475,098,000
17 for fiscal year 1997, \$10,109,598,000 for fiscal year 1998,
18 \$10,071,098,000 for fiscal year 1999, and
19 \$10,032,598,000 for fiscal year 2000.

20 “(b) PRESUMED PER-PROGRAM AUTHORIZATION
21 LEVEL.—For each of the fiscal years specified in sub-
22 section (a), the authorization of appropriations for each
23 program under this title is deemed to be an amount equal
24 to the appropriation made for the program for the preced-
25 ing fiscal year, unless a provision of this title specifies that
26 this subsection is not applicable to the program.

1 “(c) PRO RATA REDUCTIONS IN AUTHORIZATIONS.—
2 If the aggregate of the authorizations of appropriations
3 established for carrying out this title for a fiscal year (in-
4 cluding authorizations established under subsection (b))
5 exceeds the amount applicable under subsection (a) to the
6 fiscal year, each such authorization is reduced pro rata
7 by the amount necessary for the aggregate of the author-
8 izations to equal the applicable amount.”.

9 **SEC. 11103. REDUCTION IN HEALTH PROFESSIONS BUDGET**
10 **OF HEALTH RESOURCES AND SERVICES AD-**
11 **MINISTRATION.**

12 Title VII of the Public Health Service Act (42 U.S.C.
13 292 et seq.) is amended by adding at the end the following
14 part:

15 **“PART H—REDUCTION IN HEALTH PROFESSIONS**
16 **BUDGET**

17 **“SEC. 799A. PROGRAMS FOR MINORITY AND DISADVAN-**
18 **TAGED STUDENTS AS EXCLUSIVE TITLE VII**
19 **PROGRAMS.**

20 “(a) EFFECT ON OTHER PROGRAMS.—For fiscal
21 year 1996 or any subsequent fiscal year, the authorization
22 of appropriations established in subsection (b) for the fis-
23 cal year is the exclusive authorization of appropriations
24 for such year under this title, except as provided in sub-

1 section (c). The preceding sentence applies notwithstand-
2 ing any other provision of law.

3 “(b) AUTHORIZATIONS OF APPROPRIATIONS RE-
4 GARDING MINORITY AND DISADVANTAGED STUDENTS.—
5 For the purpose of carrying out programs under this title
6 that are designed to increase the enrollment of minority
7 and economically disadvantaged students, there are au-
8 thorized to be appropriated such sums as may be nec-
9 essary for each of the fiscal years 1996 through 1998.

10 “(c) EXCEPTION REGARDING FEDERAL RESPON-
11 SIBILITIES UNDER PROGRAM FOR HEALTH EDUCATION
12 ASSISTANCE LOANS TO GRADUATE STUDENTS.—Sub-
13 section (a) does not apply to the authorization of appro-
14 priations established in section 720. The preceding sen-
15 tence does not provide any credit authority for such pro-
16 gram in addition to that provided in section 702.”.

17 **SEC. 11104. CLOSURE OF UNIFORMED SERVICES UNIVER-**
18 **SITY OF THE HEALTH SCIENCES.**

19 (a) CLOSURE REQUIRED.—Section 2112 of title 10,
20 United States Code, is amended—

21 (1) in subsection (c)—

22 (A) by inserting “and the closure” after

23 “The development”; and

1 (B) by striking out “subsection (a)” and
2 inserting in lieu thereof “subsections (a) and
3 (b)””; and

4 (2) by striking out subsection (b) and inserting
5 in lieu thereof the following new subsection:

6 “(b)(1) Not later than September 30, 1998, the Sec-
7 retary of Defense shall close the University. To achieve
8 the closure of the University by that date, the Secretary
9 shall begin to terminate the operations of the University
10 beginning in fiscal year 1995. On account of the required
11 closure of the University under this subsection, no stu-
12 dents may be admitted to begin studies in the University
13 after the date of the enactment of this subsection.

14 “(2) Section 2687 of this title and any other provi-
15 sion of law establishing preconditions to the closure of any
16 activity of the Department of Defense shall not apply with
17 regard to the termination of the operations of the Univer-
18 sity or to the closure of the University pursuant to this
19 subsection.”.

20 (b) FINAL GRADUATION OF STUDENTS.—Section
21 2112(a) of such title is amended—

22 (1) in the second sentence, by striking out “,
23 with the first class graduating not later than Sep-
24 tember 21, 1982.” and inserting in lieu thereof “,

1 except that no students may be awarded degrees by
2 the University after September 30, 1998.”; and

3 (2) by adding at the end the following new sen-
4 tence: “On a case-by-case basis, the Secretary of De-
5 fense may provide for the continued education of a
6 person who, immediately before the closure of the
7 University under subsection (b), was a student in
8 the University and completed substantially all re-
9 quirements necessary to graduate from the Univer-
10 sity.”.

11 (c) TERMINATION OF UNIVERSITY BOARD OF RE-
12 GENTS.—Section 2113 of such title is amended by adding
13 at the end the following new subsection:

14 “(k) The Board shall terminate on September 30,
15 1998, except that the Secretary of Defense may terminate
16 the Board before that date as part of the termination of
17 the operations of the University under section 2112(b) of
18 this title.”.

19 (d) PROHIBITION ON RECIPROCAL AGREEMENTS.—
20 Section 2114(e)(1) of such title is amended by adding at
21 the end the following new sentence: “No agreement may
22 be entered into under this subsection after the date of the
23 enactment of this sentence, and all such agreements shall
24 terminate not later than September 30, 1998.”.

1 (e) CONFORMING AMENDMENTS.—(1) Section 178 of
2 such title, relating to the Henry M. Jackson Foundation
3 for the Advancement of Military Medicine, is amended—

4 (A) in subsection (b), by inserting after “Uni-
5 formed Services University of the Health Sciences,”
6 the following: “or after the closure of the University,
7 with the Department of Defense,”;

8 (B) in subsection (c)(1)(B), by striking out
9 “the Dean of the Uniformed Services University of
10 the Health Sciences” and inserting in lieu thereof “a
11 person designated by the Secretary of Defense”; and

12 (C) in subsection (g)(1), by inserting after
13 “Uniformed Services University of the Health
14 Sciences,” the following: “or after the closure of the
15 University, the Secretary of Defense”.

16 (2) Section 466(a)(1)(B) of the Public Health Service
17 Act (42 U.S.C. 286a(a)(1)(B)), relating to the Board of
18 Regents of the National Library of Medicine, is amended
19 by striking out “the Dean of the Uniformed Services Uni-
20 versity of the Health Sciences,”.

21 (f) CLERICAL AMENDMENTS.—(1) The heading of
22 section 2112 of title 10, United States Code, is amended
23 to read to read as follows:

1 **“§ 2112. Establishment and closure of University”.**

2 (2) The item relating to such section in the table of
3 sections at the beginning of chapter 104 of such title is
4 amended to read as follows:

“2112. Establishment and closure of University.”.

5 **Subtitle C—Medicaid Reforms**

6 **SEC. 11201. REDUCTION IN FEDERAL PAYMENTS FOR DIS-**
7 **PROPORTIONATE SHARE HOSPITALS.**

8 (a) IN GENERAL.—Section 1923 of the Social Secu-
9 rity Act (42 U.S.C. 1396r-4) is amended by adding at
10 the end the following new subsection:

11 “(h) REDUCTION IN FEDERAL FINANCIAL PARTICI-
12 PATION FOR DISPROPORTIONATE SHARE ADJUST-
13 MENTS.—

14 “(1) IN GENERAL.—Notwithstanding any other
15 provision of this section, the amount of payments
16 under section 1903(a) with respect to any payment
17 adjustment made under this section for hospitals in
18 a State for quarters in a fiscal year shall not exceed
19 the applicable percentage of the amount otherwise
20 determined under subsection (f)

21 “(2) APPLICABLE PERCENTAGE DEFINED.—In
22 paragraph (1), the applicable percentage for a fiscal
23 year is as follows:

24 “(A) For fiscal year 1995, 80 percent.

25 “(B) For fiscal year 1996, 70 percent.

1 “(C) For fiscal year 1997, 55 percent.

2 “(D) For fiscal year 1998, 40 percent.”.

3 (b) CONFORMING AMENDMENT.—Section 1923(c) of
4 such Act (42 U.S.C. 1396r-4(c)) is amended in the matter
5 preceding paragraph (1) by striking “(f) and (g)” and in-
6 serting “(f), (g), and (h)”.

7 **SEC. 11202. IMPOSITION OF STATE LIMITS ON APPROVED**
8 **NURSING FACILITY BEDS.**

9 (a) STATE PLAN REQUIREMENT.—Section 1902(a)
10 of the Social Security Act (42 U.S.C. 1396a(a)) is amend-
11 ed—

12 (1) by striking “and” at the end of paragraph
13 (61);

14 (2) by striking the period at the end of para-
15 graph (62) and inserting “; and”; and

16 (3) by inserting after paragraph (62) the fol-
17 lowing new paragraph:

18 “(63) provide that the State agency shall pro-
19 vide assurances satisfactory to the Secretary that
20 the State has in effect laws prohibiting a nursing fa-
21 cility from opening additional beds without a certifi-
22 cate of need issued by the State in accordance with
23 guidelines established by the State and approved by
24 the Secretary based on the ratio of nursing facility

1 beds to the number of individuals residing in the ap-
2 plicable area who are likely to use such beds.”.

3 (b) EFFECTIVE DATE.—(1) Except as provided in
4 paragraph (2), the amendments made by subsection (a)
5 shall apply to calendar quarters beginning on or after Oc-
6 tober 1, 1995, without regard to whether or not final regu-
7 lations to carry out such amendments have been promul-
8 gated by such date.

9 (2) In the case of a State plan for medical assistance
10 under title XIX of the Social Security Act which the Sec-
11 retary of Health and Human Services determines requires
12 State legislation (other than legislation appropriating
13 funds) in order for the plan to meet the additional require-
14 ments imposed by the amendments made by subsection
15 (a), the State plan shall not be regarded as failing to com-
16 ply with the requirements of such title solely on the basis
17 of its failure to meet these additional requirements before
18 the first day of the first calendar quarter beginning after
19 the close of the first regular session of the State legisla-
20 ture that begins after the date of the enactment of this
21 Act. For purposes of the previous sentence, in the case
22 of a State that has a 2-year legislative session, each year
23 of such session shall be deemed to be a separate regular
24 session of the State legislature.

1 **SEC. 11203. REDUCING TO 50 PERCENT THE MATCHING**
2 **RATE FOR ADMINISTRATIVE COSTS UNDER**
3 **THE MEDICAID PROGRAM.**

4 (a) IN GENERAL.—Section 1903(a) of the Social Se-
5 curity Act (42 U.S.C. 1396b(a)) is amended to read as
6 follows:

7 “(a) From the sums appropriated therefore, the Sec-
8 retary (except as otherwise provided in this section) shall
9 pay to each State that has a plan approved under this
10 title, for each quarter—

11 “(1) an amount with respect to total expendi-
12 tures during such quarter under the State plan for
13 medical assistance (as defined in section 1905(a))
14 equal to the sum of—

15 “(A) an amount equal to 90 percent of
16 such expenditures for family planning services
17 and supplies, plus

18 “(B) an amount equal to the Federal med-
19 ical assistance percentage (as defined in section
20 1905(b), subject to subsections (g) and (j) of
21 this section), of the remainder of such expendi-
22 tures; plus

23 “(2) subject to section 1919(g)(3)(C), an
24 amount equal to 45 percent of the remainder of the
25 expenditures during such quarter as found necessary

1 by the Secretary for the proper and efficient admin-
2 istration of the State plan.”.

3 (b) CONFORMING AMENDMENTS.—

4 (1) FRAUD CONTROL UNITS.—Section 1903(b)
5 of such Act (42 U.S.C. 1396b(b)) is amended by
6 striking paragraph (3).

7 (2) MEDICAID MANAGEMENT INFORMATION
8 SYSTEMS.—Section 1903(r) of such Act (42 U.S.C.
9 1396b(r)) is amended—

10 (A) by amending paragraph (1) to read as
11 follows:

12 “(1) In order to receive payments under subsection
13 (a)(2) without being subject to per centum reductions set
14 forth in paragraph (2), a State must have in operation
15 mechanized claims processing and information retrieval
16 systems approved by the Secretary (of the type approved
17 since October 7, 1980) which are determined to be likely
18 to provide more efficient, economical, and effective admin-
19 istration of the plan and which—

20 “(A) are compatible with the claims processing
21 and information retrieval systems used in the admin-
22 istration of title XVIII, and

23 “(B) include provision for prompt written notice
24 to each individual who is furnished services covered
25 by the plan, or to each individual in a sample group

1 of such individuals, of the specific services (other
2 than confidential services) so covered, the name of
3 the person or persons furnishing the services, the
4 date or dates on which the services were furnished,
5 and the amount of the payment or payments made
6 under the plan on account of the services.”;

7 (B) by striking paragraphs (2) and (3),
8 and redesignating paragraphs (4) through (8)
9 as paragraphs (2) through (6), respectively;

10 (C) in paragraph (2), as so redesignated—

11 (i) in subparagraph (A), by striking
12 “paragraph (6)” and inserting “paragraph
13 (4)”, and

14 (ii) in subparagraph (B)—

15 (I) by striking “subsection
16 (a)(3)(B)” and inserting “subsection
17 (a)(2)”; and

18 (II) by striking “not less than 50
19 per centum and not more than 70 per
20 centum” and inserting “not less than
21 25 per centum and not more than 45
22 per centum”;

23 (D) in paragraph (3), as so redesignated—

24 (i) in the matter in subparagraph (A)
25 preceding clause (i), by striking “sub-

1 section (a)(3)(B)” and inserting “para-
2 graph (1)”, and

3 (ii) in subparagraphs (A)(iii) and (B),
4 by striking “paragraph (6)” and inserting
5 “paragraph (4)”; and

6 (E) in paragraph (4), as so redesignated—

7 (i) by striking subparagraph (C) and
8 redesignating subparagraphs (D) through
9 (J) as subparagraphs (C) through (I), and

10 (ii) in subparagraph (H), as redesign-
11 dated, by striking “subsection (a)(3) of
12 this section” and inserting “subsection
13 (a)(2)”.

14 (3) NURSING HOME ENFORCEMENT.—Section
15 1919 of such Act (42 U.S.C. 1396r) is amended—

16 (A) in subsection (g)(3)(C), by striking
17 “section 1903(a)(2)(D)” and inserting “section
18 1903(a)(2) with respect to amounts expended
19 for State activities under this subsection”, and

20 (B) in subsection (h)(2), by striking
21 “1903(a)(7)” and inserting “1903(a)(2)” each
22 place it appears in subparagraphs (E) and (F).

23 (4) PEER REVIEW FUNDING.—Section 1158 of
24 such Act (42 U.S.C. 1320c-7) is amended—

25 (A) by striking “(a)”, and

1 (B) by striking subsection (b).

2 (c) EFFECTIVE DATE.—The amendments made by
3 this section shall apply to quarters beginning on or after
4 October 1, 1995.

5 **Subtitle D—Reforms in Health**
6 **Care Block Grants**

7 **SEC. 11301. CONSOLIDATION OF CERTAIN BLOCK GRANTS.**

8 (a) IN GENERAL.—Title XIX of the Public Health
9 Service Act (42 U.S.C. 300w et seq.) is amended by add-
10 ing at the end the following part:

11 “PART C—CONSOLIDATION OF HEALTH-RELATED
12 BLOCK GRANTS

13 **“SEC. 1981. CONSOLIDATED PROGRAM OF FORMULA**
14 **GRANTS.**

15 “In the case of each State that in accordance with
16 section 1983 submits to the Secretary an application for
17 fiscal year 1996 or any subsequent fiscal year, the Sec-
18 retary shall make a grant for the year to the State for
19 the purposes specified in section 1982. The grant shall
20 consist of the allotment determined for the State under
21 section 1984.

22 **“SEC. 1982. PURPOSES OF GRANTS; EFFECT ON SEPARATE**
23 **PROGRAMS.**

24 “(a) IN GENERAL.—The Secretary may make a grant
25 under section 1981 only if the State involved agrees that

1 the grant will be expended only for the purposes author-
2 ized in any of the following programs (as in effect for fis-
3 cal year 1995):

4 “(1) The program under part A of this title (re-
5 relating to block grants for preventive health and
6 health services).

7 “(2) The program under subpart 1 of part B
8 of this title (relating to block grants for community
9 mental health services).

10 “(3) The program under subpart 2 of part B
11 of this title (relating to block grants for the preven-
12 tion and treatment of substance abuse).

13 “(4) The program under title V of the Social
14 Security Act (relating to block grants for maternal
15 and child health services).

16 “(b) EFFECT ON SEPARATE PROGRAMS.—For fiscal
17 year 1996 and subsequent fiscal years:

18 “(1) No amounts are authorized to be appro-
19 priated under any of the programs specified in sub-
20 section (a), notwithstanding any other provision of
21 law.

22 “(2) The programs are in effect only to the ex-
23 tent provided in subsection (a).

1 “(c) RULE OF CONSTRUCTION.—With respect to
2 compliance with the agreement made by a State under
3 subsection (a):

4 “(1) The State may expend a grant under sec-
5 tion 1981 for any or all of the purposes authorized
6 in the four programs specified in such subsection.

7 “(2) The State is not required to expend the
8 grant for each of the four categories of services or
9 activities with which the four programs were, respec-
10 tively, concerned.

11 **“SEC. 1983. APPLICATION FOR GRANT.**

12 “The Secretary may make a grant under section
13 1981 only if an application for the grant is submitted to
14 the Secretary by the date specified by the Secretary, and
15 the application is in such form, is made in such manner,
16 and contains such agreements, assurances, and informa-
17 tion as the Secretary determines to be necessary to carry
18 out this part.

19 **“SEC. 1984. AMOUNT OF ALLOTMENT.**

20 “(a) IN GENERAL.—

21 “(1) ALLOTMENT.—For purposes of section
22 1981—

23 “(A) the allotment determined under this
24 section for a State for a fiscal year is, subject
25 to subsection (g), the sum of the respective

1 amounts determined for the State under sub-
2 sections (b) through (e); and

3 “(B) the allotment determined under this
4 section for a territory for a fiscal year is the
5 amount determined under subsection (h).

6 “(2) APPLICABILITY TO TERRITORIES.—For
7 purposes of this part, the term ‘State’ means each
8 of the several States and each of the territories, ex-
9 cept that, for purposes of paragraph (1) and sub-
10 sections (b) through (g), such term does not include
11 any territory.

12 “(b) AMOUNT RELATING TO FORMULAS IN PROGRAM
13 FOR PREVENTIVE HEALTH AND HEALTH SERVICES.—
14 For purposes of subsection (a)(1)(A), the amount under
15 this subsection for a State for a fiscal year shall be deter-
16 mined as follows:

17 “(1) The Secretary shall determine an amount
18 equal to 6.7 percent of the amount that is appro-
19 priated under section 1986 for the fiscal year and
20 available after compliance with section 1986(b).

21 “(2) Of the amount determined under para-
22 graph (1), 97.2 percent shall be applied to the for-
23 mula in effect under subsection (a) of section 1902
24 for fiscal year 1995.

1 “(3) Of the amount determined under para-
2 graph (1), 2.8 percent shall be applied to the for-
3 mula in effect under subsection (b) of section 1902
4 for fiscal year 1995.

5 “(4) The amount determined under this sub-
6 section for the fiscal year is the sum of the amount
7 resulting under paragraph (2) and the amount re-
8 sulting under paragraph (3).

9 “(c) AMOUNT RELATING TO FORMULA IN PROGRAM
10 FOR COMMUNITY MENTAL HEALTH SERVICES.—For pur-
11 poses of subsection (a)(1)(A), the amount under this sub-
12 section for a State for a fiscal year shall be determined
13 as follows:

14 “(1) The Secretary shall determine an amount
15 equal to 11.7 percent of the amount that is appro-
16 priated under section 1986 for the fiscal year and
17 available after compliance with section 1986(b).

18 “(2) The amount determined under paragraph
19 (1) shall be applied to the formula in effect under
20 subsection (a) of section 1918 for fiscal year 1995,
21 and after application of the formula shall be ad-
22 justed to the extent required by subsection (b) of
23 such section (as in effect for fiscal year 1995).

1 “(3) The amount determined under this sub-
2 section for the fiscal year is the amount resulting
3 under paragraph (2).

4 “(d) AMOUNT RELATING TO FORMULA IN PROGRAM
5 FOR PREVENTION AND TREATMENT OF SUBSTANCE
6 ABUSE.—For purposes of subsection (a)(1)(A), the
7 amount under this subsection for a State for a fiscal year
8 shall be determined as follows:

9 “(1) The Secretary shall determine an amount
10 equal to 52.5 percent of the amount that is appro-
11 priated under section 1986 for the fiscal year and
12 available after compliance with section 1986(b).

13 “(2) The amount determined under paragraph
14 (1) shall be applied to the formula in effect under
15 subsection (a) of section 1933 for fiscal year 1995,
16 and after application of the formula shall be ad-
17 justed to the extent required by subsection (b) of
18 such section (as in effect for fiscal year 1995).

19 “(3) The amount determined under this sub-
20 section for the fiscal year is the amount resulting
21 under paragraph (2).

22 “(e) AMOUNT RELATING TO FORMULA IN PROGRAM
23 FOR MATERNAL AND CHILD HEALTH SERVICES.—For
24 purposes of subsection (a)(1)(A), the amount under this

1 subsection for a State for a fiscal year shall be determined
2 as follows:

3 “(1) The Secretary shall determine an amount
4 equal to 29.1 percent of the amount that is appro-
5 priated under section 1986 for the fiscal year and
6 available after compliance with section 1986(b).

7 “(2) The amount determined under paragraph
8 (1) shall be applied to the formula in effect under
9 section 502(c)(2) of the Social Security Act for fiscal
10 year 1995.

11 “(3) The amount determined under this sub-
12 section for the fiscal year is the amount resulting
13 under paragraph (2).

14 “(f) RULES OF CONSTRUCTION.—For purposes of
15 subsections (b) through (e):

16 “(1) In applying an amount to a formula, the
17 amount shall be used in the formula in lieu of the
18 funds that otherwise would be allocated by the for-
19 mula.

20 “(2) With respect to the data to be used in the
21 formula, the Secretary shall use the most recent
22 data that is reasonably available to the Secretary
23 (subject to any restrictions in the formula).

24 “(g) FUNDS FOR TRIBES AND TRIBAL ORGANIZA-
25 TIONS.—

1 “(1) IN GENERAL.—From the allotment deter-
2 mined for a State for a fiscal year pursuant to sub-
3 section (a)(1)(A), the Secretary shall reserve an
4 amount determined in accordance with paragraph
5 (4) if the Secretary—

6 “(A) receives a request from the governing
7 body of an Indian tribe or tribal organization
8 within the State that funds under this part be
9 provided directly by the Secretary to such tribe
10 or organization; and

11 “(B) makes a determination that the mem-
12 bers of such tribe or tribal organization would
13 be better served by means of grants made di-
14 rectly by the Secretary under this.

15 “(2) TRIBE OR TRIBAL ORGANIZATION AS
16 GRANTEE.—The amount reserved by the Secretary
17 on the basis of a determination under paragraph (1)
18 shall, subject to paragraph (3), be granted to the In-
19 dian tribe or tribal organization serving the individ-
20 uals for whom such a determination has been made.

21 “(3) REQUIRED PLAN.—The Secretary may
22 make a grant under this subsection for a fiscal year
23 only if the Indian tribe or tribal organization in-
24 volved submits to the Secretary a plan for the fiscal

1 year that meets such criteria as the Secretary may
2 prescribe.

3 “(4) AMOUNT OF GRANT.—For purposes of
4 paragraph (1), the amount reserved under this para-
5 graph for a fiscal year for an Indian tribe or tribal
6 organization shall be determined as follows:

7 “(A) The Secretary shall determine an
8 amount equal to the difference between—

9 “(i) the allotment made pursuant to
10 subsection (a)(1)(A) for the fiscal year for
11 the State involved; and

12 “(ii) the amount determined for the
13 State under subsection (e) for the fiscal
14 year.

15 “(B) The amount reserved under this
16 paragraph for the fiscal year is the product
17 of—

18 “(i) the amount determined under
19 subparagraph (A); and

20 “(ii) a percentage equal to the ratio
21 of—

22 “(I) the aggregate amount re-
23 ceived by the Indian tribe or tribal or-
24 ganization for fiscal year 1995 under
25 parts A and B; over

1 “(II) the aggregate amounts re-
2 ceived by the State involved under
3 such parts for fiscal year 1995.

4 “(5) DEFINITION.—The terms ‘Indian tribe’
5 and ‘tribal organization’ have the same meaning
6 given such terms in subsections (b) and (c) of sec-
7 tion 4 of the Indian Self-Determination and Edu-
8 cation Assistance Act.

9 “(h) ALLOTMENTS FOR TERRITORIES.—For pur-
10 poses of section 1981, the allotment under this section for
11 a territory for a fiscal year shall be made from amounts
12 reserved under section 1986(b), and the amount of the
13 allotment shall be determined in a manner equivalent to
14 the manner in which an allotment for a State is deter-
15 mined pursuant to subsection (a)(1)(A).

16 “(i) DISPOSITION OF CERTAIN FUNDS.—

17 “(1) IN GENERAL.—Of the amounts available
18 for a fiscal year for grants under section 1981,
19 amounts described in paragraph (2), if any, shall be
20 allotted by the Secretary as grants to States that
21 submit applications in accordance with section 1983
22 for the fiscal year. The amount of such a grant for
23 a State shall be determined in a manner equivalent
24 to the manner in which the amount of a grant was
25 otherwise determined under this section for the

1 State for the fiscal year, and the grant shall be sub-
2 ject to the same conditions as grants under section
3 1981.

4 “(2) SPECIFICATION OF AMOUNTS.—The
5 amounts referred to in paragraph (1) for a fiscal
6 year are any amounts that are not paid under sec-
7 tion 1981 to the States for the fiscal year as a result
8 of—

9 “(A) the failure of one or more States to
10 submit an application in accordance with sec-
11 tion 1983 for the fiscal year; or

12 “(B) one or more States informing the
13 Secretary that the State does not intend to ex-
14 pend the full amount of the grant made to the
15 State under section 1981 for the fiscal year.

16 **“SEC. 1985. DEFINITIONS.**

17 “For purposes of this part:

18 “(1) The term ‘State’ has the meaning given
19 such term in section 1984(a)(2).

20 “(2) The term ‘territory’ means each of the
21 Commonwealth of Puerto Rico, American Samoa,
22 Guam, the Commonwealth of the Northern Mariana
23 Islands, the Virgin Islands, Palau, the Marshall Is-
24 lands, and Micronesia.

1 **“SEC. 1986. AUTHORIZATION OF APPROPRIATIONS.**

2 “(a) IN GENERAL.—For the purpose of carrying out
3 this part, there are authorized to be appropriated
4 \$2,233,833,800 for fiscal year 1996, and \$2,122,142,111
5 for fiscal year 1997 and each of the fiscal years 1998
6 through 2000.

7 “(b) ALLOCATION.—Of the amounts appropriated
8 under subsection (a) for a fiscal year, the Secretary shall
9 make available for grants under section 1981 to the terri-
10 tories an amount equal to the product of—

11 “(1) the amounts so appropriated; and

12 “(2) a percentage equal to the ratio of—

13 “(A) the aggregate amounts received by
14 the territories for fiscal year 1995 under parts
15 A and B and under title V of the Social Secu-
16 rity Act; and

17 “(B) the aggregate amounts appropriated
18 for fiscal year 1995 under sections 1901, 1920,
19 and 1935 and under section 501 of the Social
20 Security Act.”.

21 (b) CONFORMING AMENDMENTS.—

22 (1) PROGRAM FOR PREVENTIVE HEALTH AND
23 HEALTH SERVICES.—Section 1901 of the Public
24 Health Service Act (42 U.S.C. 300w) is amended—

25 (A) in subsection (a), by striking “through
26 1997” and inserting “and 1995”; and

1 (B) by adding at the end the following sub-
2 section:

3 “(c) For fiscal year 1996 and subsequent fiscal years,
4 this part is subject to part C.”.

5 (2) PROGRAM FOR COMMUNITY HEALTH SERV-
6 ICES.—Section 1920 of the Public Health Service
7 Act (42 U.S.C. 300x-9) is amended by adding at
8 the end the following subsection:

9 “(c) LIMITATION.—For fiscal year 1996 and subse-
10 quent fiscal years, this subpart is subject to part C.”.

11 (3) PROGRAM FOR PREVENTION AND TREAT-
12 MENT OF SUBSTANCE ABUSE.—Section 1935 of the
13 Public Health Service Act (42 U.S.C. 300x-35) is
14 amended by adding at the end the following sub-
15 section:

16 “(c) LIMITATION.—For fiscal year 1996 and subse-
17 quent fiscal years, this subpart is subject to part C.”.

18 (4) PROGRAM FOR MATERNAL AND CHILD
19 HEALTH SERVICES.—Section 501 of the Social Secu-
20 rity Act (42 U.S.C. 701) is amended—

21 (A) in subsection (a), in the matter preced-
22 ing paragraph (1), by striking “each fiscal year
23 thereafter” and inserting “each of the fiscal
24 years 1991 through 1995”; and

1 (B) by adding at the end the following sub-
2 section:

3 “(c) For fiscal year 1996 and subsequent fiscal years,
4 this part is subject to part C of title XIX of the Public
5 Health Service Act (relating to the consolidation of certain
6 programs).”.

7 **SEC. 11302. REDUCTION IN BUDGET FOR IMMUNIZATION**
8 **PROGRAMS; PROHIBITION REGARDING**
9 **WAREHOUSING OF VACCINES.**

10 Section 317(j) of the Public Health Service Act (42
11 U.S.C. 247b(j)) is amended—

12 (1) in paragraph (1), in the first sentence—

13 (A) by striking “and” after “1991,”; and

14 (B) by inserting before the period the fol-

15 lowing: “, \$328,591,000 for fiscal year 1996,

16 \$324,591,000 for fiscal year 1997,

17 \$319,591,000 for fiscal year 1998,

18 \$315,591,000 for fiscal year 1999, and

19 \$310,591,000 for fiscal year 2000”;

20 (2) by striking paragraph (2); and

21 (3) by adding at the end the following para-
22 graph:

23 “(2) In carrying out programs of the Department of
24 Health and Human Services under which the Secretary
25 provides for the storage of vaccines, the Secretary may

1 not provide for the storage of all (or substantially all) of
2 the vaccines in a single storage facility.”.

3 **Subtitle E—Health Care Program**
4 **Reforms**

5 **SEC. 11401. REDUCTION IN BUDGET OF AGENCY FOR**
6 **HEALTH CARE POLICY AND RESEARCH.**

7 Section 926 of the Public Health Service Act (42
8 U.S.C. 299c-5) is amended by adding at the end the fol-
9 lowing subsection:

10 “(f) TERMINATION OF FUNDING FOR AGENCY.—For
11 fiscal year 1996 and each subsequent fiscal year, this Act
12 does not provide any authorization of appropriations to
13 carry out this title.”.

14 **SEC. 11402. REDUCTION IN BUDGET FOR PROGRAMS TO**
15 **TREAT SUBSTANCE ABUSE.**

16 Subpart 1 of part B of title V of the Public Health
17 Service Act (42 U.S.C. 290bb et seq.) is amended by add-
18 ing at the end the following section:

19 “REDUCTION IN TREATMENT BUDGET

20 “SEC. 514. (a) IN GENERAL.—Notwithstanding any
21 other provision of law, the authorizations of appropria-
22 tions established for carrying out this subpart and section
23 1971 for a fiscal year are effective only to the extent that
24 the authorizations for the fiscal year do not, in the aggre-
25 gate, exceed the following amount, as applicable to the fis-
26 cal year: \$178,405,000 for fiscal year 1996, \$170,405,000

1 for fiscal year 1997, \$163,405,000 for fiscal year 1998,
2 \$155,405,000 for fiscal year 1999, and \$148,405,000 for
3 fiscal year 2000.

4 “(b) PRESUMED PER-PROGRAM AUTHORIZATION
5 LEVEL.—For each of the fiscal years specified in sub-
6 section (a), the authorization of appropriations for each
7 program under this subpart and section 1971 is deemed
8 to be an amount equal to the appropriation made for the
9 program for the preceding fiscal year, unless a provision
10 of this subpart or section 1971 specifies that this sub-
11 section is not applicable to the program.

12 “(c) PRO RATA REDUCTIONS IN AUTHORIZATIONS.—
13 If the aggregate of the authorizations of appropriations
14 established for carrying out this subpart and section 1971
15 for a fiscal year (including authorizations established
16 under subsection (b)) exceeds the amount applicable under
17 subsection (a) to the fiscal year, each such authorization
18 is reduced pro rata by the amount necessary for the aggre-
19 gate of the authorizations to equal the applicable
20 amount.”.

21 **SEC. 11403. ABOLITION OF OFFICE OF THE SURGEON GEN-**
22 **ERAL OF THE PUBLIC HEALTH SERVICE**

23 With respect to the Office of the Surgeon General
24 of the Public Service—

1 (1) all authorities and personnel of the Office
2 are transferred to the Assistant Secretary for Health
3 of the Department of Health and Human Services;

4 (2) all unobligated portions of budget authority
5 allocated for the Office are rescinded; and

6 (3) the Office, and the position of such Surgeon
7 General, are terminated.

8 **Subtitle F—Federal Employee**
9 **Health Care Reform**

10 **SEC. 11501. GOVERNMENT CONTRIBUTION TO THE FED-**
11 **ERAL EMPLOYEES HEALTH BENEFITS PRO-**
12 **GRAM.**

13 (a) IN GENERAL.—Section 8906 of title 5, United
14 States Code, is amended by striking subsections (a) and
15 (b) and inserting the following:

16 “(a) For the purpose of this section, ‘base quarter’
17 and ‘price index’ each has the meaning given it by section
18 8340.

19 “(b)(1)(A) Except as otherwise provided in this sub-
20 section, the biweekly Government contribution for health
21 benefits for an employee or annuitant enrolled in a health
22 benefits plan under this chapter shall be—

23 “(i) \$1,535, if enrollment is for self alone, and

24 “(ii) \$3,430, if enrollment is for self and family,

25 as adjusted under subparagraph (B).

1 “(B) The biweekly Government contribution under
2 this paragraph for contract year 1997, or a subsequent
3 contract year, is the applicable amount under subpara-
4 graph (A), increased by the percentage (if any) by which—

5 “(i) the price index for the base quarter of the
6 preceding contract year, exceeds

7 “(ii) the price index for the base quarter of con-
8 tract year 1994,

9 rounded to the nearest multiple of \$5 (or, if midway be-
10 tween multiples of \$5, to the next higher multiple of \$5).

11 For an employee, the adjustment begins on the first day
12 of the employee’s first pay period of the contract year.

13 For an annuitant, the adjustment begins on the first day
14 of the first period of the contract year for which an annu-
15 ity payment is made.

16 “(2) The biweekly Government contribution for an
17 employee or annuitant enrolled in a plan under this chap-
18 ter shall not exceed the subscription charge.

19 “(3) In the case of an employee occupying a position
20 on a part-time career employment basis (as defined in sec-
21 tion 3401(2)), the biweekly Government contribution shall
22 be equal to the amount which bears the same ratio to the
23 otherwise applicable amount under this subsection (deter-
24 mined without regard to this paragraph) as the average
25 number of hours of such employee’s regularly scheduled

1 workweek bears to the average number of hours in the
2 regularly scheduled workweek of an employee serving in
3 a comparable position on a full-time career basis (as deter-
4 mined under regulations prescribed by the Office).”.

5 (b) CONFORMING AMENDMENT.—Subsection (c) of
6 section 613 of the Alaska Railroad Transfer Act of 1982
7 (45 U.S.C. 1212(c)) is repealed.

8 (c) EFFECTIVE DATE.—This section shall take effect
9 at the beginning of contract year 1997.

10 **TITLE XII—MEDICARE**
11 **Subtitle A—Copayment Reform**

12 **SEC. 12001. IMPOSITION OF 20 PERCENT COINSURANCE ON**
13 **HOME HEALTH SERVICES.**

14 (a) IN GENERAL.—

15 (1) PART A.—Section 1813(a) of the Social Se-
16 curity Act (42 U.S.C. 1395e(a)) is amended by add-
17 ing at the end the following new paragraph:

18 “(5) The amount payable for a home health service
19 furnished to an individual under this part shall be reduced
20 by a copayment amount equal to 20 percent of the average
21 of all the per visit costs for such service furnished under
22 this title determined under section 1861(v)(1)(L) (as de-
23 termined by the Secretary on a prospective basis for serv-
24 ices furnished during a calendar year).”.

1 (2) PART B.—Section 1833(a)(2) of such Act
2 (42 U.S.C. 1395l(a)(2)), as amended by section
3 147(f)(6)(C) of the Social Security Act Amendments
4 of 1994, is amended—

5 (A) in subparagraph (A)—

6 (i) by striking “to home health serv-
7 ices” and all that follows through
8 “1861(kk)),”, and

9 (ii) by striking the comma after
10 “opinion”;

11 (B) in subparagraph (E), by striking
12 “and” at the end;

13 (C) in subparagraph (F), by striking the
14 semicolon at the end and inserting “; and”; and

15 (D) by adding at the end the following new
16 subparagraph:

17 “(G) with respect to any home health serv-
18 ice other than a covered osteoporosis drug (as
19 defined in section 1861(kk))—

20 “(i) the lesser of —

21 “(I) the reasonable cost of such
22 service, as determined under section
23 1861(v), or

24 “(II) the customary charges with
25 respect to such service,

1 less the amount a provider may charge as
2 described in clause (ii) of section
3 1866(a)(2)(A), or

4 “(ii) if such service is furnished by a
5 public provider of services, or by another
6 provider which demonstrates to the satis-
7 faction of the Secretary that a significant
8 portion of its patients are low-income (and
9 requests that payment be made under this
10 clause), free of charge or at nominal
11 charges to the public, the amount deter-
12 mined in accordance with section
13 1814(b)(2),

14 less a copayment amount equal to 20 percent of
15 the average of all per visit costs for such service
16 furnished under this title determined under sec-
17 tion 1861(v)(1)(L) (as determined by the Sec-
18 retary on a prospective basis for services fur-
19 nished during a calendar year);”.

20 (3) PROVIDER CHARGES.—Section
21 1866(a)(2)(A)(i) of such Act (42 U.S.C.
22 1395cc(a)(2)(A)(i)) is amended—

23 (A) by striking “deduction or coinsurance”
24 and inserting “deduction, coinsurance, or
25 copayment”; and

1 (B) by striking “or (a)(4)” and inserting
2 “(a)(4), or (a)(5)”.

3 (b) EFFECTIVE DATE.—The amendments made by
4 subsection (a) shall apply to home health services fur-
5 nished on or after October 1, 1995.

6 **SEC. 12002. IMPOSITION OF 20 PERCENT COINSURANCE ON**
7 **CLINICAL LABORATORY SERVICES.**

8 (a) IN GENERAL.—Section 1833(a) of the Social Se-
9 curity Act (42 U.S.C. 1395l(a)), as amended by section
10 156(a)(2)(B) of the Social Security Act Amendments of
11 1994, is amended—

12 (1) in paragraph (1)(D)—

13 (A) by striking “(or 100 percent” and all
14 that follows through “basis)”, and

15 (B) by striking “100 percent of such nego-
16 tiated rate” and inserting “80 percent of such
17 negotiated rate”; and

18 (2) in paragraph (2)(D)—

19 (A) by striking “(or 100 percent” and all
20 that follows through “section 1866)”, and

21 (B) by striking “100 percent of such nego-
22 tiated rate” and inserting “80 percent of such
23 negotiated rate”.

1 (b) EFFECTIVE DATE.—The amendments made by
2 subsection (a) shall apply to tests furnished on or after
3 October 1, 1995.

4 **Subtitle B—Part B Premium**

5 **SEC. 12101. RELATING MEDICARE PART B PREMIUM TO IN-** 6 **COME FOR CERTAIN HIGH INCOME INDIVID-** 7 **UALS.**

8 (a) INCREASE IN PREMIUM.—

9 (1) IN GENERAL.—Section 1839 of the Social
10 Security Act (42 U.S.C. 1395r), as amended by sec-
11 tion 144 of the Social Security Act Amendments of
12 1994, is amended by adding at the end the follow-
13 ing:

14 “(h)(1) Notwithstanding the previous subsections of
15 this section, in the case of an individual whose modified
16 adjusted gross income in a taxable year ending with or
17 within a calendar year (as reported by the individual under
18 section 1893(a)) is equal to or exceeds the sum of the
19 threshold amount described in paragraph (4) and
20 \$25,000, the amount of the monthly premium for the cal-
21 endar year shall be increased by an amount such that the
22 total monthly premium (determined without regard to sub-
23 section (b)) is equal to 200 percent of the monthly actuar-
24 ial rate for enrollees age 65 and over as determined under
25 subsection (a)(1) for that calendar year. The preceding

1 sentence shall not apply to any individual whose threshold
2 amount is zero.

3 “(2) Notwithstanding the previous subsections of this
4 section, in the case of an individual not described in para-
5 graph (1) whose modified adjusted gross income in a tax-
6 able year ending with or within a calendar year (as re-
7 ported by the individual under section 1893(a)) exceeds
8 the threshold amount described in paragraph (4), the
9 amount of the monthly premium for the calendar year
10 shall be increased by an amount which bears the same
11 ratio to the amount of the increase determined under
12 paragraph (1) as such excess bears to \$25,000. The pre-
13 ceding sentence shall not apply to any individual whose
14 threshold amount is zero.

15 “(3) Using information provided by the Secretary of
16 the Treasury under section 6103(l)(14) of the Internal
17 Revenue Code of 1986, the Secretary shall determine the
18 actual modified adjusted gross income of individuals en-
19 rolled in this part during a taxable year and adjust the
20 monthly premium applicable to an individual during a cal-
21 endar year to take into account any overpayments or un-
22 derpayments in the premium during the previous calendar
23 year resulting from the application of this subsection.

24 “(4) In this subsection and section 1813(c), the term
25 ‘threshold amount’ means—

1 “(A) except as otherwise provided in this para-
2 graph, \$70,000,

3 “(B) \$90,000 in the case of an individual who
4 files a joint return under section 6013 of the Inter-
5 nal Revenue Code of 1986, and

6 “(C) zero in the case of an individual who—

7 “(i) is married at the close of the taxable
8 year (as determined under section 7703 of the
9 Internal Revenue Code of 1986) but does not
10 file a joint return for such year, and

11 “(ii) does not live apart from the individ-
12 ual’s spouse at all times during the taxable
13 year.”.

14 (2) CONFORMING AMENDMENT.—Section
15 1839(f) of such Act (42 U.S.C. 1395r(f)) is amend-
16 ed by striking “if an individual” and inserting the
17 following: “if an individual (other than an individual
18 subject to an increase in the monthly premium
19 under this section pursuant to subsection (h))”.

20 (3) EFFECTIVE DATE.—The amendments made
21 by paragraphs (1) and (2) shall apply to the month-
22 ly premium under section 1839 of the Social Secu-
23 rity Act for months beginning after February 1996
24 in taxable years beginning after December 31, 1995.

1 (b) REPORTING REQUIREMENT FOR BENE-
2 FICIARIES.—Title XVIII of the Social Security Act is
3 amended by adding at the end the following:

4 “REPORT TO SECRETARY ON ESTIMATED MODIFIED
5 ADJUSTED GROSS INCOME

6 “SEC. 1893. (a) IN GENERAL.—

7 “(1) INDIVIDUALS COVERED THROUGHOUT
8 YEAR.—Not later than November 1 of each year (be-
9 ginning with 1996), each individual enrolled under
10 part B shall submit to the Secretary (in such form
11 and manner as the Secretary may require, in con-
12 sultation with the Secretary of the Treasury) an es-
13 timate of the individual’s modified adjusted gross in-
14 come anticipated for the taxable year ending with or
15 within the following calendar year, to be used (sub-
16 ject to section 1839(h)(3)) to determine whether the
17 individual is to be subject to an increase in the
18 monthly part B premium under section 1839(h) for
19 such following calendar year.

20 “(2) SPECIAL RULE FOR FIRST YEAR OF COV-
21 ERAGE.—For the first year in which an individual is
22 enrolled under part B, the individual shall submit to
23 the Secretary (at such time and in such form and
24 manner as the Secretary may require, in consulta-
25 tion with the Secretary of the Treasury) an estimate
26 of the individual’s modified adjusted gross income

1 anticipated for the taxable year ending with Decem-
2 ber 31 of such year, to be used to determine whether
3 the individual is to be subject to an increase in the
4 monthly part B premium under section 1839(h) for
5 such year.

6 “(b) SPECIAL RULE FOR 1996.—Not later than 60
7 days after the date of the enactment of this section, each
8 individual described in subsection (a) shall submit to the
9 Secretary an estimate of the individual’s modified adjusted
10 gross income for the taxable year ending December 1995,
11 to be used to determine (subject to section 1839(h)(3))
12 whether the individual is to be subject to an increase in
13 the monthly part B premium under section 1839(h) dur-
14 ing 1996.

15 “(c) MODIFIED ADJUSTED GROSS INCOME DE-
16 FINED.—In subsection (a), the term ‘modified adjusted
17 gross income’ means, with respect to an individual for a
18 taxable year, the individual’s adjusted gross income under
19 the Internal Revenue Code of 1986, determined without
20 regard to sections 931 or 933 of such Code.”.

21 (c) DISCLOSURE OF CERTAIN TAX INFORMATION BY
22 SECRETARY OF TREASURY.—

23 (1) IN GENERAL.—Subsection (l) of section
24 6103 of the Internal Revenue Code of 1986 (relating
25 to confidentiality and disclosure of returns and re-

1 turn information) is amended by adding at the end
2 thereof the following new paragraph:

3 “(14) DISCLOSURE OF RETURN INFORMATION
4 TO MEANS-TEST MEDICARE.—

5 “(A) IN GENERAL.—The Secretary shall,
6 upon written request from the Administrator of
7 the Health Care Financing Administration, dis-
8 close to the officers and employees of such Ad-
9 ministration return information necessary to
10 determine the modified adjusted gross income
11 (as defined in section 1893(c) of the Social Se-
12 curity Act) of any medicare beneficiary (as de-
13 fined in paragraph (12)(E)), to be used to de-
14 termine whether the beneficiary is to be subject
15 to an increase in the monthly part B premium
16 under section 1839(g) of such Act.

17 “(B) RESTRICTION ON USE OF DISCLOSED
18 INFORMATION.—Any officer or employee of the
19 Health Care Financing Administration receiv-
20 ing return information under subparagraph (A)
21 shall use such information only for purposes of,
22 and to the extent necessary in, establishing the
23 modified adjusted gross income (as so defined)
24 of any medicare beneficiary (as so defined).”

1 (2) CONFORMING AMENDMENTS.—Paragraphs
2 (3)(A) and (4) of section 6103(p) of such Code are
3 each amended by striking “or (13)” each place it ap-
4 pears and inserting “(13), or (14)”.

5 (3) EFFECTIVE DATE.—The amendments made
6 by paragraphs (1) and (2) shall apply with respect
7 to information for taxable years beginning after De-
8 cember 31, 1995.

9 **SEC. 12103. SETTING THE PART B PREMIUM AT 25 PERCENT**
10 **OF PROGRAM EXPENDITURES PERMA-**
11 **NENTLY.**

12 (a) IN GENERAL.—Section 1839(a)(3) of the Social
13 Security Act (42 U.S.C. 1395r(a)(3)) is amended by strik-
14 ing “The monthly premium” and all that follows through
15 “November 1.” and inserting the following: “The monthly
16 premium shall be equal to 50 percent of the monthly actu-
17 arial rate for enrollees age 65 and over, as determined ac-
18 cording to paragraph (1), for that succeeding calendar
19 year.”.

20 (b) CONFORMING AMENDMENTS.—Section 1839 of
21 such Act (42 U.S.C. 1395r) is amended—

22 (1) in subsection (a)(2), by striking “(b) and
23 (e)” and inserting “(b), (c), (e), and (f)”;

1 (2) in the last sentence of subsection (a)(3), by
2 striking “and the derivation of the dollar amounts
3 specified in this paragraph”; and

4 (3) in subsection (e)—

5 (A) by striking “(1)(A) Notwithstanding”
6 and all that follows through “(B)”,

7 (B) by striking paragraph (2), and

8 (C) by redesignating clauses (i) through
9 (v) as paragraphs (1) through (5).

10 **Subtitle C—Part A Deductible**

11 **SEC. 12201. INCREASE IN MEDICARE HOSPITAL INSURANCE**

12 **DEDUCTIBLE FOR CERTAIN HIGH-INCOME IN-** 13 **DIVIDUALS.**

14 (a) INCREASE IN DEDUCTIBLE.—

15 (1) IN GENERAL.—Section 1813 of the Social
16 Security Act (42 U.S.C. 1395e) is amended by add-
17 ing at the end the following new subsection:

18 “(c)(1)(A) Notwithstanding the previous subsections
19 of this section, in the case of an individual whose modified
20 adjusted gross income in a taxable year ending with or
21 within a calendar year (as reported by the individual under
22 section 1893(a)) exceeds the threshold amount (described
23 in section 1839(h)(4)), the inpatient hospital deductible
24 otherwise applicable with respect to an individual for a

1 spell of illness that begins during such year shall be in-
2 creased—

3 “(i) in the case of an individual whose modified
4 adjusted gross income exceeds such threshold
5 amount by less than \$5,000, by 33 percent of such
6 deductible; or

7 “(ii) in the case of any other such individual, by
8 33 percent of such deductible for each \$5,000 by
9 which the individual’s modified adjusted gross in-
10 come exceeds such threshold amount.

11 “(B) Notwithstanding subparagraph (A), the total in-
12 patient hospital deductible applicable to an individual for
13 a spell of illness may not exceed—

14 “(i) for 1996, \$2,000; and

15 “(ii) for any succeeding year, the amount de-
16 scribed in this subparagraph for the preceding cal-
17 endar year, changed and adjusted in the same man-
18 ner as the inpatient hospital deductible is changed
19 and adjusted under subsection (b)(1).

20 “(2) Using information provided by the Secretary of
21 the Treasury under 6103(l)(14), the Secretary shall deter-
22 mine the actual modified adjusted gross income of individ-
23 uals enrolled in this part during a taxable year and apply
24 the following rules:

1 “(A) In the case of an individual subject to an
2 increase in the inpatient hospital deductible under
3 paragraph (1) during a year whose modified ad-
4 justed gross income did not exceed the threshold
5 amount (described in section 1839(h)(4)) for such
6 year, the Secretary shall refund to the individual the
7 amount of such increase.

8 “(B) In the case of an individual to which the
9 inpatient hospital deductible applied for inpatient
10 hospital services furnished in a year and whose ac-
11 tual modified adjusted gross income exceeded the
12 threshold amount (described in section 1839(h)(4))
13 for such year, if such individual was not subject to
14 an increase in such deductible during the year under
15 paragraph (1)—

16 “(i) the Secretary shall collect the amount
17 by which the deductible would have been in-
18 creased if the modified adjusted gross income
19 reported by the individual under section
20 1893(a) was equal to the individual’s actual
21 modified adjusted gross income from the hos-
22 pital that furnished the inpatient hospital serv-
23 ices (either directly or through reductions in
24 payments to the hospital for subsequently fur-
25 nished services); and

1 “(ii) the individual shall be liable to the
2 hospital for payment of such amount.”.

3 (2) EFFECTIVE DATE.—The amendment made
4 by paragraph (1) shall apply to inpatient hospital
5 services for which a spell of illness (as defined in
6 section 1861(a) of the Social Security Act) begins
7 after February 1996 in taxable years beginning after
8 December 31, 1995.

9 (b) CONFORMING AMENDMENT TO REPORTING RE-
10 QUIREMENT FOR BENEFICIARIES.—Section 1893 of such
11 Act, as added by section 12101(b), is amended—

12 (1) in subsection (a), by striking “part B” each
13 place it appears in paragraphs (1) and (2) and in-
14 serting “part B or entitled to benefits under part
15 A”; and

16 (2) by striking “1839(h)” each place it appears
17 in subsections (a) and (b) and inserting the follow-
18 ing: “ 1839(h) or an increase in the inpatient hos-
19 pital deductible under section 1813(c)”.

20 (c) CONFORMING AMENDMENT TO DISCLOSURE RE-
21 QUIREMENT FOR SECRETARY OF THE TREASURY.—Sec-
22 tion 6103(l)(14)(A) of the Internal Revenue Code of 1986,
23 as added by section 12101(c), is amended by striking
24 “1839(h)” and inserting the following: “ 1839(h) or an

1 increase in the inpatient hospital deductible under section
2 1813(c)”.

3 **Subtitle D—Medicare Payments to**
4 **Hospitals**

5 **SEC. 12301. ELIMINATION OF PAYMENTS TO HOSPITALS**
6 **FOR ENROLLEES’ BAD DEBTS.**

7 (a) IN GENERAL.—Section 1861(v)(1) of the Social
8 Security Act (8 U.S.C. 1395x(v)(1)) is amended by adding
9 at the end the following new subparagraph:

10 “(T) In determining such reasonable costs for hos-
11 pitals, bad debts attributable to the deductibles and coin-
12 surance amounts under this title shall not be treated as
13 allowable costs.”.

14 (b) EFFECTIVE DATE.—The amendment made by
15 subsection (a) shall apply to hospital cost reporting peri-
16 ods beginning on or after October 1, 1995.

17 **SEC. 12302. REDUCTION IN PAYMENTS FOR INDIRECT**
18 **COSTS OF MEDICAL EDUCATION.**

19 (a) IN GENERAL.—Section 1886(d)(5)(B)(ii) of the
20 Social Security Act (42 U.S.C. 1395ww(d)(5)(B)(ii)) is
21 amended by striking “1.89” and inserting “.74”.

22 (b) EFFECTIVE DATE.—The amendment made by
23 subsection (a) shall apply to hospital cost reporting peri-
24 ods beginning on or after October 1, 1995.

1 **Subtitle E—Selected Presidential**
2 **Medicare Reforms**

3 **SEC. 12401. EXPANSION OF CENTERS OF EXCELLENCE.**

4 (a) IN GENERAL.—The Secretary of Health and
5 Human Services shall use a competitive process to con-
6 tract with centers of excellence for cataract surgery, coro-
7 nary artery by-pass surgery, and such other services as
8 the Secretary determines to be appropriate. Payment
9 under title XVIII of the Social Security Act will be made
10 for services subject to such contracts on the basis of nego-
11 tiated or all-inclusive rates as follows:

12 (1) The center shall cover services provided in
13 an urban area (as defined in section 1886(d)(2)(D)
14 of the Social Security Act) for years beginning with
15 fiscal year 1995.

16 (2) The amount of payment made by the Sec-
17 retary to the center under title XVIII of the Social
18 Security Act for services covered under the project
19 shall be less than the aggregate amount of the pay-
20 ments that the Secretary would have made to the
21 center for such services had the project not been in
22 effect.

23 (3) The Secretary shall make payments to the
24 center on such a basis for the following services fur-

1 nished to individuals entitled to benefits under such
2 title:

3 (A) Facility, professional, and related serv-
4 ices relating to cataract surgery.

5 (B) Coronary artery bypass surgery and
6 related services.

7 (C) Such other services as the Secretary
8 and the center may agree to cover under the
9 agreement.

10 (b) REBATE OF PORTION OF SAVINGS.—In the case
11 of any services provided under a demonstration project
12 conducted under subsection (a), the Secretary shall make
13 a payment to each individual to whom such services are
14 furnished (at such time and in such manner as the Sec-
15 retary may provide) in an amount equal to 10 percent of
16 the amount by which—

17 (1) the amount of payment that would have
18 been made by the Secretary under title XVIII of the
19 Social Security Act to the center for such services if
20 the services had not been provided under the project,
21 exceeds

22 (2) the amount of payment made by the Sec-
23 retary under such title to the center for such serv-
24 ices.

1 **SEC. 12402. APPLICATION OF COMPETITIVE ACQUISITION**
2 **PROCESS FOR PART B ITEMS AND SERVICES.**

3 (a) GENERAL RULE.—Part B of title XVIII of the
4 Social Security Act is amended by inserting after section
5 1846 the following:

6 “COMPETITION ACQUISITION FOR ITEMS AND SERVICES
7 “SEC. 1847. (a) ESTABLISHMENT OF BIDDING
8 AREAS.—

9 “(1) IN GENERAL.—The Secretary shall estab-
10 lish competitive acquisition areas for the purpose of
11 awarding a contract or contracts for the furnishing
12 under this part of the items and services described
13 in subsection (c) on or after January 1, 1995. The
14 Secretary may establish different competitive acqui-
15 sition areas under this subsection for different class-
16 es of items and services under this part.

17 “(2) CRITERIA FOR ESTABLISHMENT.—The
18 competitive acquisition areas established under para-
19 graph (1) shall—

20 “(A) initially be, or be within, metropolitan
21 statistical areas; and

22 “(B) be chosen based on the availability
23 and accessibility of suppliers and the probable
24 savings to be realized by the use of competitive
25 bidding in the furnishing of items and services
26 in the area.

1 “(b) AWARDING OF CONTRACTS IN AREAS.—

2 “(1) IN GENERAL.—The Secretary shall con-
3 duct a competition among individuals and entities
4 supplying items and services under this part for
5 each competitive acquisition area established under
6 subsection (a) for each class of items and services.

7 “(2) CONDITIONS FOR AWARDING CONTRACT.—

8 The Secretary may not award a contract to any indi-
9 vidual or entity under the competition conducted
10 pursuant to paragraph (1) to furnish an item or
11 service under this part unless the Secretary finds
12 that the individual or entity—

13 “(A) meets quality standards specified by
14 the Secretary for the furnishing of such item or
15 service; and

16 “(B) offers to furnish a total quantity of
17 such item or service that is sufficient to meet
18 the expected need within the competitive acqui-
19 sition area.

20 “(3) CONTENTS OF CONTRACT.—A contract en-
21 tered into with an individual or entity under the
22 competition conducted pursuant to paragraph (1)
23 shall specify (for all of the items and services within
24 a class)—

1 “(A) the quantity of items and services the
2 entity shall provide; and

3 “(B) such other terms and conditions as
4 the Secretary may require.

5 “(c) SERVICES DESCRIBED.—The items and services
6 to which the provisions of this section shall apply are as
7 follows:

8 “(1) Magnetic resonance imaging tests and
9 computerized axial tomography scans, including a
10 physician’s interpretation of the results of such tests
11 and scans.

12 “(2) Oxygen and oxygen equipment.

13 “(3) Such other items and services for which
14 the Secretary determines that the use of competitive
15 acquisition under this section will be appropriate and
16 cost-effective.”.

17 (b) ITEMS AND SERVICES TO BE FURNISHED ONLY
18 THROUGH COMPETITIVE ACQUISITION.—Section 1862(a)
19 of such Act (42 U.S.C. 1395y(a)), as amended by section
20 156(a)(2)(D) of the Social Security Act Amendments of
21 1994, is amended—

22 (1) by striking “or” at the end of paragraph
23 (14);

24 (2) by striking the period at the end of para-
25 graph (15) and inserting “; or”; and

1 (3) by inserting after paragraph (15) the fol-
2 lowing new paragraph:

3 “(16) where such expenses are for an item or
4 service furnished in a competitive acquisition area
5 (as established by the Secretary under section
6 1847(a)) by an individual or entity other than the
7 supplier with whom the Secretary has entered into
8 a contract under section 1847(b) for the furnishing
9 of such item or service in that area, unless the Sec-
10 retary finds that such expenses were incurred in a
11 case of urgent need.”.

12 (c) REDUCTION IN PAYMENT AMOUNTS IF COMPETI-
13 TIVE ACQUISITION FAILS TO ACHIEVE MINIMUM REDUC-
14 TION IN PAYMENTS.—Notwithstanding any other provi-
15 sion of title XVIII of the Social Security Act, if the estab-
16 lishment of competitive acquisition areas under section
17 1847 of such Act (as added by subsection (a)) and the
18 limitation of coverage for items and services under part
19 B of such title to items and services furnished by providers
20 with competitive acquisition contracts under such section
21 does not result in a reduction of at least 10 percent in
22 the projected payment amount that would have applied to
23 the item or service under part B if the item or service
24 had not been furnished through competitive acquisition
25 under such section, the Secretary shall reduce the pay-

1 ment amount by such percentage as the Secretary deter-
2 mines necessary to result in such a reduction.

3 (d) EFFECTIVE DATE.—The amendments made by
4 this section shall apply to items and services furnished
5 under part B of title XVIII of the Social Security Act on
6 or after January 1, 1995.

7 **SEC. 12403. APPLICATION OF COMPETITIVE ACQUISITION**
8 **PROCEDURES FOR LABORATORY SERVICES.**

9 (a) IN GENERAL.—Section 1847(c) of the Social Se-
10 curity Act, as added by section 12402, is amended—

11 (1) by redesignating paragraph (4) as para-
12 graph (5); and

13 (2) by inserting after paragraph (3) the follow-
14 ing new paragraph:

15 “(4) Clinical diagnostic laboratory tests.”.

16 (b) REDUCTION IN FEE SCHEDULE AMOUNTS IF
17 COMPETITIVE ACQUISITION FAILS TO ACHIEVE SAV-
18 INGS.—Section 1833(h) (42 U.S.C. 1395l(h)) is amended
19 by adding at the end the following new paragraph:

20 “(7) Notwithstanding any other provision of this sub-
21 section, if the Secretary applies the authority provided
22 under section 1847 to establish competitive acquisition
23 areas for the furnishing of clinical diagnostic laboratory
24 tests in a year and the application of such authority does
25 not result in a reduction of at least 10 percent in the pro-

1 jected payment amount that would have applied to such
2 tests under this section if the tests had not been furnished
3 through competitive acquisition under section 1847, the
4 Secretary shall reduce each payment amount otherwise de-
5 termined under the fee schedules and negotiated rates es-
6 tablished under this subsection by such percentage as the
7 Secretary determines necessary to result in such a reduc-
8 tion.”.

9 **SEC. 12404. MEDICARE SECONDARY PAYER CHANGES.**

10 (a) EXTENSION OF DATA MATCH.—

11 (1) Section 1862(b)(5)(C) (42 U.S.C.
12 1395y(b)(5)(C)) is amended by striking clause (iii).

13 (2) Section 6103(l)(12) of the Internal Revenue
14 Code of 1986 is amended by striking subparagraph
15 (F).

16 (b) REPEAL OF SUNSET ON APPLICATION TO DIS-
17 ABLED EMPLOYEES OF EMPLOYERS WITH MORE THAN
18 100 EMPLOYEES.—Section 1862(b)(1)(B)(iii) (42 U.S.C.
19 1395y(b)(1)(B)(iii)), as amended by section 13561(b) of
20 OBRA–1993, is amended—

21 (1) in the heading, by striking “SUNSET” and
22 inserting “EFFECTIVE DATE”; and

23 (2) by striking “, and before October 1, 1998”.

24 (c) EXTENSION OF PERIOD FOR END STAGE RENAL
25 DISEASE BENEFICIARIES.—Section 1862(b)(1)(C) (42

1 U.S.C. 1395y(b)(1)(C)), as amended by section 13561(c)
2 of OBRA-1993, is amended in the second sentence by
3 striking “and on or before October 1, 1998,”.

4 **SEC. 12405. LIMITATIONS ON PAYMENT FOR PHYSICIANS’**
5 **SERVICES FURNISHED BY HIGH-COST HOS-**
6 **PITAL MEDICAL STAFFS.**

7 (a) IN GENERAL.—

8 (1) LIMITATIONS DESCRIBED.—Part B of title
9 XVIII of the Social Security Act is amended by add-
10 ing at the end the following new section:

11 “LIMITATIONS ON PAYMENT FOR PHYSICIANS’ SERVICES
12 FURNISHED BY HIGH-COST HOSPITAL MEDICAL STAFFS

13 “SEC. 1849. (a) SERVICES SUBJECT TO REDUC-
14 TION.—

15 “(1) DETERMINATION OF HOSPITAL-SPECIFIC
16 PER ADMISSION RELATIVE VALUE.—Not later than
17 October 1 of each year (beginning with 1997), the
18 Secretary shall determine for each hospital—

19 “(A) the hospital-specific per admission
20 relative value under subsection (b)(2) for the
21 following year; and

22 “(B) whether such hospital-specific relative
23 value is projected to exceed the allowable aver-
24 age per admission relative value applicable to
25 the hospital for the following year under sub-
26 section (b)(1).

1 “(2) REDUCTION FOR SERVICES AT HOSPITALS
2 EXCEEDING ALLOWABLE AVERAGE PER ADMISSION
3 RELATIVE VALUE.—If the Secretary determines
4 (under paragraph (1)) that a medical staff’s hos-
5 pital-specific per admission relative value for a year
6 (beginning with 1998) is projected to exceed the al-
7 lowable average per admission relative value applica-
8 ble to the medical staff for the year, the Secretary
9 shall reduce (in accordance with subsection (c)) the
10 amount of payment otherwise determined under this
11 part for each physician’s service furnished during
12 the year to an inpatient of the hospital by an indi-
13 vidual who is a member of the hospital’s medical
14 staff.

15 “(3) TIMING OF DETERMINATION; NOTICE TO
16 HOSPITALS AND CARRIERS.—Not later than October
17 1 of each year (beginning with 1997), the Secretary
18 shall notify the medical executive committee of each
19 hospital (as set forth in the Standards of the Joint
20 Commission on the Accreditation of Health Organi-
21 zations) of the determinations made with respect to
22 the medical staff under paragraph (1).

23 “(b) DETERMINATION OF ALLOWABLE AVERAGE
24 PER ADMISSION RELATIVE VALUE AND HOSPITAL-SPE-
25 CIFIC PER ADMISSION RELATIVE VALUES.—

1 “(1) ALLOWABLE AVERAGE PER ADMISSION
2 RELATIVE VALUE.—

3 “(A) URBAN HOSPITALS.—In the case of a
4 hospital located in an urban area, the allowable
5 average per admission relative value established
6 under this subsection for a year is equal to 125
7 percent (or 120 percent for years after 1999) of
8 the median of 1996 hospital-specific per admis-
9 sion relative values determined under paragraph
10 (2) for all hospital medical staffs.

11 “(B) RURAL HOSPITALS.—In the case of a
12 hospital located in a rural area, the allowable
13 average per admission relative value established
14 under this subsection for 1998 and each suc-
15 ceeding year, is equal to 140 percent of the me-
16 dian of the 1996 hospital-specific per admission
17 relative values determined under paragraph (2)
18 for all hospital medical staffs.

19 “(2) HOSPITAL-SPECIFIC PER ADMISSION REL-
20 ATIVE VALUE.—

21 “(A) IN GENERAL.—The hospital-specific
22 per admission relative value projected for a hos-
23 pital (other than a teaching hospital) for a cal-
24 endar year, shall be equal to the average per
25 admission relative value (as determined under

1 section 1848(c)(2)) for physicians' services fur-
2 nished to inpatients of the hospital by the hos-
3 pital's medical staff (excluding interns and resi-
4 dents) during the second year preceding such
5 calendar year, adjusted for variations in case-
6 mix and disproportionate share status among
7 hospitals (as determined by the Secretary under
8 subparagraph (C)).

9 “(B) SPECIAL RULE FOR TEACHING HOS-
10 PITALS.—The hospital-specific relative value
11 projected for a teaching hospital in a calendar
12 year shall be equal to the sum of—

13 “(i) the average per admission relative
14 value (as determined under section
15 1848(c)(2)) for physicians' services fur-
16 nished to inpatients of the hospital by the
17 hospital's medical staff (excluding interns
18 and residents) during the second year pre-
19 ceding such calendar year; and

20 “(ii) the equivalent per admission rel-
21 ative value (as determined under section
22 1848(c)(2)) for physicians' services fur-
23 nished to inpatients of the hospital by in-
24 terns and residents of the hospital during
25 the second year preceding such calendar

1 year, adjusted for variations in case-mix,
2 disproportionate share status, and teaching
3 status among hospitals (as determined by
4 the Secretary under subparagraph (C)).
5 The Secretary shall determine such equiva-
6 lent relative value unit per admission for
7 interns and residents based on the best
8 available data for teaching hospitals and
9 may make such adjustment in the aggre-
10 gate.

11 “(C) ADJUSTMENT FOR TEACHING AND
12 DISPROPORTIONATE SHARE HOSPITALS.—The
13 Secretary shall adjust the allowable per admis-
14 sion relative values otherwise determined under
15 this paragraph to take into account the needs
16 of teaching hospitals and hospitals receiving ad-
17 ditional payments under subparagraphs (F) and
18 (G) of section 1886(d)(5). The adjustment for
19 teaching status or disproportionate share shall
20 not be less than zero.

21 “(c) AMOUNT OF REDUCTION.—The amount of pay-
22 ment otherwise made under this part for a physician’s
23 service that is subject to a reduction under subsection (a)
24 during a year shall be reduced 15 percent, in the case of
25 a service furnished by a member of the medical staff of

1 the hospital for which the Secretary determines under sub-
2 section (a)(1) that the hospital medical staff's projected
3 relative value per admission exceeds the allowable average
4 per admission relative value.

5 “(d) RECONCILIATION OF REDUCTIONS BASED ON
6 HOSPITAL-SPECIFIC RELATIVE VALUE PER ADMISSION
7 WITH ACTUAL RELATIVE VALUES.—

8 “(1) DETERMINATION OF ACTUAL AVERAGE
9 PER ADMISSION RELATIVE VALUE.—Not later than
10 October 1 of each year (beginning with 1999), the
11 Secretary shall determine the actual average per ad-
12 mission relative value (as determined pursuant to
13 section 1848(c)(2)) for the physicians' services fur-
14 nished by members of a hospital's medical staff to
15 inpatients of the hospital during the previous year,
16 on the basis of claims for payment for such services
17 that are submitted to the Secretary not later than
18 90 days after the last day of such previous year. The
19 actual average per admission shall be adjusted by
20 the appropriate case-mix, disproportionate share fac-
21 tor, and teaching factor for the hospital medical
22 staff (as determined by the Secretary under sub-
23 section (b)(2)(C)). Notwithstanding any other provi-
24 sion of this title, no payment may be made under
25 this part for any physician's service furnished by a

1 member of a hospital's medical staff to an inpatient
2 of the hospital during a year unless the hospital sub-
3 mits a claim to the Secretary for payment for such
4 service not later than 90 days after the last day of
5 the year.

6 “(2) RECONCILIATION WITH REDUCTIONS
7 TAKEN.—In the case of a hospital for which the pay-
8 ment amounts for physicians' services furnished by
9 members of the hospital's medical staff to inpatients
10 of the hospital were reduced under this section for
11 a year—

12 “(A) if the actual average per admission
13 relative value for such hospital's medical staff
14 during the year (as determined by the Secretary
15 under paragraph (1)) did not exceed the allow-
16 able average per admission relative value appli-
17 cable to the hospital's medical staff under sub-
18 section (b)(1) for the year, the Secretary shall
19 reimburse the fiduciary agent for the medical
20 staff by the amount by which payments for
21 such services were reduced for the year under
22 subsection (c), including interest at an appro-
23 priate rate determined by the Secretary;

24 “(B) if the actual average per admission
25 relative value for such hospital's medical staff

1 during the year is less than 15 percentage
2 points above the allowable average per admis-
3 sion relative value applicable to the hospital's
4 medical staff under subsection (b)(1) for the
5 year, the Secretary shall reimburse the fidu-
6 ciary agent for the medical staff, as a percent
7 of the total allowed charges for physicians' serv-
8 ices performed in such hospital (prior to the
9 withhold), the difference between 15 percentage
10 points and the actual number of percentage
11 points that the staff exceeds the limit allowable
12 average per admission relative value, including
13 interest at an appropriate rate determined by
14 the Secretary; and

15 “(C) if the actual average per admission
16 relative value for such hospital's medical staff
17 during the year exceeded the allowable average
18 per admission relative value applicable to the
19 hospital's medical staff by 15 percentage points
20 or more, none of the withhold is paid to the fi-
21 duciary agent for the medical staff.

22 “(3) MEDICAL EXECUTIVE COMMITTEE OF A
23 HOSPITAL.—Each medical executive committee of a
24 hospital whose medical staff is projected to exceed
25 the allowable relative value per admission for a year,

1 shall have one year from the date of notification that
2 such medical staff is projected to exceed the allow-
3 able relative value per admission to designate a fidu-
4 ciary agent for the medical staff to receive and dis-
5 burse any appropriate withhold amount made by the
6 carrier.

7 “(4) ALTERNATIVE REIMBURSEMENT TO MEM-
8 BERS OF STAFF.—At the request of a fiduciary
9 agent for the medical staff, if the fiduciary agent for
10 the medical staff is owed the reimbursement de-
11 scribed in paragraph (2)(B) for excess reductions in
12 payments during a year, the Secretary shall make
13 such reimbursement to the members of the hospital’s
14 medical staff, on a pro-rata basis according to the
15 proportion of physicians’ services furnished to inpa-
16 tients of the hospital during the year that were fur-
17 nished by each member of the medical staff.

18 “(e) DEFINITIONS.—In this section, the following
19 definitions apply:

20 “(1) MEDICAL STAFF.—An individual furnish-
21 ing a physician’s service is considered to be on the
22 medical staff of a hospital—

23 “(A) if (in accordance with requirements
24 for hospitals established by the Joint Commis-

1 sion on Accreditation of Health Organiza-
2 tions)—

3 “(i) the individual is subject to by-
4 laws, rules, and regulations established by
5 the hospital to provide a framework for the
6 self-governance of medical staff activities;

7 “(ii) subject to such bylaws, rules, and
8 regulations, the individual has clinical
9 privileges granted by the hospital’s govern-
10 ing body; and

11 “(iii) under such clinical privileges,
12 the individual may provide physicians’
13 services independently within the scope of
14 the individual’s clinical privileges, or

15 “(B) if such physician provides at least one
16 service to a medicare beneficiary in such hos-
17 pital.

18 “(2) RURAL AREA; URBAN AREA.—The terms
19 ‘rural area’ and ‘urban area’ have the meaning given
20 such terms under section 1886(d)(2)(D).

21 “(3) TEACHING HOSPITAL.—The term ‘teaching
22 hospital’ means a hospital which has a teaching pro-
23 gram approved as specified in section 1861(b)(6).”.

24 (2) CONFORMING AMENDMENTS.—(A) Section
25 1833(a)(1)(N) of such Act (42 U.S.C.

1 1395l(a)(1)(N)) is amended by inserting “(subject to
2 reduction under section 1849)” after “1848(a)(1)”.

3 (B) Section 1848(a)(1)(B) of such Act (42
4 U.S.C. 1395w@4(a)(1)(B)) is amended by striking
5 “this subsection,” and inserting “this subsection and
6 section 1849,”.

7 (b) REQUIRING PHYSICIANS TO IDENTIFY HOSPITAL
8 AT WHICH SERVICE FURNISHED.—Section
9 1848(g)(4)(A)(i) of such Act (42 U.S.C.
10 1395w@4(g)(4)(A)(i)) is amended by striking “bene-
11 ficiary,” and inserting “beneficiary (and, in the case of
12 a service furnished to an inpatient of a hospital, report
13 the hospital identification number on such claim form),”.

14 (c) EFFECTIVE DATE.—The amendments made by
15 this section shall apply to services furnished on or after
16 January 1, 1998.

17 **SEC. 12406. REDUCTION IN UPDATE FOR INPATIENT HOS-**
18 **PITAL SERVICES.**

19 Section 1886(b)(3)(B)(i) of the Social Security Act
20 (42 U.S.C. 1395ww(b)(3)(B)(i)) is amended—

21 (1) in subclause (XII)—

22 (A) by striking “fiscal year 1997” and in-
23 serting “for each of the fiscal years 1997
24 through 2000”, and

1 (B) by striking “0.5 percentage point” and
2 inserting “2.0 percentage points”; and
3 (2) in subclause (XIII), by striking “fiscal year
4 1998” and inserting “fiscal year 2003”.

5 **SEC. 12407. ESTABLISHMENT OF CUMULATIVE EXPENDI-**
6 **TURE GOALS FOR PHYSICIAN SERVICES.**

7 (a) USE OF CUMULATIVE PERFORMANCE STAND-
8 ARD.—Section 1848(f)(2) of the Social Security Act (42
9 U.S.C. 1395w@4(f)(2)) is amended—

10 (1) in subparagraph (A)—

11 (A) in the heading, by striking “IN GEN-
12 ERAL” and inserting “FISCAL YEARS 1991
13 THROUGH 1994.—”,

14 (B) in the matter preceding clause (i), by
15 striking “a fiscal year (beginning with fiscal
16 year 1991)” and inserting “fiscal years 1991,
17 1992, 1993, and 1994”, and

18 (C) in the matter following clause (iv), by
19 striking “subparagraph (B)” and inserting
20 “subparagraph (C)”;

21 (2) in subparagraph (B), by striking “subpara-
22 graph (A)” and inserting “subparagraphs (A) and
23 (B)”;

24 (3) by redesignating subparagraphs (B) and
25 (C) as subparagraphs (C) and (D); and

1 (4) by inserting after subparagraph (A) the fol-
2 lowing new subparagraph:

3 “(B) FISCAL YEARS BEGINNING WITH FIS-
4 CAL YEAR 1995.—Unless Congress otherwise
5 provides, the performance standard rate of in-
6 crease, for all physicians’ services and for each
7 category of physicians’ services, for a fiscal year
8 beginning with fiscal year 1995 shall be equal
9 to the performance standard rate of increase
10 determined under this paragraph for the pre-
11 vious fiscal year, increased by the product of—

12 “(i) 1 plus the Secretary’s estimate of
13 the weighted average percentage increase
14 (divided by 100) in the fees for all physi-
15 cians’ services or for the category of physi-
16 cians’ services, respectively, under this part
17 for portions of calendar years included in
18 the fiscal year involved,

19 “(ii) 1 plus the Secretary’s estimate of
20 the percentage increase or decrease (di-
21 vided by 100) in the average number of in-
22 dividuals enrolled under this part (other
23 than HMO enrollees) from the previous fis-
24 cal year to the fiscal year involved,

1 “(iii) 1 plus the Secretary’s estimate
2 of the average annual percentage growth
3 (divided by 100) in volume and intensity of
4 all physicians’ services or of the category
5 of physicians’ services, respectively, under
6 this part for the 5-fiscal-year period ending
7 with the preceding fiscal year (based upon
8 information contained in the most recent
9 annual report made pursuant to section
10 1841(b)(2)), and

11 “(iv) 1 plus the Secretary’s estimate
12 of the percentage increase or decrease (di-
13 vided by 100) in expenditures for all physi-
14 cians’ services or of the category of physi-
15 cians’ services, respectively, in the fiscal
16 year (compared with the previous fiscal
17 year) which are estimated to result from
18 changes in law or regulations affecting the
19 percentage increase described in clause (i)
20 and which is not taken into account in the
21 percentage increase described in clause (i),
22 minus 1, multiplied by 100, and reduced by the
23 performance standard factor (specified in sub-
24 paragraph (C)).”.

25 (b) TREATMENT OF DEFAULT UPDATE.—

1 (1) IN GENERAL.—Section 1848(d)(3)(B) (42
2 U.S.C. 1395w@4(d)(3)(B)) is amended—

3 (A) in clause (i)—

4 (i) in the heading, by striking “IN
5 GENERAL” and inserting “1992 THROUGH
6 1996”, and

7 (ii) by striking “for a year” and in-
8 serting “for 1992, 1993, 1994, 1995, and
9 1996”; and

10 (B) by adding after clause (ii) the follow-
11 ing new clause:

12 “(iii) YEARS BEGINNING WITH 1997.—

13 “(I) IN GENERAL.—The update
14 for a category of physicians’ services
15 for a year beginning with 1997 pro-
16 vided under subparagraph (A) shall be
17 increased or decreased by the same
18 percentage by which the cumulative
19 percentage increase in actual expendi-
20 tures for such category of physicians’
21 services for such year was less or
22 greater, respectively, than the per-
23 formance standard rate of increase
24 (established under subsection (f)) for

1 such category of services for such
2 year.

3 “(II) CUMULATIVE PERCENTAGE
4 INCREASE DEFINED.—In subclause
5 (I), the ‘cumulative percentage in-
6 crease in actual expenditures’ for a
7 year shall be equal to the product of
8 the adjusted increases for each year
9 beginning with 1995 up to and includ-
10 ing the year involved, minus 1 and
11 multiplied by 100. In the previous
12 sentence, the ‘adjusted increase’ for a
13 year is equal to 1 plus the percentage
14 increase in actual expenditures for the
15 year.”.

16 (2) CONFORMING AMENDMENT.—Section
17 1848(d)(3)(A)(i) (42 U.S.C. 1395w@4(d)(3)(A)(i))
18 is amended by striking “subparagraph (B)” and in-
19 serting “subparagraphs (B) and (C)”.

20 **SEC. 12408. EXTENSION OF FREEZE ON UPDATES TO ROU-**
21 **TINE SERVICE COSTS OF SKILLED NURSING**
22 **FACILITIES.**

23 (a) PAYMENTS BASED ON COST LIMITS.—Section
24 1888(a) of the Social Security Act (42 U.S.C. 1395yy(a))
25 is amended by striking “112 percent” each place it ap-

1 pears and inserting “100 percent (adjusted by such
2 amount as the Secretary determines to be necessary to
3 preserve the savings resulting from the enactment of sec-
4 tion 13503(a)(1) of the Omnibus Budget Reconciliation
5 Act of 1993)”.

6 (b) PAYMENTS DETERMINED ON PROSPECTIVE
7 BASIS.—Section 1888(d)(2)(B) of such Act (42 U.S.C.
8 1395yy(d)(2)(B)) is amended by striking “105 percent”
9 and inserting “100 percent (adjusted by such amount as
10 the Secretary determines to be necessary to preserve the
11 savings resulting from the enactment of section 13503(b)
12 of the Omnibus Budget Reconciliation Act of 1993)”.

13 (c) EFFECTIVE DATE.—The amendments made by
14 subsections (a) and (b) shall apply to cost reporting periods
15 beginning on or after October 1, 1995.

16 **SEC. 12409. REDUCTION IN ROUTINE COST LIMITS FOR**
17 **HOME HEALTH SERVICES.**

18 (a) REDUCTION IN UPDATE TO MAINTAIN FREEZE
19 IN 1996.—Section 1861(v)(1)(L)(i) of the Social Security
20 Act (42 U.S.C. 1395x(v)(1)(L)(i)) is amended—

21 (1) in subclause (II), by striking “or” at the
22 end;

23 (2) in subclause (III), by striking “112 per-
24 cent,” and inserting “and before July 1, 1996, 112
25 percent, or”; and

1 (3) by inserting after subclause (III) the follow-
2 ing new subclause:

3 “(IV) July 1, 1996, 100 percent (adjusted by
4 such amount as the Secretary determines to be nec-
5 essary to preserve the savings resulting from the en-
6 actment of section 13564(a)(1) of the Omnibus
7 Budget Reconciliation Act of 1993),”.

8 (b) BASING LIMITS IN SUBSEQUENT YEARS ON ME-
9 DIAN OF COSTS.—

10 (1) IN GENERAL.—Section 1861(v)(1)(L)(i) of
11 such Act (U.S.C. 1395x(v)(1)(L)(i)), as amended by
12 subsection (a), is amended in the matter following
13 subclause (IV) by striking “the mean” and inserting
14 “the median”.

15 (2) EFFECTIVE DATE.—The amendment made
16 by paragraph (1) shall apply to cost reporting peri-
17 ods beginning on or after July 1, 1997.

18 **SEC. 12410. ELIMINATION OF FORMULA-DRIVEN OVERPAY-**
19 **MENTS FOR CERTAIN OUTPATIENT HOSPITAL**
20 **SERVICES.**

21 (a) AMBULATORY SURGICAL CENTER PROCE-
22 DURES.—Section 1833(i)(3)(B)(i)(II) of the Social Secu-
23 rity Act (42 U.S.C. 1395l(i)(3)(B)(i)(II)) is amended—

24 (1) by striking “of 80 percent”; and

1 (2) EFFECTIVE DATE.—Paragraph (1) shall
2 take effect on January 1, 1998.

3 (b) TERMINATION OF GNMA.—Section 302(a)(2)(A)
4 of the National Housing Act (12 U.S.C. 1717(a)(2)(A))
5 is amended by adding at the end the following new sen-
6 tences: “Upon January 1, 1988 (or such earlier date as
7 provided in the plan of the Secretary of Housing and
8 Urban Development under section 13001(b) of the Re-
9 structuring a Limited Government Act), the body cor-
10 porate described in this subparagraph shall cease to exist.
11 Upon such date, any authority of the Department of
12 Housing and Urban Development under this Act or any
13 other Act to carry out duties and functions of the Associa-
14 tion shall terminate, except to the extent provided in such
15 plan as necessary to meet any outstanding obligations of
16 the Association.”.

17 (c) DUTIES OF THE SECRETARY.—

18 (1) IN GENERAL.—Notwithstanding any other
19 provision of this Act or any other provision of law,
20 prior to January 1, 1998, the Secretary of Housing
21 and Urban Development (hereafter in this section
22 referred to as the “Secretary”) shall take such ac-
23 tions as may be necessary to—

1 (A) consolidate the programs administered
2 by the Department of Housing and Urban De-
3 velopment into a block grant program;

4 (B) convert all funding for public and as-
5 sisted housing under the United States Housing
6 Act of 1937 to tenant-based rental assistance;

7 (C) convert the Federal Housing Adminis-
8 tration into a government-controlled corpora-
9 tion, which would provide mortgage insurance
10 only to low- and moderate-income persons
11 under risk-sharing agreements with private
12 mortgage insurers;

13 (D) transfer, if the Secretary determines
14 appropriate and feasible, the functions of the
15 Government National Mortgage Association to
16 the Federal National Mortgage Association or
17 the Federal Home Loan Mortgage Corporation,
18 fulfill any outstanding obligations of the Gov-
19 ernment National Mortgage Association, and
20 windup the business of such Association; and

21 (E) otherwise provide for the complete
22 elimination of the Department of Housing and
23 Urban Development pursuant to subsections (a)
24 and (b).

25 (2) SUBMISSIONS TO CONGRESS.—

1 (A) STRATEGIC PLAN.—Not later than 180
2 days after the date of enactment of this Act,
3 the Secretary shall submit to the Congress a
4 plan to carry out paragraph (1), which shall in-
5 clude any recommendations for—

6 (i) legislation necessary to carry out
7 paragraph (1);

8 (ii) transfers of functions and activi-
9 ties, including all existing obligations to
10 other existing or successor Federal or
11 State agencies.

12 (B) PRIVATIZATION OF FHA.—Not later
13 than 180 days after the date of enactment of
14 this Act, the Secretary shall submit to the Con-
15 gress a report which shall include—

16 (i) recommendations and a strategic
17 plan for the complete privatization of the
18 Federal Housing Administration; and

19 (ii) a description of the projected cost
20 savings to the Federal Government that
21 would be achieved through the complete
22 privatization of the Federal Housing Ad-
23 ministration.

24 (d) CONGRESSIONAL BUDGET OFFICE REC-
25 OMMENDATIONS.—Not later than 180 days after the date

1 of enactment of this Act, the Director of the Congressional
2 Budget Office shall submit to the Committee on Banking
3 and Financial Services of the House of Representatives
4 and the Committee on Banking, Housing, and Urban Af-
5 fairs of the Senate a list of recommendations for minimiz-
6 ing the cost of Federal housing and community develop-
7 ment programs through the elimination of the Department
8 of Housing and Urban Development.

9 (e) GAO REPORT.—Not later than 180 days after the
10 date of enactment of this Act, the Comptroller General
11 of the United States shall submit to the Committee on
12 Banking and Financial Services of the House of Rep-
13 resentatives and the Committee on Banking, Housing, and
14 Urban Affairs of the Senate a report which shall include
15 recommendations for the most efficient means of achiev-
16 ing—

17 (1) the complete elimination of the Department
18 of Housing and Urban Development; and

19 (2) the transfer of the functions of the Depart-
20 ment of Housing and Urban Development to other
21 existing or successor Federal or State agencies.

22 (f) TRANSFER OF FUNCTIONS AND SAVINGS PROVI-
23 SIONS.—

1 (1) DEFINITIONS.—For purposes of this sub-
2 section, unless otherwise provided or indicated by
3 the context—

4 (A) the term “Federal agency” has the
5 meaning given to the term “agency” by section
6 551(1) of title 5, United States Code;

7 (B) the term “function” means any duty,
8 obligation, power, authority, responsibility,
9 right, privilege, activity, or program; and

10 (C) the term “office” includes any office,
11 administration, agency, institute, unit, organi-
12 zational entity, or component thereof.

13 (2) TRANSFER OF FUNCTIONS.—There are
14 transferred to the Department of Justice all func-
15 tions which the Secretary of Housing and Urban De-
16 velopment exercised before the date of the enactment
17 of this Act (including all related functions of any of-
18 ficer or employee of the Department of Housing and
19 Urban Development) relating to the Fair Housing
20 Act or the rights granted under the Fair Housing
21 Act.

22 (3) DETERMINATIONS OF CERTAIN FUNCTIONS
23 BY THE OFFICE OF MANAGEMENT AND BUDGET.—
24 If necessary, the Office of Management and Budget

1 shall make any determination of the functions that
2 are transferred under paragraph (2).

3 (4) PERSONNEL PROVISIONS.—

4 (A) APPOINTMENTS.—The attorney gen-
5 eral may appoint and fix the compensation of
6 such officers and employees, including inves-
7 tigators, attorneys, and administrative law
8 judges, as may be necessary to carry out the re-
9 spective functions transferred under this sub-
10 section. Except as otherwise provided by law,
11 such officers and employees shall be appointed
12 in accordance with the civil service laws and
13 their compensation fixed in accordance with
14 title 5, United States Code.

15 (B) EXPERTS AND CONSULTANTS.—The
16 Attorney General may obtain the services of ex-
17 perts and consultants in accordance with sec-
18 tion 3109 of title 5, United States Code, and
19 compensate such experts and consultants for
20 each day (including travel time) at rates not in
21 excess of the rate of pay for level IV of the Ex-
22 ecutive Schedule under section 5315 of such
23 title. The Attorney General may pay experts
24 and consultants who are serving away from
25 their homes or regular place of business travel

1 expenses and per diem in lieu of subsistence at
2 rates authorized by sections 5702 and 5703 of
3 such title for persons in Government service
4 employed intermittently.

5 (5) DELEGATION AND ASSIGNMENT.—Except
6 where otherwise expressly prohibited by law or oth-
7 erwise provided by this subsection, the Attorney
8 General may delegate any of the functions trans-
9 ferred to the Attorney General by this title and any
10 function transferred or granted to such Attorney
11 General after the effective date of this subsection to
12 such officers and employees of the Department of
13 Justice as the Attorney General may designate, and
14 may authorize successive redelegations of such func-
15 tions as may be necessary or appropriate. No delega-
16 tion of functions by the Attorney General under this
17 paragraph or under any other provision of this sub-
18 section shall relieve such Attorney General of re-
19 sponsibility for the administration of such functions.

20 (6) REORGANIZATION.—The Attorney General
21 is authorized to allocate or reallocate any function
22 transferred under paragraph (2) among the officers
23 of the Department of Justice, and to establish, con-
24 solidate, alter, or discontinue such organizational en-

1 tities in the Department of Justice as may be nec-
2 essary or appropriate.

3 (7) RULES.—The Attorney General is author-
4 ized to prescribe, in accordance with the provisions
5 of chapters 5 and 6 of title 5, United States Code,
6 such rules and regulations as the Attorney General
7 determines necessary or appropriate to administer
8 and manage the functions of the Department of Jus-
9 tice.

10 (8) TRANSFER AND ALLOCATIONS OF APPRO-
11 PRIATIONS AND PERSONNEL.—Except as otherwise
12 provided in this subsection, the personnel employed
13 in connection with, and the assets, liabilities, con-
14 tracts, property, records, and unexpended balances
15 of appropriations, authorizations, allocations, and
16 other funds employed, used, held, arising from,
17 available to, or to be made available in connection
18 with the functions transferred by this subsection,
19 subject to section 1531 of title 31, United States
20 Code, shall be transferred to the Department of Jus-
21 tice. Unexpended funds transferred pursuant to this
22 paragraph shall be used only for the purposes for
23 which the funds were originally authorized and ap-
24 propriated.

1 (9) INCIDENTAL TRANSFERS.—The Director of
2 the Office of Management and Budget, at such time
3 or times as the Director shall provide, is authorized
4 to make such determinations as may be necessary
5 with regard to the functions transferred by this sub-
6 section, and to make such additional incidental dis-
7 positions of personnel, assets, liabilities, grants, con-
8 tracts, property, records, and unexpended balances
9 of appropriations, authorizations, allocations, and
10 other funds held, used, arising from, available to, or
11 to be made available in connection with such func-
12 tions, as may be necessary to carry out the provi-
13 sions of this subsection. The Director of the Office
14 of Management and Budget shall provide for the ter-
15 mination of the affairs of all entities terminated by
16 this subsection and for such further measures and
17 dispositions as may be necessary to effectuate the
18 purposes of this subsection.

19 (10) EFFECT ON PERSONNEL.—

20 (A) IN GENERAL.—Except as otherwise
21 provided by this subsection, the transfer pursu-
22 ant to this subsection of full-time personnel (ex-
23 cept special Government employees) and part-
24 time personnel holding permanent positions
25 shall not cause any such employee to be sepa-

1 rated or reduced in grade or compensation for
2 one year after the date of transfer of such em-
3 ployee under this subsection.

4 (B) EXECUTIVE SCHEDULE POSITIONS.—
5 Except as otherwise provided in this subsection,
6 any person who, on the day preceding the effec-
7 tive date of this subsection, held a position com-
8 pensated in accordance with the Executive
9 Schedule prescribed in chapter 53 of title 5,
10 United States Code, and who, without a break
11 in service, is appointed in the Department of
12 Justice to a position having duties comparable
13 to the duties performed immediately preceding
14 such appointment shall continue to be com-
15 pensated in such new position at not less than
16 the rate provided for such previous position, for
17 the duration of the service of such person in
18 such new position.

19 (C) TERMINATION OF CERTAIN POSI-
20 TIONS.—Positions whose incumbents are ap-
21 pointed by the President, by and with the ad-
22 vice and consent of the Senate, the functions of
23 which are transferred by this subsection, shall
24 terminate on the effective date of this sub-
25 section.

1 (11) SAVINGS PROVISIONS.—

2 (A) CONTINUING EFFECT OF LEGAL DOCU-
3 MENTS.—All orders, determinations, rules, reg-
4 ulations, permits, agreements, grants, contracts,
5 certificates, licenses, registrations, privileges,
6 and other administrative actions—

7 (i) which have been issued, made,
8 granted, or allowed to become effective by
9 the President, any Federal agency or offi-
10 cial thereof, or by a court of competent ju-
11 risdiction, in the performance of functions
12 which are transferred under this sub-
13 section, and

14 (ii) which are in effect at the time this
15 subsection takes effect, or were final before
16 the effective date of this subsection and
17 are to become effective on or after the ef-
18 fective date of this subsection,

19 shall continue in effect according to their terms
20 until modified, terminated, superseded, set
21 aside, or revoked in accordance with law by the
22 President, the Attorney General or other au-
23 thorized official, a court of competent jurisdic-
24 tion, or by operation of law.

1 (B) PROCEEDINGS NOT AFFECTED.—The
2 provisions of this subsection shall not affect any
3 proceedings, including notices of proposed rule-
4 making, or any application for any license, per-
5 mit, certificate, or financial assistance pending
6 before the Department of Housing and Urban
7 Development at the time this subsection takes
8 effect, with respect to functions transferred by
9 this subsection but such proceedings and appli-
10 cations shall be continued. Orders shall be is-
11 sued in such proceedings, appeals shall be taken
12 therefrom, and payments shall be made pursu-
13 ant to such orders, as if this subsection had not
14 been enacted, and orders issued in any such
15 proceedings shall continue in effect until modi-
16 fied, terminated, superseded, or revoked by a
17 duly authorized official, by a court of competent
18 jurisdiction, or by operation of law. Nothing in
19 this subparagraph shall be deemed to prohibit
20 the discontinuance or modification of any such
21 proceeding under the same terms and condi-
22 tions and to the same extent that such proceed-
23 ing could have been discontinued or modified if
24 this subsection had not been enacted.

1 (C) SUITS NOT AFFECTED.—The provi-
2 sions of this subsection shall not affect suits
3 commenced before the effective date of this sub-
4 section, and in all such suits, proceedings shall
5 be had, appeals taken, and judgments rendered
6 in the same manner and with the same effect
7 as if this subsection had not been enacted.

8 (D) NONABATEMENT OF ACTIONS.—No
9 suit, action, or other proceeding commenced by
10 or against the Department of Housing and
11 Urban Development, or by or against any indi-
12 vidual in the official capacity of such individual
13 as an officer of the Department of Housing and
14 Urban Development, shall abate by reason of
15 the enactment of this subsection.

16 (E) ADMINISTRATIVE ACTIONS RELATING
17 TO PROMULGATION OF REGULATIONS.—Any ad-
18 ministrative action relating to the preparation
19 or promulgation of a regulation by the Depart-
20 ment of Housing and Urban Development relat-
21 ing to a function transferred under this sub-
22 section may be continued by the Department of
23 Justice with the same effect as if this sub-
24 section had not been enacted.

1 (12) SEPARABILITY.—If a provision of this sub-
2 section or its application to any person or cir-
3 cumstance is held invalid, neither the remainder of
4 this subsection nor the application of the provision
5 to other persons or circumstances shall be affected.

6 (13) TRANSITION.—The Attorney General is
7 authorized to utilize—

8 (A) the services of such officers, employ-
9 ees, and other personnel of the Department of
10 Housing and Urban Development with respect
11 to functions transferred to the Department of
12 Justice by this subsection; and

13 (B) funds appropriated to such functions
14 for such period of time as may reasonably be
15 needed to facilitate the orderly implementation
16 of this subsection.

17 (14) REFERENCES.—Reference in any other
18 Federal law, executive order, rule, regulation, or del-
19 egation of authority, or any document of or relating
20 to—

21 (A) the Secretary of Housing and Urban
22 Development with regard to functions trans-
23 ferred under paragraph (2), shall be deemed to
24 refer to the Attorney General; and

1 (B) the Department of Housing and
2 Urban Development with regard to functions
3 transferred under paragraph (2), shall be
4 deemed to refer to the Department of Justice.

5 (15) ADDITIONAL CONFORMING AMEND-
6 MENTS.—

7 (A) RECOMMENDED LEGISLATION.—After
8 consultation with the appropriate committees of
9 the Congress and the Director of the Office of
10 Management and Budget, the Attorney General
11 shall prepare and submit to the Congress rec-
12 ommended legislation containing technical and
13 conforming amendments to reflect the changes
14 made by this subsection.

15 (B) SUBMISSION TO THE CONGRESS.—No
16 later than 6 months after the effective date of
17 this subsection, the Attorney General shall sub-
18 mit the recommended legislation referred to
19 under subparagraph (A).

20 (16) EFFECTIVE DATE.—This subsection shall
21 take effect 180 days after the date of enactment of
22 this Act.

1 **Subtitle B—Housing Program**
2 **Reforms**

3 **SEC. 13101. ELIMINATION OF OPERATING SUBSIDIES FOR**
4 **VACANT PUBLIC HOUSING.**

5 (a) IN GENERAL.—Section 9(a)(3)(B) of the United
6 States Housing Act of 1937 (42 U.S.C. 1437g(a)(3)(B))
7 is amended—

- 8 (1) in clause (iv), by striking “and” at the end;
9 (2) in clause (v), by striking the period at the
10 end and inserting “; and”; and
11 (3) by adding at the end the following new
12 clause:

13 “(vi) no payment may be provided under this
14 section for any dwelling unit that has been vacant
15 for a period of 180 days or more unless such unit
16 is vacant because of comprehensive modernization,
17 major reconstruction, demolition, or disposition ac-
18 tivities that have been funded or approved.”.

19 (b) ELIMINATION OF ANNUAL CONTRIBUTION RE-
20 SERVE.—Section 14(p) of the United States Housing Act
21 of 1937 (42 U.S.C. 1437l(p)) is amended by striking para-
22 graph (3).

23 (c) RECAPTURE OF ANNUAL CONTRIBUTION RE-
24 SERVE.—The Secretary of Housing and Urban Develop-
25 ment shall recapture any amounts reserved from annual

1 contributions for public housing agencies and deposited in
2 accounts established on behalf of the agencies pursuant
3 to paragraph (3) of section 14(p) of the United States
4 Housing Act of 1937 (as in effect immediately before the
5 date of the enactment of this Act).

6 **SEC. 13102. INCREASE OF TENANT CONTRIBUTIONS.**

7 (a) UNITED STATES HOUSING ACT OF 1937.—The
8 United States Housing Act of 1937 (42 U.S.C. 1437 et
9 seq.) is amended as follows:

10 (1) GENERAL RULE FOR SECTION 8 AND PUB-
11 LIC HOUSING.—In section 3(a)(1)(A), by striking
12 “30 per centum” and inserting “35 percent”.

13 (2) SECTION 8 VOUCHERS.—In section 8(o)—
14 (A) in paragraph (2), by striking “30 per
15 centum” and inserting “35 percent”; and
16 (B) in paragraph (11)(B)(ii), by striking
17 “30 percent” and inserting “35 percent”.

18 (3) SECTION 8 ASSISTANCE FOR RENTAL REHA-
19 BILITATION PROJECTS.—In section 8(u)(2), by strik-
20 ing “30 percent” and inserting “35 percent”.

21 (4) SECTION 8 HOMEOWNERSHIP ASSIST-
22 ANCE.—In section 8(y)(2)(A), by striking “30 per-
23 cent” and inserting “35 percent”.

1 (5) DISPLACEMENT ASSISTANCE.—In section
2 16(d)(1), by striking “30 percent” and inserting “35
3 percent”.

4 (6) FAMILY SELF-SUFFICIENCY PROGRAM.—In
5 section 23(d), by striking “30 percent” each place it
6 appears and inserting “35 percent”.

7 (7) MUTUAL HELP HOMEOWNERSHIP PROGRAM
8 FOR INDIAN HOUSING.—In section
9 202(e)(2)(A)(i)(I), by striking “30 percent” and in-
10 serting “35 percent”.

11 (b) SECTION 8 ASSISTANCE FOR PRESERVATION OF
12 STATE-SPONSORED LOW-INCOME HOUSING.—Section
13 613(b)(2) of the Cranston-Gonzalez National Affordable
14 Housing Act (42 U.S.C. 4125(b)(2)) is amended by strik-
15 ing “30 percent” and inserting “35 percent”.

16 (c) LOW-INCOME HOUSING PRESERVATION PRO-
17 GRAMS.—

18 (1) LIHPRH ACT OF 1990.—The Low-Income
19 Housing Preservation and Resident Homeownership
20 Act of 1990 is amended—

21 (A) in section 218(a)(1)(A) (12 U.S.C.
22 4108(a)(1)(A)), by striking “30 percent” and
23 inserting “35 percent”; and

1 (B) in section 222(a)(2)(D)(i) (12 U.S.C.
2 4112(a)(2)(D)(i)), by striking “30 percent” and
3 inserting “35 percent”.

4 (2) ELIHP ACT OF 1987.—Any reference in the
5 provisions of the Emergency Low Income Housing
6 Preservation Act of 1987 (as in effect before the
7 date of the enactment of the Cranston-Gonzalez Na-
8 tional Affordable Housing Act) to 30 percent of the
9 adjusted income of a tenant or family shall be con-
10 sidered to mean 35 percent of such adjusted income,
11 for purposes of the applicability of the provisions of
12 the Emergency Low Income Housing Preservation
13 Act of 1987 pursuant to section 604 of the Cran-
14 ston-Gonzalez National Affordable Housing Act.

15 **SEC. 13103. REDUCTION OF PHA ADMINISTRATIVE FEES**
16 **FOR SECTION 8 RENTAL ASSISTANCE PRO-**
17 **GRAM.**

18 (a) MONTHLY FEE.—

19 (1) IN GENERAL.—Section 8(q)(1) of the Unit-
20 ed States Housing Act of 1937 (42 U.S.C.
21 1437f(q)(1)) is amended—

22 (A) by striking the 2d sentence and insert-
23 ing the following new sentences: “In fiscal year
24 1996 the amount of the fee for each month for
25 which a dwelling unit is covered by an assist-

1 ance contract shall be 7.2375 percent of the
2 fair market rental established under subsection
3 (c)(1) for a 2-bedroom existing rental dwelling
4 unit in the market area of the public housing
5 agency. In fiscal year 1997 and in each fiscal
6 year thereafter, the fee shall be 5.0 percent of
7 such fair market rental.”; and

8 (B) in the last sentence, by striking “fee”
9 and inserting “amount of the fee established
10 under this paragraph, for certain programs,”.

11 (2) EFFECTIVE DATE AND APPLICABILITY.—

12 (A) EFFECTIVE DATE.—The amendments
13 under paragraph (1) shall be made on October
14 1, 1995.

15 (B) APPLICABILITY.—The amendments
16 made by this subsection shall apply to any
17 dwelling units covered by an assistance contract
18 under section 8 of the United States Housing
19 Act of 1937 in effect on October 1, 1995, and
20 any units covered by such a contract entered
21 into or renewed on or after such date.

22 (b) START-UP FEE.—

23 (1) IN GENERAL.—Section 8(q)(2)(A)(i) of the
24 United States Housing Act of 1937 (42 U.S.C.

1 1437f(q)(2)(A)(i) is amended by striking “\$275”
2 and inserting “\$590”.

3 (2) EFFECTIVE DATE.—The amendment under
4 paragraph (1) shall be made and shall take effect on
5 October 1, 1995.

6 **Subtitle C—Supplemental Security**
7 **Income Reforms**

8 **SEC. 13201. MORE TIMELY REPORTING OF ADMISSIONS OF**
9 **SSI RECIPIENTS TO NURSING HOMES; \$30**
10 **LIMIT ON SSI BENEFITS FOR RECIPIENTS IN**
11 **NURSING HOMES IF MEDICAID PAYS MOST**
12 **OF THEIR CARE COSTS.**

13 Section 1631(e)(1)(C) of the Social Security Act (42
14 U.S.C. 1383(e)(1)(C)), as added by section 6(a) of the So-
15 cial Security Domestic Employment Reform Act of 1994,
16 is amended by striking “2 weeks” and inserting “1 day”.

17 **SEC. 13202. REDUCED UNEARNED INCOME EXCLUSION**
18 **UNDER THE SUPPLEMENTAL SECURITY IN-**
19 **COME PROGRAM.**

20 Section 1612(b)(3)(A) of the Social Security Act (42
21 U.S.C. 1382a(b)(3)(A)) is amended by striking “\$20” and
22 inserting “\$15”.

1 **SEC. 13203. RECOVERY OF SSI OVERPAYMENTS FROM SO-**
2 **CIAL SECURITY BENEFITS.**

3 (a) IN GENERAL.—Part A of title XI of the Social
4 Security Act (42 U.S.C. 1301 et seq.) is amended by add-
5 ing at the end the following new section:

6 “RECOVERY OF SSI OVERPAYMENTS FROM OASDI
7 BENEFITS

8 “SEC. 1144. (a) Whenever the Commissioner of So-
9 cial Security determines that more than the correct
10 amount of supplemental security income benefits has been
11 paid to any person and the Commissioner is unable to
12 make proper adjustment or recovery of the amount so in-
13 correctly paid as provided in section 1631(b), the Commis-
14 sioner (notwithstanding section 207) may recover the
15 amount incorrectly paid by reducing monthly insurance
16 benefits otherwise payable under title II to such person
17 or such person’s estate.

18 “(b) Together with any certification for payment of
19 monthly insurance benefits under title II pursuant to sec-
20 tion 205(i), the Commissioner shall include a certification
21 of the amount of any reduction in such benefits made pur-
22 suant to subsection (a). Upon receipt of such certification
23 of the amount of the reduction, the Secretary of the Treas-
24 ury, as Managing Trustee of the Federal Old-Age and
25 Survivors Insurance Trust Fund or the Federal Disability
26 Insurance Trust Fund, shall transfer an amount equal to

1 the amount of such reduction as so certified from the ap-
2 propriate Trust Fund to the general fund of the Treasury.

3 “(c) For purposes of this section, the term ‘supple-
4 mental security income benefit’ means a benefit under title
5 XVI, including a supplementary payment of the type de-
6 scribed in section 1616(a) and a payment pursuant to an
7 administration agreement entered into under section
8 212(b) of Public Law 93–66.”.

9 (b) CONFORMING AMENDMENT.—Section 1631(b) of
10 such Act (42 U.S.C. 1383(b)) is amended by adding at
11 the end the following new paragraph:

12 “(6) For provisions relating to the recovery of over-
13 payments under this title by means of reduction in bene-
14 fits otherwise payable under title II, see section 1144.”.

15 (c) EFFECTIVE DATE.—The amendments made by
16 this section shall take effect on the date of the enactment
17 of this Act and shall apply to overpayments outstanding
18 on or after such date.

19 **Subtitle D—Civil Service Reforms**

20 **SEC. 13301. INCREASE IN RETIREMENT AGE UNDER FERS**

21 **TO 65.**

22 (a) IN GENERAL.—Chapter 84 of title 5, United
23 States Code, is amended by adding at the end the follow-
24 ing:

1 “SUBCHAPTER VIII—SPECIAL RULES FOR CER-
2 TAIN POST-1993 NEW EMPLOYEES AND
3 MEMBERS

4 **“§ 8481. Applicability**

5 “(a) This subchapter sets forth special rules in con-
6 formance with which this chapter shall be applied with re-
7 spect to any employee who first becomes an employee sub-
8 ject to this chapter, or who is first elected as a Member,
9 after December 31, 1994.

10 “(b) Nothing in this subchapter shall be considered
11 to apply with respect to any employee or Member not de-
12 scribed in subsection (a) or to have any effect except for
13 the purpose referred to in such subsection.

14 **“§ 8482. Immediate retirement**

15 “Deem section 8412 to be amended as follows:

16 “(1) Subsection (c) is amended by striking ‘62’
17 and inserting ‘65’.

18 “(2) Subsections (a), (b), (f), and (g) are re-
19 pealed.

20 **“§ 8483. Deferred retirement**

21 “Deem section 8413 to be amended as follows:

22 “(1) Subsection (a) is amended by striking ‘62’
23 and inserting ‘65’.

24 “(2) Subsection (b) is repealed.

1 **“§ 8484. References to age 62**

2 “(a) Deem section 8415 to be amended as follows:

3 “(1) Subsection (f) is repealed.

4 “(2) Subsection (g)(2)(B) is amended by strik-
5 ing ‘is at least 62 years of age and’.

6 “(b) Deem section 8442 to be amended in subsections
7 (c)(2)(B) and (g)(2)(B) by striking ‘62’ each place it ap-
8 pears and inserting ‘65’.

9 “(c) Deem section 8452(b)(1) to be amended by
10 striking ‘sixty-second’ and inserting ‘sixty-fifth’.”.

11 (b) CHAPTER ANALYSIS.—The analysis for chapter
12 84 of title 5, United States Code, is amended by adding
13 at the end the following:

“SPECIAL RULES FOR CERTAIN POST-1993 NEW EMPLOYEES AND MEMBERS

“8481. Applicability.

“8482. Immediate retirement.

“8483. Deferred retirement.

“8484. References to age 62.”.

14 **SEC. 13302. DEFERRAL UNTIL AGE 62 OF COST-OF-LIVING**
15 **ADJUSTMENTS FOR MILITARY RETIREES**
16 **WHO FIRST ENTERED MILITARY SERVICE ON**
17 **OR AFTER JANUARY 1, 1996.**

18 Section 1401a(b)(1) of title 10, United States Code,
19 is amended by adding at the end the following new sen-
20 tence: “In the case of a member or former member under
21 age 62 (other than a member retired under chapter 61
22 of this title) who first became a member on or after Janu-

1 ary 1, 1996, such increase shall not become payable as
2 part of the retired pay of the member or former member
3 until the month in which the member or former member
4 becomes 62 years of age.”.

5 **SEC. 13303. PROVISION RELATING TO GOVERNMENT CON-**
6 **TRIBUTIONS TO THE THRIFT SAVINGS PLAN.**

7 Section 8432(c)(2)(B) of title 5, United States Code,
8 is amended by adding at the end the following: “Clause
9 (ii) shall not apply with respect to any employee or Mem-
10 ber described in section 8481(a).”.

11 **Subtitle E—Assistance Program**
12 **Reforms**

13 **SEC. 13401. LOW-INCOME HOME ENERGY ASSISTANCE.**

14 Section 2602(b) of the Low-Income Home Energy
15 Assistance Act of 1981 (42 U.S.C. 8621(b)) is amended
16 by inserting after the first sentence the following new sen-
17 tence: “There are authorized to be appropriated to carry
18 out this title \$700,000,000 for each of the fiscal years
19 1996 through 2000.”.

20 **SEC. 13402. ADDITIONAL REQUIREMENTS FOR UNEMPLOY-**
21 **MENT BENEFITS.**

22 (a) GENERAL RULE.—Subsection (a) of section 3304
23 of the Internal Revenue Code of 1986 (relating to approval
24 of State laws) is amended by striking “and” at the end
25 of paragraph (17), by redesignating paragraph (18) as

1 paragraph (20), and by inserting after paragraph (17) the
2 following new paragraphs:

3 “(18) compensation shall not be payable to any
4 individual for such individual’s first 2 weeks of oth-
5 erwise compensable unemployment during any bene-
6 fit year; except that this paragraph shall not apply
7 in the case of a benefit year which immediately fol-
8 lows the ending of a preceding benefit year for the
9 individual;

10 “(19) compensation shall not be payable to any
11 individual for any benefit year if the taxable income
12 of such individual for such individual’s most recent
13 taxable year ending before the beginning of such
14 benefit year exceeded \$120,000; and”.

15 (b) CONFORMING AMENDMENT.—Paragraph (2) of
16 section 204(a) of the Federal-State Extended Unemploy-
17 ment Compensation Act of 1970 is amended by striking
18 subparagraph (B) and redesignating subparagraphs (C)
19 and (D) as subparagraphs (B) and (C), respectively.

20 (c) EFFECTIVE DATE.—

21 (1) IN GENERAL.—Except as provided in para-
22 graph (2), the amendments made by this section
23 shall apply to benefit years beginning after Septem-
24 ber 30, 1995.

1 “(C) was not discharged or released for
2 cause as defined by the Secretary of Defense;”.

3 (b) EFFECTIVE DATE.—The amendment made by
4 subsection (a) shall apply in the case of a discharge or
5 release after the date of the enactment of this Act.

6 **SEC. 13404. INCREASE IN VARIABLE RATE PREMIUM**
7 **CHARGED BY THE PENSION BENEFIT GUAR-**
8 **ANTY CORPORATION TO SINGLE-EMPLOYER**
9 **PLANS.**

10 (a) IN GENERAL.—Clause (ii) of section
11 4006(a)(3)(E) of the Employee Retirement Income Secu-
12 rity Act of 1974 (29 U.S.C. 1306(a)(3)(E)(ii)) is amended
13 by striking “\$9.00” and inserting “\$18.00”.

14 (b) EFFECTIVE DATE.—The amendment made by
15 subsection (a) shall apply with respect to plan years begin-
16 ning on or after January 1, 1997.

17 **TITLE XIV—PERSONAL RESPON-**
18 **SIBILITY AND FAMILY PRES-**
19 **ERVATION**

20 **SEC. 14001. SHORT TITLE.**

21 This title may be cited as the “Personal Responsibil-
22 ity Act of 1995”.

23 **SEC. 14002. TABLE OF CONTENTS.**

24 The table of contents of this title is as follows:

TITLE XIV—PERSONAL RESPONSIBILITY AND FAMILY
PRESERVATION

- Sec. 14001. Short title.
- Sec. 14002. Table of contents.

Subtitle A—Block Grants for Temporary Assistance for Needy Families

- Sec. 14100. Sense of the Congress.
- Sec. 14101. Block grants to States.
- Sec. 14102. Report on data processing.
- Sec. 14103. Transfers.
- Sec. 14104. Conforming amendments to the Social Security Act.
- Sec. 14105. Conforming amendments to other laws.
- Sec. 14106. Continued application of current standards under medicaid program.
- Sec. 14107. Effective date.

Subtitle B—Child Protection Block Grant Program

- Sec. 14201. Establishment of program.
- Sec. 14202. Conforming amendments.
- Sec. 14203. Continued application of current standards under Medicaid Program.
- Sec. 14204. Effective date.
- Sec. 14205. Sense of the Congress regarding timely adoption of children.

Subtitle C—Block Grants for Child Care and for Nutrition Assistance

CHAPTER 1—CHILD CARE BLOCK GRANTS

- Sec. 14301. Amendments to the Child Care and Development Block Grant Act of 1990.
- Sec. 14302. Repeal of child care assistance authorized by acts other than the Social Security Act.

CHAPTER 2—FAMILY AND SCHOOL-BASED NUTRITION BLOCK GRANTS

SUBCHAPTER A—FAMILY NUTRITION BLOCK GRANT PROGRAM

- Sec. 14321. Amendment to Child Nutrition Act of 1966.

SUBCHAPTER B—SCHOOL-BASED NUTRITION BLOCK GRANT PROGRAM

- Sec. 14341. Amendment to National School Lunch Act.

SUBCHAPTER C—MISCELLANEOUS PROVISIONS

- Sec. 14361. Repealers.

CHAPTER 3—OTHER REPEALERS AND CONFORMING AMENDMENTS

- Sec. 14371. Amendments to laws relating to child protection block grant.

CHAPTER 4—RELATED PROVISIONS

- Sec. 14381. Requirement that data relating to the incidence of poverty in the United States be published at least every 2 years.
- Sec. 14382. Data on program participation and outcomes.

CHAPTER 5—GENERAL EFFECTIVE DATE; PRESERVATION OF ACTIONS, OBLIGATIONS, AND RIGHTS

- Sec. 14391. Effective date.
- Sec. 14392. Application of amendments and repealers.

Subtitle D—Restricting Welfare and Public Benefits for Aliens

- Sec. 14400. Statements of national policy concerning welfare and immigration.

CHAPTER 1—ELIGIBILITY FOR FEDERAL BENEFITS PROGRAMS

- Sec. 14401. Ineligibility of illegal aliens for certain public benefits programs.
- Sec. 14402. Ineligibility of nonimmigrants for certain public benefits programs.
- Sec. 14403. Limited eligibility of immigrants for 5 specified Federal public benefits programs.
- Sec. 14404. Notification.

CHAPTER 2—ELIGIBILITY FOR STATE AND LOCAL PUBLIC BENEFITS PROGRAMS

- Sec. 14411. Ineligibility of illegal aliens for State and local public benefits programs.
- Sec. 14412. Ineligibility of nonimmigrants for State and local public benefits programs.
- Sec. 14413. State authority to limit eligibility of immigrants for State and local means-tested public benefits programs.

CHAPTER 3—ATTRIBUTION OF INCOME AND AFFIDAVITS OF SUPPORT

- Sec. 14421. Attribution of sponsor's income and resources to family-sponsored immigrants.
- Sec. 14422. Requirements for sponsor's affidavit of support.

CHAPTER 4—GENERAL PROVISIONS

- Sec. 14431. Definitions.
- Sec. 14432. Construction.

CHAPTER 5—CONFORMING AMENDMENTS

- Sec. 14441. Conforming amendments relating to assisted housing.

Subtitle E—Food Stamp Reform and Commodity Distribution

- Sec. 14501. Short title.

CHAPTER 1—COMMODITY DISTRIBUTION PROVISIONS

- Sec. 14511. Short title.
- Sec. 14512. Availability of commodities.
- Sec. 14513. State, local and private supplementation of commodities.
- Sec. 14514. State plan.
- Sec. 14515. Allocation of commodities to States.
- Sec. 14516. Priority system for State distribution of commodities.
- Sec. 14517. Initial processing costs.
- Sec. 14518. Assurances; anticipated use.
- Sec. 14519. Authorization of appropriations.
- Sec. 14520. Commodity supplemental food program.
- Sec. 14521. Commodities not income.
- Sec. 14522. Prohibition against certain State charges.
- Sec. 14523. Definitions.

- Sec. 14524. Regulations.
- Sec. 14525. Finality of determinations.
- Sec. 14526. Sale of commodities prohibited.
- Sec. 14527. Settlement and adjustment of claims.
- Sec. 14528. Repealers; amendments.

CHAPTER 2—CONSOLIDATING FOOD ASSISTANCE PROGRAMS

- Sec. 14541. Food stamp block grant program.
- Sec. 14542. Availability of Federal coupon system to States.
- Sec. 14543. Definitions.
- Sec. 14544. Repealer.

CHAPTER 3—EFFECTIVE DATES AND MISCELLANEOUS PROVISIONS

- Sec. 14591. Effective date; application of repealer.
- Sec. 14592. Sense of the Congress.
- Sec. 14593. Deficit reduction.

Subtitle F—Supplemental Security Income

- Sec. 14601. Denial of supplemental security income benefits by reason of disability to drug addicts and alcoholics.
- Sec. 14602. Supplemental security income benefits for disabled children.
- Sec. 14603. Examination of mental listings used to determine eligibility of children for SSI benefits by reason of disability.
- Sec. 14604. Limitation on payments to Puerto Rico, the Virgin Islands, and Guam under programs of aid to the aged, blind, or disabled.
- Sec. 14605. Repeal of maintenance of effort requirements applicable to optional State programs for supplementation of SSI benefits.
- Sec. 14606. Denial of SSI benefits for 10 years to individuals found to have fraudulently misrepresented residence in order to obtain benefits simultaneously in 2 or more States.
- Sec. 14607. Denial of SSI benefits for fugitive felons and probation and parole violators.
- Sec. 14608. Reapplication requirements for adults receiving SSI benefits by reason of disability.
- Sec. 14609. Striking of restrictions regarding determination of ineligibility.
- Sec. 14610. Narrowing of SSI eligibility on basis of mental impairments.

Subtitle G—Child Support

- Sec. 14700. References.

CHAPTER 1—ELIGIBILITY FOR SERVICES; DISTRIBUTION OF PAYMENTS

- Sec. 14701. State obligation to provide child support enforcement services.
- Sec. 14702. Distribution of child support collections.
- Sec. 14703. Privacy safeguards.

CHAPTER 2—LOCATE AND CASE TRACKING

- Sec. 14711. State case registry.
- Sec. 14712. Collection and disbursement of support payments.
- Sec. 14713. State directory of new hires.
- Sec. 14714. Amendments concerning income withholding.
- Sec. 14715. Locator information from interstate networks.
- Sec. 14716. Expansion of the Federal parent locator service.

- Sec. 14717. Collection and use of social security numbers for use in child support enforcement.

CHAPTER 3—STREAMLINING AND UNIFORMITY OF PROCEDURES

- Sec. 14721. Adoption of uniform State laws.
 Sec. 14722. Improvements to full faith and credit for child support orders.
 Sec. 14723. Administrative enforcement in interstate cases.
 Sec. 14724. Use of forms in interstate enforcement.
 Sec. 14725. State laws providing expedited procedures.

CHAPTER 4—PATERNITY ESTABLISHMENT

- Sec. 14731. State laws concerning paternity establishment.
 Sec. 14732. Outreach for voluntary paternity establishment.
 Sec. 14733. Cooperation by applicants for and recipients of temporary family assistance.

CHAPTER 5—PROGRAM ADMINISTRATION AND FUNDING

- Sec. 14741. Federal matching payments.
 Sec. 14742. Performance-based incentives and penalties.
 Sec. 14743. Federal and State reviews and audits.
 Sec. 14744. Required reporting procedures.
 Sec. 14745. Automated data processing requirements.
 Sec. 14746. Technical assistance.
 Sec. 14747. Reports and data collection by the Secretary.

CHAPTER 6—ESTABLISHMENT AND MODIFICATION OF SUPPORT ORDERS

- Sec. 14751. Simplified process for review and adjustment of child support orders.
 Sec. 14752. Furnishing consumer reports for certain purposes relating to child support.

CHAPTER 7—ENFORCEMENT OF SUPPORT ORDERS

- Sec. 14761. Federal income tax refund offset.
 Sec. 14762. Authority to collect support from Federal employees.
 Sec. 14763. Enforcement of child support obligations of members of the armed forces.
 Sec. 14764. Voiding of fraudulent transfers.
 Sec. 14765. Sense of the Congress that States should suspend drivers', business, and occupational licenses of persons owing past-due child support.
 Sec. 14766. Work requirement for persons owing past-due child support.
 Sec. 14767. Definition of support order.
 Sec. 14768. Liens.
 Sec. 14769. State law authorizing suspension of licenses.

CHAPTER 8—MEDICAL SUPPORT

- Sec. 14771. Technical correction to ERISA definition of medical child support order.

CHAPTER 9—ENHANCING RESPONSIBILITY AND OPPORTUNITY FOR NON-RESIDENTIAL PARENTS

Sec. 14781. Grants to States for access and visitation programs.

CHAPTER 10—EFFECT OF ENACTMENT

Sec. 14791. Effective dates.

CHAPTER 11—MISCELLANEOUS PROVISIONS

Sec. 14801. Scoring.

Sec. 14802. Provisions to encourage electronic benefit transfer systems.

1 **Subtitle A—Block Grants for Tem-**
 2 **porary Assistance for Needy**
 3 **Families**

4 **SEC. 14100. SENSE OF THE CONGRESS.**

5 It is the sense of the Congress that—

6 (1) marriage is the foundation of a successful
 7 society;

8 (2) marriage is an essential social institution
 9 which promotes the interests of children and society
 10 at large;

11 (3) the negative consequences of an out-of-wed-
 12 lock birth on the child, the mother, and society are
 13 well documented as follows:

14 (A) the illegitimacy rate among black
 15 Americans was 26 percent in 1965, but today
 16 the rate is 68 percent and climbing;

17 (B) the illegitimacy rate among white
 18 Americans has risen tenfold, from 2.29 percent
 19 in 1960 to 22 percent today;

20 (C) the total of all out-of-wedlock births
 21 between 1970 and 1991 has risen from 10 per-

1 cent to 30 percent and if the current trend con-
2 tinues, 50 percent of all births by the year 2015
3 will be out-of-wedlock;

4 (D) $\frac{3}{4}$ of illegitimate births among whites
5 are to women with a high school education or
6 less;

7 (E) the 1-parent family is 6 times more
8 likely to be poor than the 2-parent family;

9 (F) children born into families receiving
10 welfare assistance are 3 times more likely than
11 children not born into families receiving welfare
12 to be on welfare when they reach adulthood;

13 (G) teenage single parent mothering is the
14 single biggest contributor to low birth weight
15 babies;

16 (H) children born out-of-wedlock are more
17 likely to experience low verbal cognitive attain-
18 ment, child abuse, and neglect;

19 (I) young people from single parent or
20 stepparent families are 2 to 3 times more likely
21 to have emotional or behavioral problems than
22 those from intact families;

23 (J) young white women who were raised in
24 a single parent family are more than twice as
25 likely to have children out-of-wedlock and to be-

1 come parents as teenagers, and almost twice as
2 likely to have their marriages end in divorce, as
3 are children from 2-parent families;

4 (K) the younger the single parent mother,
5 the less likely she is to finish high school;

6 (L) young women who have children before
7 finishing high school are more likely to receive
8 welfare assistance for a longer period of time;

9 (M) between 1985 and 1990, the public
10 cost of births to teenage mothers under the aid
11 to families with dependent children program,
12 the food stamp program, and the medicaid pro-
13 gram has been estimated at \$120,000,000,000;

14 (N) the absence of a father in the life of
15 a child has a negative effect on school perform-
16 ance and peer adjustment;

17 (O) the likelihood that a young black man
18 will engage in criminal activities doubles if he
19 is raised without a father and triples if he lives
20 in a neighborhood with a high concentration of
21 single parent families; and

22 (P) the greater the incidence of single par-
23 ent families in a neighborhood, the higher the
24 incidence of violent crime and burglary; and

1 (4) in light of this demonstration of the crisis
2 in our Nation, the reduction of out-of-wedlock births
3 is an important government interest and the policy
4 contained in provisions of this subtitle address the
5 crisis.

6 **SEC. 14101. BLOCK GRANTS TO STATES.**

7 Title IV of the Social Security Act (42 U.S.C. 601
8 et seq.) is amended by striking part A, except sections
9 403(h) and 417, and inserting the following:

10 **“PART A—BLOCK GRANTS TO STATES FOR**
11 **TEMPORARY ASSISTANCE FOR NEEDY FAMILIES**

12 **“SEC. 401. PURPOSE.**

13 “The purpose of this part is to increase the flexibility
14 of States in operating a program designed to—

15 “(1) provide assistance to needy families so that
16 the children in such families may be cared for in
17 their homes or in the homes of relatives;

18 “(2) end the dependence of needy parents on
19 government benefits by promoting work and mar-
20 riage; and

21 “(3) discourage out-of-wedlock births.

22 **“SEC. 402. ELIGIBLE STATES; STATE PLAN.**

23 “(a) IN GENERAL.—As used in this part, the term
24 ‘eligible State’ means, with respect to a fiscal year, a State
25 that, during the 3-year period immediately preceding the

1 fiscal year, has submitted to the Secretary a plan that in-
2 cludes the following:

3 “(1) OUTLINE OF FAMILY ASSISTANCE PRO-
4 GRAM.—A written document that outlines how the
5 State intends to do the following:

6 “(A) Conduct a program designed to—

7 “(i) provide cash benefits to needy
8 families with children; and

9 “(ii) provide parents of children in
10 such families with work experience, assist-
11 ance in finding employment, and other
12 work preparation activities and support
13 services that the State considers appro-
14 priate to enable such families to leave the
15 program and become self-sufficient.

16 “(B) Require at least 1 parent of a child
17 in any family which has received benefits for
18 more than 24 months (whether or not consecu-
19 tive) under the program to engage in work ac-
20 tivities (as defined by the State).

21 “(C) Ensure that parents receiving assist-
22 ance under the program engage in work activi-
23 ties in accordance with section 404.

1 “(D) Treat interstate immigrants, if fami-
2 lies including such immigrants are to be treated
3 differently than other families.

4 “(E) Take such reasonable steps as the
5 State deems necessary to restrict the use and
6 disclosure of information about individuals and
7 families receiving benefits under the program.

8 “(F) Take actions to reduce the incidence
9 of out-of-wedlock pregnancies, which may in-
10 clude providing unmarried mothers and unmar-
11 ried fathers with services which will help
12 them—

13 “(i) avoid subsequent pregnancies;
14 and

15 “(ii) provide adequate care to their
16 children.

17 “(G) Reduce teenage pregnancy, including
18 (at the option of the State) through the provi-
19 sion of education and counseling to male and
20 female teenagers.

21 “(2) CERTIFICATION THAT THE STATE WILL
22 OPERATE A CHILD SUPPORT ENFORCEMENT PRO-
23 GRAM.—A certification by the Governor of the State
24 that, during the fiscal year, the State will operate a
25 child support enforcement program under the State

1 plan approved under part D, in a manner that com-
2 plies with the requirements of such part.

3 “(3) CERTIFICATION THAT THE STATE WILL
4 OPERATE A CHILD PROTECTION PROGRAM.—A cer-
5 tification by the Governor of the State that, during
6 the fiscal year, the State will operate a child protec-
7 tion program in accordance with part B, which in-
8 cludes a foster care program and an adoption assist-
9 ance program.

10 “(b) DETERMINATIONS.—The Secretary shall deter-
11 mine whether a plan submitted pursuant to subsection (a)
12 contains the material required by subsection (a).

13 **“SEC. 403. PAYMENTS TO STATES.**

14 “(a) ENTITLEMENTS.—

15 “(1) GRANTS FOR FAMILY ASSISTANCE.—

16 “(A) IN GENERAL.—Each eligible State
17 shall be entitled to receive from the Secretary
18 for each of fiscal years 1996, 1997, 1998,
19 1999, and 2000 a grant in an amount equal to
20 the State family assistance grant for the fiscal
21 year.

22 “(B) GRANT INCREASED TO REWARD
23 STATES THAT REDUCE OUT-OF-WEDLOCK
24 BIRTHS.—The amount of the grant payable to
25 a State under subparagraph (A) for fiscal year

1 1998 or any succeeding fiscal year shall be in-
2 creased by—

3 “(i) 5 percent if the illegitimacy ratio
4 of the State for the fiscal year is at least
5 1 percentage point lower than the illegit-
6 imacy ratio of the State for fiscal year
7 1995; or

8 “(ii) 10 percent if the illegitimacy
9 ratio of the State for the fiscal year is at
10 least 2 percentage points lower than the il-
11 legitimacy ratio of the State for fiscal year
12 1995.

13 “(2) SUPPLEMENTAL GRANTS TO ADJUST FOR
14 POPULATION INCREASES.—In addition to any grant
15 under paragraph (1), each eligible State shall be en-
16 titled to receive from the Secretary for each of fiscal
17 years 1997, 1998, 1999, and 2000, a grant in an
18 amount equal to the State proportion of
19 \$100,000,000.

20 “(b) DEFINITIONS.—As used in this section:

21 “(1) STATE FAMILY ASSISTANCE GRANT.—

22 “(A) IN GENERAL.—The term ‘State fam-
23 ily assistance grant’ means, with respect to a
24 fiscal year, the provisional State family assist-

1 ance grant adjusted in accordance with sub-
2 paragraph (C).

3 “(B) PROVISIONAL STATE FAMILY ASSIST-
4 ANCE GRANT.—The term ‘provisional State
5 family assistance grant’ means—

6 “(i) the greater of—

7 “(I) $\frac{1}{3}$ of the total amount of ob-
8 ligations to the State under section
9 403 of this title (as in effect before
10 October 1, 1995) for fiscal years
11 1992, 1993, and 1994 (other than
12 with respect to amounts expended for
13 child care under subsection (g) or (i)
14 of section 402 of this title (as so in ef-
15 fect)); or

16 “(II) the total amount of obliga-
17 tions to the State under such section
18 403 for fiscal year 1994 (other than
19 with respect to amounts expended for
20 child care under subsection (g) or (i)
21 of section 402 of this title (as so in ef-
22 fect)); multiplied by

23 “(ii) (I) the total amount of outlays to
24 all of the States under such section 403
25 for fiscal year 1994 (other than with re-

1 spect to amounts expended for child care
2 under subsection (g) or (i) of section 402
3 of this title (as so in effect)); divided by

4 “(II) the total amount of obligations
5 to all of the States under such section 403
6 for fiscal year 1994 (other than with re-
7 spect to amounts expended for child care
8 under subsection (g) or (i) of section 402
9 of this title (as so in effect)).

10 “(C) PROPORTIONAL ADJUSTMENT.—The
11 Secretary shall determine the percentage (if
12 any) by which each provisional State family as-
13 sistance grant must be reduced or increased to
14 ensure that the sum of such grants equals
15 \$15,390,296,000, and shall adjust each provi-
16 sional State family assistance grant by the per-
17 centage so determined.

18 “(2) ILLEGITIMACY RATIO.—The term ‘illegit-
19 imacy ratio’ means, with respect to a State and a
20 fiscal year—

21 “(A) the sum of—

22 “(i) the number of out-of-wedlock
23 births that occurred in the State during
24 the most recent fiscal year for which such
25 information is available; and

1 “(ii) the amount (if any) by which the
2 number of abortions performed in the
3 State during the most recent fiscal year for
4 which such information is available exceeds
5 the number of abortions performed in the
6 State during the fiscal year that imme-
7 diately precedes such most recent fiscal
8 year; divided by

9 “(B) the number of births that occurred in
10 the State during the most recent fiscal year for
11 which such information is available.

12 “(3) STATE PROPORTION.—The term ‘State
13 proportion’ means, with respect to a fiscal year, the
14 amount that bears the same ratio to the amount
15 specified in subsection (a)(2) as the increase (if any)
16 in the population of the State for the most recent
17 fiscal year for which such information is available
18 over the population of the State for the fiscal year
19 that immediately precedes such most recent fiscal
20 year bears to the total increase in the population of
21 all States which have such an increase in population,
22 as determined by the Secretary using data from the
23 Bureau of the Census.

1 “(4) FISCAL YEAR.—The term ‘fiscal year’
2 means any 12-month period ending on September 30
3 of a calendar year.

4 “(5) STATE.—The term ‘State’ includes the
5 several States, the District of Columbia, the Com-
6 monwealth of Puerto Rico, the United States Virgin
7 Islands, Guam, and American Samoa.

8 “(c) USE OF GRANT.—

9 “(1) IN GENERAL.—A State to which a grant
10 is made under this section may use the grant in any
11 manner that is reasonably calculated to accomplish
12 the purpose of this part, subject to this part, includ-
13 ing to provide noncash assistance to mothers who
14 have not attained 18 years of age and their children
15 and to provide low income households with assist-
16 ance in meeting home heating and cooling costs.
17 Notwithstanding any other provision of this Act, a
18 State to which a grant is made under section 403
19 may not use any part of the grant to provide medi-
20 cal services.

21 “(2) AUTHORITY TO TREAT INTERSTATE IMMI-
22 GRANTS UNDER RULES OF FORMER STATE.—A State
23 to which a grant is made under this section may
24 apply to a family the rules of the program operated
25 under this part of another State if the family has

1 moved to the State from the other State and has re-
2 sided in the State for less than 12 months.

3 “(3) AUTHORITY TO USE PORTION OF GRANT
4 FOR OTHER PURPOSES.—

5 “(A) IN GENERAL.—A State may use not
6 more than 30 percent of the amount of the
7 grant made to the State under this section for
8 a fiscal year to carry out a State program pur-
9 suant to any or all of the following provisions
10 of law:

11 “(i) Part B of this title.

12 “(ii) Title XX of this Act.

13 “(iii) Any provision of law, enacted
14 into law during the 104th Congress, under
15 which grants are made to States for food
16 and nutrition.

17 “(iv) The Child Care and Develop-
18 ment Block Grant Act of 1990.

19 “(B) APPLICABLE RULES.—Any amount
20 paid to the State under this part that is used
21 to carry out a State program pursuant to a pro-
22 vision of law specified in subparagraph (A)
23 shall not be subject to the requirements of this
24 part, but shall be subject to the requirements
25 that apply to Federal funds provided directly

1 under the provision of law to carry out the pro-
2 gram.

3 “(4) AUTHORITY TO RESERVE CERTAIN
4 AMOUNTS FOR EMERGENCY BENEFITS.—A State
5 may reserve amounts paid to the State under this
6 section for any fiscal year for the purpose of provid-
7 ing emergency assistance under the State program
8 operated under this part.

9 “(5) IMPLEMENTATION OF ELECTRONIC BENE-
10 FIT TRANSFER SYSTEM.—A State to which a grant
11 is made under this section is encouraged to imple-
12 ment an electronic benefit transfer system for pro-
13 viding assistance under the State program funded
14 under this part, and may use the grant for such pur-
15 pose.

16 “(d) TIMING OF PAYMENTS.—The Secretary shall
17 pay each grant payable to a State under this section in
18 quarterly installments.

19 “(e) PENALTIES.—

20 “(1) FOR USE OF GRANT IN VIOLATION OF
21 THIS PART.—

22 “(A) IN GENERAL.—If an audit conducted
23 pursuant to chapter 75 of title 31, United
24 States Code, finds that an amount paid to a
25 State under this section for a fiscal year has

1 been used in violation of this part, then the
2 Secretary shall reduce the amount of the grant
3 otherwise payable to the State under this sec-
4 tion for the immediately succeeding fiscal year
5 by the amount so used.

6 “(B) LIMITATION ON AMOUNT OF PEN-
7 ALTY.—In carrying out subparagraph (A), the
8 Secretary shall not reduce any quarterly pay-
9 ment by more than 25 percent.

10 “(C) CARRYFORWARD OF UNRECOVERED
11 PENALTIES.—To the extent that subparagraph
12 (B) prevents the Secretary from recovering dur-
13 ing a fiscal year the full amount of a penalty
14 imposed on a State under subparagraph (A) for
15 a prior fiscal year, the Secretary shall apply
16 subparagraph (A) to the grant otherwise pay-
17 able to the State under this section for the im-
18 mediately succeeding fiscal year.

19 “(2) FOR FAILURE TO SUBMIT REQUIRED RE-
20 PORT.—

21 “(A) IN GENERAL.—If the Secretary deter-
22 mines that a State has not, within 6 months
23 after the end of a fiscal year, submitted the re-
24 port required by section 406 for the fiscal year,
25 the Secretary shall reduce by 3 percent the

1 amount of the grant that would (in the absence
2 of this subsection, subsection (a)(1)(B) of this
3 section, and section 404(c)(2)) be payable to
4 the State under subsection (a)(1)(A) for the im-
5 mediately succeeding fiscal year.

6 “(B) RESCISSION OF PENALTY.—The Sec-
7 retary shall rescind a penalty imposed on a
8 State under subparagraph (A) with respect to a
9 report for a fiscal year if the State submits the
10 report before the end of the immediately suc-
11 ceeding fiscal year.

12 “(3) FOR FAILURE TO PARTICIPATE IN THE IN-
13 COME AND ELIGIBILITY VERIFICATION SYSTEM.—If
14 the Secretary determines that a State program fund-
15 ed under this part is not participating during a fis-
16 cal year in the income and eligibility verification sys-
17 tem required by section 1137, the Secretary shall re-
18 duce by 1 percent the amount of the grant that
19 would (in the absence of this subsection, subsection
20 (a)(1)(B) of this section, and section 404(c)(2)) be
21 payable to the State under subsection (a)(1)(A) for
22 the fiscal year.

23 “(f) LIMITATION ON FEDERAL AUTHORITY.—The
24 Secretary may not regulate the conduct of States under

1 this part or enforce any provision of this part, except to
2 the extent expressly provided in this part.

3 “(g) FEDERAL RAINY DAY FUND.—

4 “(1) ESTABLISHMENT.—There is hereby estab-
5 lished in the Treasury of the United States a revolv-
6 ing loan fund which shall be known as the ‘Federal
7 Rainy Day Fund’.

8 “(2) DEPOSITS INTO FUND.—

9 “(A) APPROPRIATION.—Out of any money
10 in the Treasury of the United States not other-
11 wise appropriated, \$1,000,000,000 are hereby
12 appropriated for fiscal year 1996 for payment
13 to the Federal Rainy Day Fund.

14 “(B) LOAN REPAYMENTS.—The Secretary
15 shall deposit into the fund any principal or in-
16 terest payment received with respect to a loan
17 made under this subsection.

18 “(3) AVAILABILITY.—Amounts in the fund are
19 authorized to remain available without fiscal year
20 limitation for the purpose of making loans and re-
21 ceiving payments of principal and interest on such
22 loans, in accordance with this subsection.

23 “(4) USE OF FUND.—

24 “(A) LOANS TO QUALIFIED STATES.—

1 “(i) IN GENERAL.—The Secretary
2 shall make loans from the fund to any
3 qualified State for a period to maturity of
4 not more than 3 years.

5 “(ii) RATE OF INTEREST.—The Sec-
6 retary shall charge and collect interest on
7 any loan made under clause (i) at a rate
8 equal to the current average market yield
9 on outstanding marketable obligations of
10 the United States with remaining periods
11 to maturity comparable to the period to
12 maturity of the loan.

13 “(iii) MAXIMUM LOAN.—The amount
14 of any loan made to a State under clause
15 (i) during a fiscal year shall not exceed the
16 lesser of—

17 “(I) 50 percent of the amount of
18 the grant payable to the State under
19 this section for the fiscal year; or

20 “(II) \$100,000,000.

21 “(B) QUALIFIED STATE DEFINED.—A
22 State is a qualified State for purposes of sub-
23 paragraph (A) if the unemployment rate of the
24 State (as determined by the Bureau of Labor

1 Statistics) for the most recent 3-month period
 2 for which such information is available is—

- 3 “(i) more than 6.5 percent; and
 4 “(ii) at least 110 percent of such rate
 5 for the corresponding 3-month period in ei-
 6 ther of the 2 immediately preceding cal-
 7 endar years.

8 **“SEC. 404. MANDATORY WORK REQUIREMENTS.**

9 “(a) PARTICIPATION RATE REQUIREMENTS.—

10 “(1) REQUIREMENT APPLICABLE TO ALL FAMI-
 11 LIES RECEIVING ASSISTANCE.—

12 “(A) IN GENERAL.—A State to which a
 13 grant is made under section 403 for a fiscal
 14 year shall achieve the minimum participation
 15 rate specified in the following table for the fis-
 16 cal year with respect to all families receiving as-
 17 sistance under the State program funded under
 18 this part:

“If the fiscal year is:	The minimum participation rate is:
1996	10
1997	15
1998	20
1999	25
2000	27
2001	29
2002	40
2003 or thereafter	50.

19 “(B) PRO RATA REDUCTION OF PARTICIPA-
 20 TION RATE DUE TO CASELOAD REDUCTIONS

1 NOT REQUIRED BY FEDERAL LAW.—The mini-
2 mum participation rate otherwise required by
3 subparagraph (A) for a fiscal year shall be re-
4 duced by a percentage equal to the percentage
5 (if any) by which the number of families receiv-
6 ing assistance during the fiscal year under the
7 State program funded under this part is less
8 than the number of families that received aid
9 under the State plan approved under part A of
10 this title (as in effect before October 1, 1995)
11 during the fiscal year immediately preceding
12 such effective date, except to the extent that the
13 Secretary determines that the reduction in the
14 number of families receiving such assistance is
15 required by Federal law.

16 “(C) PARTICIPATION RATE.—For purposes
17 of this paragraph:

18 “(i) AVERAGE MONTHLY RATE.—The
19 participation rate of a State for a fiscal
20 year is the average of the participation
21 rates of the State for each month in the
22 fiscal year.

23 “(ii) MONTHLY PARTICIPATION
24 RATES.—The participation rate of a State
25 for a month is—

1 “(I) the number of families re-
2 ceiving cash assistance under the
3 State program funded under this part
4 which include an individual who is en-
5 gaged in work activities for the
6 month; divided by

7 “(II) the total number of families
8 receiving cash assistance under the
9 State program funded under this part
10 during the month which include an in-
11 dividual who has attained 18 years of
12 age.

13 “(iii) ENGAGED.—A recipient is en-
14 gaged in work activities for a month in a
15 fiscal year if the recipient is making
16 progress in such activities for at least the
17 minimum average number of hours per
18 week specified in the following table during
19 the month, not fewer than 20 hours per
20 week of which are attributable to an activ-
21 ity described in subparagraph (A), (B),
22 (C), or (D) of subsection (b)(1) (or, in the
23 case of the first 4 weeks for which the re-
24 cipient is required under this section to

1 participate in work activities, an activity
 2 described in subsection (b)(1)(E)):

“If the month is in fiscal year:	The minimum average number of hours per week is:
1996	20
1997	20
1998	20
1999	25
2000	30
2001	30
2002	35
2003 or thereafter	35.

3 “(2) REQUIREMENT APPLICABLE TO 2-PARENT
 4 FAMILIES.—

5 “(A) IN GENERAL.—A State to which a
 6 grant is made under section 403 for a fiscal
 7 year shall achieve the minimum participation
 8 rate specified in the following table for the fis-
 9 cal year with respect to 2-parent families receiv-
 10 ing assistance under the State program funded
 11 under this part:

“If the fiscal year is:	The minimum participation rate is:
1996	50
1997	50
1998 or thereafter	90.

12 “(B) PARTICIPATION RATE.—For purposes
 13 of this paragraph:

14 “(i) AVERAGE MONTHLY RATE.—The
 15 participation rate of a State for a fiscal
 16 year is the average of the participation

1 rates of the State for each month in the
2 fiscal year.

3 “(ii) MONTHLY PARTICIPATION
4 RATES.—The participation rate of a State
5 for a month is—

6 “(I) the number of 2-parent fam-
7 ilies receiving cash assistance under
8 the State program funded under this
9 part which include at least 1 adult
10 who is engaged in work activities for
11 the month; divided by

12 “(II) the total number of 2-par-
13 ent families receiving cash assistance
14 under the State program funded
15 under this part during the month.

16 “(iii) ENGAGED.—An adult is engaged
17 in work activities for a month in a fiscal
18 year if the adult is making progress in
19 such activities for at least 35 hours per
20 week during the month, not fewer than 30
21 hours per week of which are attributable to
22 an activity described in subparagraph (A),
23 (B), (C), or (D) of subsection (b)(1) (or, in
24 the case of the first 4 weeks for which the
25 recipient is required under this section to

1 participate in work activities, an activity
2 described in subsection (b)(1)(E)).

3 “(b) DEFINITIONS.—As used in this section:

4 “(1) WORK ACTIVITIES.—The term ‘work ac-
5 tivities’ means—

6 “(A) unsubsidized employment;

7 “(B) subsidized private sector employment;

8 “(C) subsidized public sector employment
9 or work experience (including work associated
10 with the refurbishing of publicly assisted hous-
11 ing) only if sufficient private sector employment
12 is not available;

13 “(D) on-the-job training;

14 “(E) job search and job readiness assist-
15 ance;

16 “(F) education directly related to employ-
17 ment, in the case of a recipient who has not at-
18 tained 20 years of age, and has not received a
19 high school diploma or a certificate of high
20 school equivalency;

21 “(G) job skills training directly related to
22 employment; or

23 “(H) at the option of the State, satisfac-
24 tory attendance at secondary school, in the case
25 of a recipient who—

1 “(i) has not completed secondary
2 school; and

3 “(ii) is a dependent child, or a head of
4 household who has not attained 20 years
5 of age.

6 “(2) FISCAL YEAR.—The term ‘fiscal year’
7 means any 12-month period ending on September 30
8 of a calendar year.

9 “(c) PENALTIES.—

10 “(1) AGAINST INDIVIDUALS.—

11 “(A) APPLICABLE TO ALL FAMILIES.—A
12 State to which a grant is made under section
13 403 shall ensure that the amount of cash as-
14 sistance paid under the State program funded
15 under this part to a recipient of assistance
16 under the program who refuses to engage (with-
17 in the meaning of subsection (a)(1)(C)(iii)) in
18 work activities required under this section shall
19 be less than the amount of cash assistance that
20 would otherwise be paid to the recipient under
21 the program, subject to such good cause and
22 other exceptions as the State may establish.

23 “(B) APPLICABLE TO 2-PARENT FAMI-
24 LIES.—A State to which a grant is made under
25 section 403 shall reduce the amount of cash as-

1 sistance otherwise payable to a 2-parent family
2 for a month under the State program funded
3 under this part with respect to an adult in the
4 family who is not engaged (within the meaning
5 of subsection (a)(2)(B)(iii)) in work activities
6 for at least 35 hours per week during the
7 month, pro rata (or more, at the option of the
8 State) with respect to any period during the
9 month for which the adult is not so engaged.

10 “(C) LIMITATION ON FEDERAL AUTHOR-
11 ITY.—No officer or employee of the Federal
12 Government may regulate the conduct of States
13 under this paragraph or enforce this paragraph
14 against any State.

15 “(2) AGAINST STATES.—

16 “(A) IN GENERAL.—If the Secretary deter-
17 mines that a State to which a grant is made
18 under section 403 for a fiscal year has failed to
19 comply with subsection (a) for the fiscal year,
20 the Secretary shall reduce by not more than 5
21 percent the amount of the grant that would (in
22 the absence of this paragraph and subsections
23 (a)(1)(B) and (e) of section 403) be payable to
24 the State under section 403(a)(1)(A) for the
25 immediately succeeding fiscal year.

1 “(B) PENALTY BASED ON SEVERITY OF
2 FAILURE.—The Secretary shall impose reduc-
3 tions under subparagraph (A) based on the de-
4 gree of noncompliance.

5 “(d) RULE OF INTERPRETATION.—This section shall
6 not be construed to prohibit a State from offering recipi-
7 ents of assistance under the State program funded under
8 this part an opportunity to participate in an education or
9 training program, consistent with the requirements of this
10 section.

11 “(e) RESEARCH.—The Secretary shall conduct re-
12 search on the costs and benefits of State activities under
13 this section.

14 “(f) EVALUATION OF INNOVATIVE APPROACHES TO
15 EMPLOYING RECIPIENTS OF ASSISTANCE.—The Sec-
16 retary shall evaluate innovative approaches to employing
17 recipients of assistance under State programs funded
18 under this part.

19 “(g) ANNUAL RANKING OF STATES AND REVIEW OF
20 MOST AND LEAST SUCCESSFUL WORK PROGRAMS.—

21 “(1) ANNUAL RANKING OF STATES.—The Sec-
22 retary shall rank the States to which grants are paid
23 under section 403 in the order of their success in
24 moving recipients of assistance under the State pro-

1 gram funded under this part into long-term private
2 sector jobs.

3 “(2) ANNUAL REVIEW OF MOST AND LEAST
4 SUCCESSFUL WORK PROGRAMS.—The Secretary shall
5 review the programs of the 3 States most recently
6 ranked highest under paragraph (1) and the 3
7 States most recently ranked lowest under paragraph
8 (1) that provide parents with work experience, as-
9 sistance in finding employment, and other work
10 preparation activities and support services to enable
11 the families of such parents to leave the program
12 and become self-sufficient.

13 “(h) SENSE OF THE CONGRESS.—In complying with
14 this section, each State that operates a program funded
15 under this part is encouraged to assign the highest prior-
16 ity to requiring families that include older preschool or
17 school-age children to be engaged in work activities.

18 “(i) SENSE OF THE CONGRESS THAT STATES
19 SHOULD IMPOSE CERTAIN REQUIREMENTS ON
20 NONCUSTODIAL, NONSUPPORTING MINOR PARENTS.—It
21 is the sense of the Congress that the States should require
22 noncustodial, nonsupporting parents who have not at-
23 tained 18 years of age to fulfill community work obliga-
24 tions and attend appropriate parenting or money manage-
25 ment classes after school.

1 **“SEC. 405. PROHIBITIONS.**

2 “(a) IN GENERAL.—

3 “(1) NO ASSISTANCE FOR FAMILIES WITHOUT A
4 MINOR CHILD.—A State to which a grant is made
5 under section 403 may not use any part of the grant
6 to provide assistance to a family, unless the family
7 includes a minor child.

8 “(2) CERTAIN PAYMENTS NOT TO BE DIS-
9 REGARDED IN DETERMINING THE AMOUNT OF AS-
10 SISTANCE TO BE PROVIDED TO A FAMILY.—

11 “(A) INCOME SECURITY PAYMENTS.—If a
12 State to which a grant is made under section
13 403 uses any part of the grant to provide as-
14 sistance for any individual who is receiving a
15 payment under a State plan for old-age assist-
16 ance approved under section 2, a State program
17 funded under part B that provides cash pay-
18 ments for foster care, or the supplemental secu-
19 rity income program under title XVI (other
20 than service benefits provided through the use
21 of a grant made under part C of such title),
22 then the State may not disregard the payment
23 in determining the amount of assistance to be
24 provided to the family of which the individual is
25 a member under the State program funded
26 under this part.

1 “(B) CERTAIN SUPPORT PAYMENTS.—A
2 State to which a grant is made under section
3 403 may not disregard an amount distributed
4 to a family under section 457(a)(1)(A) in deter-
5 mining the income of the family for purposes of
6 eligibility for assistance under the State pro-
7 gram funded under this part.

8 “(3) NO ASSISTANCE FOR CERTAIN ALIENS.—
9 Notwithstanding section 403(c)(1), a State to which
10 a grant is made under section 403 may not use any
11 part of the grant to provide assistance for an indi-
12 vidual who is not a citizen or national of the United
13 States, except consistent with subtitle D of the Per-
14 sonal Responsibility Act of 1995.

15 “(4) NO ASSISTANCE FOR OUT-OF-WEDLOCK
16 BIRTHS TO MINORS.—

17 “(A) GENERAL RULE.—A State to which a
18 grant is made under section 403 may not use
19 any part of the grant to provide cash benefits
20 for a child born out-of-wedlock to an individual
21 who has not attained 18 years of age, or for the
22 individual, until the individual attains such age.

23 “(B) EXCEPTION FOR RAPE OR INCEST.—
24 Subparagraph (A) shall not apply with respect

1 to a child who is born as a result of rape or in-
2 cest.

3 “(C) STATE OPTION.—Nothing in subpara-
4 graph (A) shall be construed to prohibit a State
5 from using funds provided by section 403 from
6 providing aid in the form of vouchers that may
7 be used only to pay for particular goods and
8 services specified by the State as suitable for
9 the care of the child such as diapers, clothing,
10 and school supplies.

11 “(5) NO ADDITIONAL CASH ASSISTANCE FOR
12 CHILDREN BORN TO FAMILIES RECEIVING ASSIST-
13 ANCE.—

14 “(A) GENERAL RULE.—A State to which a
15 grant is made under section 403 may not use
16 any part of the grant to provide cash benefits
17 for a minor child who is born to—

18 “(i) a recipient of benefits under the
19 program operated under this part; or

20 “(ii) a person who received such bene-
21 fits at any time during the 10-month pe-
22 riod ending with the birth of the child.

23 “(B) EXCEPTION FOR VOUCHERS.—Sub-
24 paragraph (A) shall not apply to vouchers
25 which are provided in lieu of cash benefits and

1 which may be used only to pay for particular
2 goods and services specified by the State as
3 suitable for the care of the child involved.

4 “(C) EXCEPTION FOR RAPE OR INCEST.—
5 Subparagraph (A) shall not apply with respect
6 to a child who is born as a result of rape or in-
7 cest.

8 “(6) NO ASSISTANCE FOR MORE THAN 5
9 YEARS.—

10 “(A) IN GENERAL.—A State to which a
11 grant is made under section 403 may not use
12 any part of the grant to provide cash benefits
13 for the family of an individual who, after at-
14 taining 18 years of age, has received benefits
15 under the program operated under this part for
16 60 months (whether or not consecutive) after
17 the effective date of this part, except as pro-
18 vided under subparagraph (B).

19 “(B) HARDSHIP EXCEPTION.—

20 “(i) IN GENERAL.—The State may ex-
21 empt a family from the application of sub-
22 paragraph (A) by reason of hardship.

23 “(ii) LIMITATION.—The number of
24 families with respect to which an exemp-
25 tion made by a State under clause (i) is in

1 effect shall not exceed 10 percent of the
2 number of families to which the State is
3 providing assistance under the program op-
4 erated under this part.

5 “(7) NO ASSISTANCE FOR FAMILIES NOT CO-
6 OPERATING IN PATERNITY ESTABLISHMENT OR
7 CHILD SUPPORT.—Notwithstanding section
8 403(c)(1), a State to which a grant is made under
9 section 403 may not use any part of the grant to
10 provide assistance to a family that includes an indi-
11 vidual whom the agency responsible for administer-
12 ing the State plan approved under part D deter-
13 mines is not cooperating with the State in establish-
14 ing the paternity of any child of the individual, or
15 in establishing, modifying, or enforcing a support
16 order with respect to such a child.

17 “(8) NO ASSISTANCE FOR FAMILIES NOT AS-
18 SIGNING SUPPORT RIGHTS TO THE STATE.—Not-
19 withstanding section 403(c)(1), a State to which a
20 grant is made under section 403 may not use any
21 part of the grant to provide assistance to a family
22 that includes an individual who has not assigned to
23 the State any rights the individual may have (on be-
24 half of the individual or of any other person for
25 whom the individual has applied for or is receiving

1 such assistance) to support from any other person
2 for any period for which the individual receives such
3 assistance.

4 “(9) WITHHOLDING OF PORTION OF ASSIST-
5 ANCE FOR FAMILIES WHICH INCLUDE A CHILD
6 WHOSE PATERNITY IS NOT ESTABLISHED.—

7 “(A) IN GENERAL.—A State to which a
8 grant is made under section 403 may not fail
9 to—

10 “(i) withhold assistance under the
11 State program funded under this part from
12 a family which includes a child whose pa-
13 ternity is not established, in an amount
14 equal to \$50 or 15 percent of the amount
15 of the amount of the assistance that would
16 (in the absence of this paragraph) be pro-
17 vided to the family with respect to the
18 child, whichever the State elects; or

19 “(ii) provide to the family the total
20 amount of assistance so withheld once the
21 paternity of the child is established, if the
22 family is then eligible for such assistance.

23 “(B) EXCEPTION FOR RAPE OR INCEST.—Sub-
24 paragraph (A) shall not apply with respect to a child
25 who is born as a result of rape or incest.

1 “(10) DENIAL OF ASSISTANCE FOR 10 YEARS
2 TO A PERSON FOUND TO HAVE FRAUDULENTLY MIS-
3 REPRESENTED RESIDENCE IN ORDER TO OBTAIN
4 BENEFITS IN 2 OR MORE STATES.—An individual
5 shall not be considered an eligible individual for the
6 purposes of this title during the 10-year period that
7 begins with the date the individual is found by a
8 State to have made, or is convicted in Federal or
9 State court of having made a fraudulent statement
10 or representation with respect to the place of resi-
11 dence of the person in order to receive benefits or
12 services simultaneously from 2 or more States under
13 programs that are funded under this part, title XIX,
14 the consolidated program of food assistance under
15 chapter 2 of subtitle E of title XIV of the Personal
16 Responsibility Act of 1995, or the Food Stamp Act
17 of 1977 (as in effect before the effective date of such
18 chapter), or benefits in 2 or more States under the
19 supplemental security income program under title
20 XVI.

21 “(11) DENIAL OF ASSISTANCE FOR FUGITIVE
22 FELONS AND PROBATION AND PAROLE VIOLA-
23 TORS.—

24 “(A) IN GENERAL.—A State to which a
25 grant is made under section 403 may not use

1 any part of the grant to provide assistance to
2 any individual who is—

3 “(i) fleeing to avoid prosecution, or
4 custody or confinement after conviction,
5 under the laws of the place from which the
6 individual flees, for a crime, or an attempt
7 to commit a crime, which is a felony under
8 the laws of the place from which the indi-
9 vidual flees, or which, in the case of the
10 State of New Jersey, is a high mis-
11 demeanor under the laws of such State; or

12 “(ii) violating a condition of probation
13 or parole imposed under Federal or State
14 law.

15 “(B) EXCHANGE OF INFORMATION WITH
16 LAW ENFORCEMENT AGENCIES.—If a State to
17 which a grant is made under section 403 estab-
18 lishes safeguards against the use or disclosure
19 of information about applicants or recipients of
20 assistance under the State program funded
21 under this part, the safeguards shall not pre-
22 vent the State agency administering the pro-
23 gram from furnishing a Federal, State, or local
24 law enforcement officer, upon the request of the
25 officer, with the current address of any recipi-

1 ent if the officer furnishes the agency with the
2 name of the recipient and notifies the agency
3 that—

4 (i) such recipient—

5 (I) is fleeing to avoid prosecution,
6 or custody or confinement after con-
7 viction, under the laws of the place
8 from which the recipient flees, for a
9 crime, or an attempt to commit a
10 crime, which is a felony under the
11 laws of the place from which the re-
12 cipient flees, or which, in the case of
13 the State of New Jersey, is a high
14 misdemeanor under the laws of such
15 State;

16 (II) is violating a condition of
17 probation or parole imposed under
18 Federal or State law; or

19 (III) has information that is nec-
20 essary for the officer to conduct the
21 official duties of the officer; and

22 (ii) the location or apprehension of the
23 recipient is within such official duties.

1 “(12) DENIAL OF ASSISTANCE FOR MINOR
2 CHILDREN WHO ARE ABSENT FROM THE HOME FOR
3 A SIGNIFICANT PERIOD.—

4 “(A) IN GENERAL.—A State to which a
5 grant is made under section 403 may not use
6 any part of the grant to provide assistance for
7 a minor child who has been, or is expected by
8 a parent (or other caretaker relative) of the
9 child to be, absent from the home for a period
10 of 45 consecutive days or, at the option of the
11 State, such period of not less than 30 and not
12 more than 90 consecutive days as the State
13 may provide for in the State plan submitted
14 pursuant to section 402.

15 “(B) STATE AUTHORITY TO ESTABLISH
16 GOOD CAUSE EXCEPTIONS.—The State may es-
17 tablish such good cause exceptions to subpara-
18 graph (A) as the State considers appropriate if
19 such exceptions are provided for in the State
20 plan submitted pursuant to section 402.

21 “(C) DENIAL OF ASSISTANCE FOR REL-
22 ATIVE WHO FAILS TO NOTIFY STATE AGENCY
23 OF ABSENCE OF CHILD.—A State to which a
24 grant is made under section 403 may not use
25 any part of the grant to provide assistance for

1 an individual who is a parent (or other care-
2 taker relative) of a minor child and who fails to
3 notify the agency administering the State pro-
4 gram funded under this part, of the absence of
5 the minor child from the home for the period
6 specified in or provided for under subparagraph
7 (A), by the end of the 5-day period that begins
8 with the date that it becomes clear to the par-
9 ent (or relative) that the minor child will be ab-
10 sent for such period so specified or provided
11 for.

12 “(b) MINOR CHILD DEFINED.—As used in sub-
13 section (a), the term ‘minor child’ means an individual—

14 “(1) who has not attained 18 years of age; or

15 “(2) who—

16 “(A) has not attained 19 years of age; and

17 “(B) is a full-time student in a secondary
18 school (or in the equivalent level of vocational
19 or technical training).

20 **“SEC. 406. DATA COLLECTION AND REPORTING.**

21 “(a) IN GENERAL.—Each State to which a grant is
22 made under section 403 for a fiscal year shall, not later
23 than 6 months after the end of the fiscal year, transmit
24 to the Secretary the following aggregate information on
25 families to which assistance was provided during the fiscal

1 year under the State program operated under this part
2 or an equivalent State program:

3 “(1) The number of adults receiving such as-
4 sistance.

5 “(2) The number of children receiving such as-
6 sistance and the average age of the children.

7 “(3) The employment status of such adults, and
8 the average earnings of employed adults receiving
9 such assistance.

10 “(4) The number of 1-parent families in which
11 the parent is a widow or widower, is divorced, is sep-
12 arated, or has never married.

13 “(5) The age, race, and educational attainment
14 of the adults receiving such assistance.

15 “(6) The average assistance provided to the
16 families under the program.

17 “(7) Whether, at the time of application for as-
18 sistance under the program, the families or any
19 member of the families receives benefits under any
20 of the following:

21 “(A) Any housing program.

22 “(B) The consolidated program of food as-
23 sistance under chapter 2 of subtitle E of title
24 XIV of the Personal Responsibility Act of 1995.

1 “(C) The Head Start programs carried out
2 under the Head Start Act.

3 “(D) Any job training program.

4 “(8) The number of months, since the most re-
5 cent application for assistance under the program,
6 for which such assistance has been provided to the
7 families.

8 “(9) The total number of months for which as-
9 sistance has been provided to the families under the
10 program.

11 “(10) Any other data necessary to indicate
12 whether the State is in compliance with the plan
13 most recently submitted by the State pursuant to
14 section 402.

15 “(11) The components of any program carried
16 out by the State to provide employment and training
17 activities in order to comply with section 404, and
18 the average monthly number of adults in each such
19 component.

20 “(12) The number of part-time job placements
21 and the number of full-time job placements made
22 through the program referred to in paragraph (11),
23 the number of cases with reduced assistance, and
24 the number of cases closed due to employment.

1 “(b) AUTHORITY OF STATES TO USE ESTIMATES.—
2 A State may comply with the requirement to provide pre-
3 cise numerical information described in subsection (a) by
4 submitting an estimate which is obtained through the use
5 of scientifically acceptable sampling methods.

6 “(c) REPORT ON USE OF FEDERAL FUNDS TO
7 COVER ADMINISTRATIVE COSTS AND OVERHEAD.—The
8 report required by subsection (a) for a fiscal year shall
9 include a statement of the percentage of the funds paid
10 to the State under this part for the fiscal year that are
11 used to cover administrative costs or overhead.

12 “(d) REPORT ON STATE EXPENDITURES ON PRO-
13 GRAMS FOR NEEDY FAMILIES.—The report required by
14 subsection (a) for a fiscal year shall include a statement
15 of the total amount expended by the State during the fis-
16 cal year on programs for needy families.

17 “(e) REPORT ON NONCUSTODIAL PARENTS PARTICI-
18 PATING IN WORK ACTIVITIES.—The report required by
19 subsection (a) for a fiscal year shall include the number
20 of noncustodial parents in the State who participated in
21 work activities (as defined in section 404(b)(1)) during the
22 fiscal year.

1 **“SEC. 407. RESEARCH, EVALUATIONS, AND NATIONAL STUD-**
2 **IES.**

3 “(a) RESEARCH.—The Secretary may conduct re-
4 search on the effects, costs, and benefits of State pro-
5 grams funded under this part.

6 “(b) DEVELOPMENT AND EVALUATION OF INNOVA-
7 TIVE APPROACHES TO EMPLOYING WELFARE RECIPI-
8 ENTS.—The Secretary may assist States in developing,
9 and shall evaluate, innovative approaches to employing re-
10 cipients of cash assistance under programs funded under
11 this part. In performing such evaluations, the Secretary
12 shall, to the maximum extent feasible, use random assign-
13 ment to experimental and control groups.

14 “(c) STUDIES OF WELFARE CASELOADS.—The Sec-
15 retary may conduct studies of the caseloads of States oper-
16 ating programs funded under this part.

17 “(d) DISSEMINATION OF INFORMATION.—The Sec-
18 retary shall develop innovative methods of disseminating
19 information on any research, evaluations, and studies con-
20 ducted under this section, including the facilitation of the
21 sharing of information and best practices among States
22 and localities through the use of computers and other
23 technologies.

24 **“SEC. 408. STUDY BY THE CENSUS BUREAU.**

25 “(a) IN GENERAL.—The Bureau of the Census shall
26 expand the Survey of Income and Program Participation

1 as necessary to obtain such information as will enable in-
2 terested persons to evaluate the impact of the amendments
3 made by subtitle A of the Personal Responsibility Act of
4 1995 on a random national sample of recipients of assist-
5 ance under State programs funded under this part and
6 (as appropriate) other low income families, and in doing
7 so, shall pay particular attention to the issues of out-of-
8 wedlock birth, welfare dependency, the beginning and end
9 of welfare spells, and the causes of repeat welfare spells.

10 “(b) APPROPRIATION.—Out of any money in the
11 Treasury of the United States not otherwise appropriated,
12 the Secretary of the Treasury shall pay to the Bureau of
13 the Census \$10,000,000 for each of fiscal years 1996,
14 1997, 1998, 1999, and 2000 to carry out subsection (a).”.

15 **SEC. 14102. REPORT ON DATA PROCESSING.**

16 (a) IN GENERAL.—Within 6 months after the date
17 of the enactment of this Act, the Secretary of Health and
18 Human Services shall prepare and submit to the Congress
19 a report on—

20 (1) the status of the automated data processing
21 systems operated by the States to assist manage-
22 ment in the administration of State programs under
23 part A of title IV of the Social Security Act (wheth-
24 er in effect before or after October 1, 1995); and

1 (2) what would be required to establish a sys-
2 tem capable of—

3 (A) tracking participants in public pro-
4 grams over time; and

5 (B) checking case records of the States to
6 determine whether individuals are participating
7 in public programs of 2 or more States.

8 (b) PREFERRED CONTENTS.—The report required by
9 subsection (a) should include—

10 (1) a plan for building on the automated data
11 processing systems of the States to establish a sys-
12 tem with the capabilities described in subsection
13 (a)(2); and

14 (2) an estimate of the amount of time required
15 to establish such a system and of the cost of estab-
16 lishing such a system.

17 **SEC. 14103. TRANSFERS.**

18 (a) CHILD SUPPORT REVIEW PENALTIES.—

19 (1) TRANSFER OF PROVISION.—Section 403 of
20 the Social Security Act, as added by the amendment
21 made by section 14101 of this Act, is amended by
22 adding at the end subsection (h) of section 403, as
23 in effect immediately before the effective date of this
24 subtitle.

1 (1) Section 205(c)(2)(C)(vi) of the Social Secu-
2 rity Act (42 U.S.C. 405(c)(2)(C)(vi)), as so redesign-
3 nated by section 321(a)(9)(B) of the Social Security
4 Independence and Program Improvements Act of
5 1994, is amended—

6 (A) by inserting “an agency administering
7 a program funded under part A of title IV or”
8 before “an agency operating”; and

9 (B) by striking “A or D of title IV of this
10 Act” and inserting “D of such title”.

11 (2) Section 228(d)(1) of such Act (42 U.S.C.
12 428(d)(1)) is amended by inserting “under a State
13 program funded under” before “part A of title IV”.

14 (b) AMENDMENTS TO PART D OF TITLE IV.—

15 (1) Section 451 of such Act (42 U.S.C. 651) is
16 amended by striking “aid” and inserting “assistance
17 under a State program funded”.

18 (2) Section 452(a)(10)(C) of such Act (42
19 U.S.C. 652(a)(10)(C)) is amended—

20 (A) by striking “aid to families with de-
21 pendent children” and inserting “assistance
22 under a State program funded under part A”;
23 and

24 (B) by striking “such aid” and inserting
25 “such assistance”; and

1 (C) by striking “under section 402(a)(26)”
2 and inserting “pursuant to section 405(a)(8)”.

3 (3) Section 452(a)(10)(F) of such Act (42
4 U.S.C. 652(a)(10)(F)) is amended—

5 (A) by striking “aid under a State plan ap-
6 proved” and inserting “assistance under a State
7 program funded”; and

8 (B) by striking “in accordance with the
9 standards referred to in section
10 402(a)(26)(B)(ii)” and inserting “by the
11 State”.

12 (4) Section 452(b) of such Act (42 U.S.C.
13 652(b)) is amended in the last sentence by striking
14 “plan approved under part A” and inserting “pro-
15 gram funded under part A”.

16 (5) Section 452(d)(3)(B)(i) of such Act (42
17 U.S.C. 652(d)(3)(B)(i)) is amended by striking
18 “1115(c)” and inserting “1115(b)”.

19 (6) Section 452(g)(2)(A)(ii)(I) of such Act (42
20 U.S.C. 652(g)(2)(A)(ii)(I)) is amended by striking
21 “aid is being paid under the State’s plan approved”
22 and inserting “assistance is being provided under
23 the State program funded under”.

24 (7) Section 452(g)(2)(A) of such Act (42
25 U.S.C. 652(g)(2)(A)) is amended in the matter fol-

1 lowing clause (iii) by striking “aid was being paid
2 under the State’s plan approved” and inserting “as-
3 sistance was being provided under the State pro-
4 gram funded”.

5 (8) Section 452(g)(2) of such Act (42 U.S.C.
6 652(g)(2)) is amended in the matter following sub-
7 paragraph (B)—

8 (A) by striking “who is a dependent child
9 by reason of the death of a parent” and insert-
10 ing “with respect to whom assistance is being
11 provided under the State program funded under
12 part A”; and

13 (B) by inserting “by the State agency ad-
14 ministering the State plan approved under this
15 part” after “found”;

16 (C) by striking “under section 402(a)(26)”
17 and inserting “pursuant to section 405(a)(8)”;
18 and

19 (D) by striking “administering the plan
20 under part E determines (as provided in section
21 454(4)(B))” and inserting “determines”.

22 (9) Section 452(h) of such Act (42 U.S.C.
23 652(h)) is amended by striking “under section
24 402(a)(26)” and inserting “pursuant to section
25 405(a)(8)”.

1 (10) Section 454(5) of such Act (42 U.S.C.
2 654(5)) is amended—

3 (A) by striking “under section 402(a)(26)”
4 and inserting “pursuant to section 405(a)(8)”;
5 and

6 (B) by striking “except that this para-
7 graph shall not apply to such payments for any
8 month following the first month in which the
9 amount collected is sufficient to make such
10 family ineligible for assistance under the State
11 plan approved under part A;”.

12 (11) Section 454(6)(D) of such Act (42 U.S.C.
13 654(6)(D)) is amended by striking “aid under a
14 State plan approved” and inserting “assistance
15 under a State program funded”.

16 (12) Section 456 of such Act (42 U.S.C. 656)
17 is amended by striking “under section 402(a)(26)”
18 each place such term appears and inserting “pursu-
19 ant to section 405(a)(8)”.

20 (13) Section 466(a)(3)(B) of such Act (42
21 U.S.C. 666(a)(3)(B)) is amended by striking
22 “402(a)(26)” and inserting “405(a)(8)”.

23 (14) Section 466(b)(2) of such Act (42 U.S.C.
24 666(b)(2)) is amended by striking “aid” and insert-
25 ing “assistance under a State program funded”.

1 (c) REPEAL OF PART F OF TITLE IV.—Part F of
2 title IV of such Act (42 U.S.C. 681–687) is hereby re-
3 pealed.

4 (d) AMENDMENT TO TITLE X.—Section 1002(a)(7)
5 of such Act (42 U.S.C. 1202(a)(7)) is amended by striking
6 “aid to families with dependent children under the State
7 plan approved under section 402 of this Act” and insert-
8 ing “assistance under a State program funded under part
9 A of title IV”.

10 (e) AMENDMENTS TO TITLE XI.—

11 (1) Section 1108 of such Act (42 U.S.C. 1308)
12 is amended—

13 (A) by striking subsections (a), (b), (d),
14 and (e); and

15 (B) by striking “(c)”.

16 (2) Section 1109 of such Act (42 U.S.C. 1309)
17 is amended by striking “or part A of title IV,”.

18 (3) Section 1115(a) of such Act (42 U.S.C.
19 1315(a)) is amended—

20 (A) in the matter preceding paragraph (1),
21 by striking “A or”;

22 (B) in paragraph (1), by striking “402,”;
23 and

24 (C) in paragraph (2), by striking “403,”.

1 (4) Section 1116 of such Act (42 U.S.C. 1316)
2 is amended—

3 (A) in each of subsections (a)(1), (b), and
4 (d), by striking “or part A of title IV,”; and

5 (B) in subsection (a)(3), by striking
6 “404,”.

7 (5) Section 1118 of such Act (42 U.S.C. 1318)
8 is amended—

9 (A) by striking “403(a),”;

10 (B) by striking “and part A of title IV,”;

11 and

12 (C) by striking “, and shall, in the case of
13 American Samoa, mean 75 per centum with re-
14 spect to part A of title IV”.

15 (6) Section 1119 of such Act (42 U.S.C. 1319)
16 is amended—

17 (A) by striking “or part A of title IV”; and

18 (B) by striking “403(a),”.

19 (7) Section 1133(a) of such Act (42 U.S.C.
20 1320b-3(a)) is amended by striking “or part A of
21 title IV,”.

22 (8) Section 1136 of such Act (42 U.S.C.
23 1320b-6) is hereby repealed.

24 (9) Section 1137 of such Act (42 U.S.C.
25 1320b-7) is amended—

1 (A) in subsection (b), by striking para-
2 graph (1) and inserting the following:

3 “(1) any State program funded under part A of
4 title IV of this Act;” and

5 (B) in subsection (d)(1)(B)—

6 (i) by striking “In this subsection—”
7 and all that follows through “(ii) in” and
8 inserting “In this subsection, in”; and

9 (ii) by redesignating subclauses (I),
10 (II), and (III) as clauses (i), (ii), and (iii);
11 and

12 (iii) by moving such redesignated ma-
13 terial 2 ems to the left.

14 (f) AMENDMENT TO TITLE XIV.—Section
15 1402(a)(7) of such Act (42 U.S.C. 1352(a)(7)) is amend-
16 ed by striking “aid to families with dependent children
17 under the State plan approved under section 402 of this
18 Act” and inserting “assistance under a State program
19 funded under part A of title IV”.

20 (g) AMENDMENT TO TITLE XVI AS IN EFFECT WITH
21 RESPECT TO THE TERRITORIES.—Section 1602(a)(11) of
22 such Act, as in effect without regard to the amendment
23 made by section 301 of the Social Security Amendments
24 of 1972, (42 U.S.C. 1382 note) is amended by striking

1 “aid under the State plan approved” and inserting “assist-
2 ance under a State program funded”.

3 (h) AMENDMENT TO TITLE XVI AS IN EFFECT WITH
4 RESPECT TO THE STATES.—Section 1611(c)(5)(A) of
5 such Act (42 U.S.C. 1382(c)(5)(A)) is amended to read
6 as follows: “(A) a State program funded under part A of
7 title IV,”.

8 **SEC. 14105. CONFORMING AMENDMENTS TO OTHER LAWS.**

9 (a) Subsection (b) of section 508 of the Unemploy-
10 ment Compensation Amendments of 1976 (42 U.S.C.
11 603a) is amended to read as follows:

12 “(b) PROVISION FOR REIMBURSEMENT OF EX-
13 PENSES.—For purposes of section 455 of the Social Secu-
14 rity Act, expenses incurred to reimburse State employment
15 offices for furnishing information requested of such of-
16 fices—

17 “(1) pursuant to the third sentence of section
18 3(a) of the Act entitled ‘An Act to provide for the
19 establishment of a national employment system and
20 for cooperation with the States in the promotion of
21 such system, and for other purposes’, approved June
22 6, 1933 (29 U.S.C. 49b(a)),

23 “(2) by a State or local agency charged with
24 the duty of carrying a State plan for child support

1 approved under part D of title IV of the Social Se-
2 curity Act,
3 shall be considered to constitute expenses incurred in the
4 administration of such State plan.”.

5 (b) Paragraph (9) of section 51(d) of the Internal
6 Revenue Code of 1986 is amended by striking all that fol-
7 lows “agency as” and inserting “being eligible for financial
8 assistance under part A of title IV of the Social Security
9 Act and as having continually received such financial as-
10 sistance during the 90-day period which immediately pre-
11 cedes the date on which such individual is hired by the
12 employer.”

13 (c) Section 9121 of the Omnibus Budget Reconcili-
14 ation Act of 1987 (42 U.S.C. 602 note) is hereby repealed.

15 (d) Section 9122 of the Omnibus Budget Reconcili-
16 ation Act of 1987 (42 U.S.C. 602 note) is hereby repealed.

17 (e) Section 221 of the Housing and Urban-Rural Re-
18 covery Act of 1983 (42 U.S.C. 602 note), relating to treat-
19 ment under AFDC of certain rental payments for federally
20 assisted housing, is hereby repealed.

21 (f) Section 159 of the Tax Equity and Fiscal Respon-
22 sibility Act of 1982 (42 U.S.C. 602 note) is hereby re-
23 pealed.

1 (g) Section 202(d) of the Social Security Amend-
2 ments of 1967 (81 Stat. 882; 42 U.S.C. 602 note) is here-
3 by repealed.

4 (h) Section 233 of the Social Security Act Amend-
5 ments of 1994 (42 U.S.C. 602 note) is hereby repealed.

6 (i) Section 903 of the Stewart B. McKinney Home-
7 less Assistance Amendments Act of 1988 (42 U.S.C.
8 11381 note), relating to demonstration projects to reduce
9 number of AFDC families in welfare hotels, is amended—

10 (1) in subsection (a), by striking “aid to fami-
11 lies with dependent children under a State plan ap-
12 proved” and inserting “assistance under a State pro-
13 gram funded”; and

14 (2) in subsection (c), by striking “aid to fami-
15 lies with dependent children in the State under a
16 State plan approved” and inserting “assistance in
17 the State under a State program funded”.

18 **SEC. 14106. CONTINUED APPLICATION OF CURRENT STAND-**

19 **ARDS UNDER MEDICAID PROGRAM.**

20 (a) IN GENERAL.—Title XIX of the Social Security
21 Act is amended—

22 (1) in section 1931, by inserting “subject to
23 section 1931(a),” after “under this title,” and by re-
24 designating such section as section 1932; and

1 (2) by inserting after section 1930 the following
2 new section:

3 “CONTINUED APPLICATION OF AFDC STANDARDS

4 “SEC. 1931. (a) For purposes of applying this title
5 on and after October 1, 1995, with respect to a State—

6 “(1) except as provided in paragraph (2), any
7 reference in this title (or other provision of law in
8 relation to the operation of this title) to a provision
9 of part A of title IV of this Act, or a State plan
10 under such part, shall be considered a reference to
11 such provision or plan as in effect as of March 7,
12 1995, with respect to the State and eligibility for
13 medical assistance under this title shall be deter-
14 mined as if such provision or plan (as in effect as
15 of such date) had remained in effect on and after
16 October 1, 1995; and

17 “(2) any reference in section 1902(a)(5) or
18 1902(a)(55) to a State plan approved under part A
19 of title IV shall be deemed a reference to a State
20 program funded under such part (as in effect on and
21 after October 1, 1995).

22 “(b) In the case of a waiver of a provision of part
23 A of title IV in effect with respect to a State as of March
24 7, 1995, if the waiver affects eligibility of individuals for
25 medical assistance under this title, such waiver may con-
26 tinue to be applied, at the option of the State, in relation

1 to this title after the date the waiver would otherwise
2 expire.”

3 (b) PLAN AMENDMENT.—Section 1902(a) of such
4 Act (42 U.S.C. 1396a(a)) is amended—

5 (1) by striking “and” at the end of paragraph
6 (61),

7 (2) by striking the period at the end of para-
8 graph (62) and inserting “; and”, and

9 (3) by inserting after paragraph (62) the fol-
10 lowing new paragraph:

11 “(63) provide for continuing to administer eligi-
12 bility standards with respect to individuals who are
13 (or seek to be) eligible for medical assistance based
14 on the application of section 1931.”.

15 (c) CONFORMING AMENDMENTS.—(1) Section
16 1902(c) of such Act (42 U.S.C. 1396a(c)) is amended by
17 striking “if—” and all that follows and inserting the fol-
18 lowing: “if the State requires individuals described in sub-
19 section (l)(1) to apply for assistance under the State pro-
20 gram funded under part A of title IV as a condition of
21 applying for or receiving medical assistance under this
22 title.”.

23 (2) Section 1903(i) of such Act (42 U.S.C. 1396b(i))
24 is amended by striking paragraph (9).

1 (d) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to medical assistance furnished for
3 calendar quarters beginning on or after October 1, 1995.

4 **SEC. 14107. EFFECTIVE DATE.**

5 (a) IN GENERAL.—Except as otherwise provided in
6 this subtitle, this subtitle and the amendments made by
7 this subtitle shall take effect on October 1, 1995.

8 (b) DELAYED APPLICABILITY OF AUTHORITY TO
9 TEMPORARILY REDUCE ASSISTANCE FOR CERTAIN FAMI-
10 LIES WHICH INCLUDE A CHILD WHOSE PATERNITY IS
11 NOT ESTABLISHED.—Section 405(a)(9) of the Social Se-
12 curity Act, as added by the amendment made by section
13 14101 of this Act, shall not apply to individuals who, im-
14 mediately before the effective date of this subtitle, are re-
15 cipients of aid under a State plan approved under part
16 A of title IV of the Social Security Act, until the end of
17 the 1-year (or, at the option of the State, 2-year) period
18 that begins with such effective date.

19 (c) TRANSITION RULE.—The amendments made by
20 this subtitle shall not apply with respect to—

21 (1) powers, duties, functions, rights, claims,
22 penalties, or obligations applicable to aid or services
23 provided before the effective date of this subtitle
24 under the provisions amended; and

1 (2) administrative actions and proceedings com-
2 menced before such date, or authorized before such
3 date to be commenced, under such provisions.

4 **Subtitle B—Child Protection Block**
5 **Grant Program**

6 **SEC. 14201. ESTABLISHMENT OF PROGRAM.**

7 Part B of title IV of the Social Security Act (42
8 U.S.C. 620–635) is amended to read as follows:

9 **“PART B—BLOCK GRANTS TO STATES FOR THE**
10 **PROTECTION OF CHILDREN**

11 **“SEC. 421. PURPOSE.**

12 “The purpose of this part is to enable eligible States
13 to carry out a child protection program to—

14 “(1) identify and assist families at risk of abus-
15 ing or neglecting their children;

16 “(2) operate a system for receiving reports of
17 abuse or neglect of children;

18 “(3) investigate families reported to abuse or
19 neglect their children;

20 “(4) provide support, treatment, and family
21 preservation services to families which are, or are at
22 risk of, abusing or neglecting their children;

23 “(5) support children who must be removed
24 from or who cannot live with their families;

1 “(6) make timely decisions about permanent liv-
2 ing arrangements for children who must be removed
3 from or who cannot live with their families; and

4 “(7) provide for continuing evaluation and im-
5 provement of child protection laws, regulations, and
6 services.

7 **“SEC. 422. ELIGIBLE STATES.**

8 “(a) IN GENERAL.—As used in this part, the term
9 ‘eligible State’ means, with respect to a fiscal year, a State
10 that, during the 3-year period immediately preceding the
11 fiscal year, has submitted to the Secretary a plan that in-
12 cludes the following:

13 “(1) OUTLINE OF CHILD PROTECTION PRO-
14 GRAM.—A written document that outlines the activi-
15 ties the State intends to conduct to achieve the pur-
16 pose of this part, including the procedures to be
17 used for—

18 “(A) receiving reports of child abuse or
19 neglect;

20 “(B) investigating such reports;

21 “(C) protecting children in families in
22 which child abuse or neglect is found to have
23 occurred;

24 “(D) removing children from dangerous
25 settings;

1 “(E) protecting children in foster care;

2 “(F) promoting timely adoptions;

3 “(G) protecting the rights of families,
4 using adult relatives as the preferred placement
5 for children separated from their parents if
6 such relatives meet all State child protection
7 standards;

8 “(H) preventing child abuse and neglect;
9 and

10 “(I) establishing and responding to citizen
11 review panels under section 425.

12 “(2) CERTIFICATION OF STATE LAW REQUIRING
13 THE REPORTING OF CHILD ABUSE AND NEGLECT.—
14 A certification that the State has in effect laws that
15 require public officials and other professionals to re-
16 port actual or suspected instances of child abuse or
17 neglect.

18 “(3) CERTIFICATION OF STATE PROGRAM TO
19 INVESTIGATE CHILD ABUSE AND NEGLECT CASES.—
20 A certification that the State has in effect a pro-
21 gram to investigate child abuse and neglect cases.

22 “(4) CERTIFICATION OF STATE PROCEDURES
23 FOR REMOVAL AND PLACEMENT OF ABUSED OR NE-
24 GLECTED CHILDREN.—A certification that the State

1 has in effect procedures for removal from families
2 and placement of abused or neglected children.

3 “(5) CERTIFICATION OF STATE PROCEDURES
4 FOR DEVELOPING AND REVIEWING WRITTEN PLANS
5 FOR PERMANENT PLACEMENT OF REMOVED CHIL-
6 DREN.—A certification that the State has in effect
7 procedures for ensuring that a written plan is pre-
8 pared for children who have been removed from their
9 families, which specifies the goal for achieving a per-
10 manent placement for the child in a timely fashion,
11 for ensuring that the written plan is reviewed every
12 6 months, and for ensuring that information about
13 such children is collected regularly and recorded in
14 case records, and a description of such procedures.

15 “(6) CERTIFICATION THAT THE STATE WILL
16 CONTINUE TO HONOR ADOPTION ASSISTANCE
17 AGREEMENTS.—A certification that the State will
18 honor any adoption assistance agreement (as defined
19 in section 475(3), as in effect immediately before the
20 effective date of this part) entered into by an agency
21 of the State, that is in effect as of such effective
22 date.

23 “(7) CERTIFICATION OF STATE PROGRAM TO
24 PROVIDE INDEPENDENT LIVING SERVICES.—A cer-
25 tification that the State has in effect a program to

1 provide independent living services to individuals in
2 the child protection program of the State who have
3 attained 16 years of age but have not attained 20
4 (or, at the option of the State, 22) years of age, and
5 who do not have a family to which to be returned
6 for assistance in making the transition to self-suffi-
7 cient adulthood.

8 “(8) CERTIFICATION OF STATE PROCEDURES
9 TO RESPOND TO REPORTING OF MEDICAL NEGLECT
10 OF DISABLED INFANTS.—

11 “(A) IN GENERAL.—A certification that
12 the State has in place for the purpose of re-
13 sponding to the reporting of medical neglect of
14 infants (including instances of withholding of
15 medically indicated treatment from disabled in-
16 fants with life-threatening conditions), proce-
17 dures or programs, or both (within the State
18 child protective services system), to provide
19 for—

20 “(i) coordination and consultation
21 with individuals designated by and within
22 appropriate health-care facilities;

23 “(ii) prompt notification by individ-
24 uals designated by and within appropriate
25 health-care facilities of cases of suspected

1 medical neglect (including instances of
2 withholding of medically indicated treat-
3 ment from disabled infants with life-threat-
4 ening conditions); and

5 “(iii) authority, under State law, for
6 the State child protective service to pursue
7 any legal remedies, including the authority
8 to initiate legal proceedings in a court of
9 competent jurisdiction, as may be nec-
10 essary to prevent the withholding of medi-
11 cally indicated treatment from disabled in-
12 fants with life-threatening conditions.

13 “(B) WITHHOLDING OF MEDICALLY INDI-
14 CATED TREATMENT.—As used in subparagraph
15 (A), the term ‘withholding of medically indi-
16 cated treatment’ means the failure to respond
17 to the infant’s life-threatening conditions by
18 providing treatment (including appropriate nu-
19 trition, hydration, and medication) which, in the
20 treating physician’s or physicians’ reasonable
21 medical judgment, will be most likely to be ef-
22 fective in ameliorating or correcting all such
23 conditions, except that such term does not in-
24 clude the failure to provide treatment (other
25 than appropriate nutrition, hydration, or medi-

1 cation) to an infant when, in the treating physi-
2 cian's or physicians' reasonable medical judg-
3 ment—

4 “(i) the infant is chronically and irre-
5 versibly comatose;

6 “(ii) the provision of such treatment
7 would—

8 “(I) merely prolong dying;

9 “(II) not be effective in amelio-
10 rating or correcting all of the infant's
11 life-threatening conditions; or

12 “(III) otherwise be futile in
13 terms of the survival of the infant; or

14 “(iii) the provision of such treatment
15 would be virtually futile in terms of the
16 survival of the infant and the treatment it-
17 self under such circumstances would be in-
18 humane.

19 “(9) IDENTIFICATION OF CHILD PROTECTION
20 GOALS.—The quantitative goals of the State child
21 protection program.

22 “(b) DETERMINATIONS.—The Secretary shall deter-
23 mine whether a plan submitted pursuant to subsection (a)
24 contains the material required by subsection (a). The Sec-
25 retary may not require a State to include in such a plan

1 any material not described in subsection (a), and may not
2 review the adequacy of State procedures. The Secretary
3 may not require a State to alter its child protection law
4 regarding determination of the adequacy, type and timing
5 of health care (whether medical, non-medical or spiritual).

6 **“SEC. 423. GRANTS TO STATES FOR CHILD PROTECTION.**

7 “(a) ENTITLEMENT.—

8 “(1) IN GENERAL.—Each eligible State shall be
9 entitled to receive from the Secretary for each fiscal
10 year specified in subsection (b)(1) a grant in an
11 amount equal to the State share of the child protec-
12 tion amount for the fiscal year.

13 “(2) ADDITIONAL GRANT.—

14 “(A) IN GENERAL.—In addition to a grant
15 under paragraph (1) of this subsection, the Sec-
16 retary shall pay to each eligible State for each
17 fiscal year specified in subsection (b)(1) an
18 amount equal to the State share of the amount
19 (if any) appropriated pursuant to subparagraph
20 (B) of this paragraph for the fiscal year.

21 “(B) LIMITATION ON AUTHORIZATION OF
22 APPROPRIATIONS.—For grants under subpara-
23 graph (A), there are authorized to be appro-
24 priated to the Secretary an amount not to ex-

1 ceed \$486,000,000 for each fiscal year specified
2 in subsection (b)(1).

3 “(b) DEFINITIONS.—As used in this section:

4 “(1) CHILD PROTECTION AMOUNT.—The term
5 ‘child protection amount’ means—

6 “(A) \$3,930,000,000 for fiscal year 1996;

7 “(B) \$4,195,000,000 for fiscal year 1997;

8 “(C) \$4,507,000,000 for fiscal year 1998;

9 “(D) \$4,767,000,000 for fiscal year 1999;

10 and

11 “(E) \$5,071,000,000 for fiscal year 2000.

12 “(2) STATE SHARE.—

13 “(A) IN GENERAL.—The term ‘State
14 share’ means the qualified child protection ex-
15 penses of the State divided by the sum of the
16 qualified child protection expenses of all of the
17 States.

18 “(B) QUALIFIED CHILD PROTECTION EX-
19 PENSES.—The term ‘qualified child protection
20 expenses’ means, with respect to a State the
21 greater of—

22 “(i) $\frac{1}{3}$ of the total amount of obliga-
23 tions to the State under the provisions of
24 law specified in subparagraph (C) for fiscal
25 years 1992, 1993, and 1994; or

1 “(ii) the total amount of obligations to
2 the State under such provisions of law for
3 fiscal year 1994.

4 “(C) PROVISIONS OF LAW.—The provisions
5 of law specified in this subparagraph are the
6 following (as in effect immediately before the
7 effective date of this part):

8 “(i) Section 474(a) (other than sub-
9 paragraphs (C) and (D) of paragraph (3))
10 of this Act.

11 “(ii) Section 304 of the Family Vio-
12 lence Prevention and Services Act.

13 “(iii) Section 107(a) of the Child
14 Abuse Prevention and Treatment Act.

15 “(iv) Section 201(d) of the Child
16 Abuse Prevention and Treatment Act.

17 “(v) Section 423 of this Act.

18 “(3) STATE.—The term ‘State’ includes the
19 several States, the District of Columbia, the Com-
20 monwealth of Puerto Rico, the United States Virgin
21 Islands, Guam, and American Samoa.

22 “(c) USE OF GRANT.—

23 “(1) IN GENERAL.—A State to which a grant
24 is made under this section may use the grant in any
25 manner that the State deems appropriate to accom-

1 plish the purpose of this part, including setting up
2 abuse and neglect reporting systems, abuse and ne-
3 glect prevention, family preservation, foster care,
4 adoption, program administration, and training.

5 “(2) AUTHORITY TO USE PORTION OF GRANT
6 FOR OTHER PURPOSES.—

7 “(A) IN GENERAL.—A State may use not
8 more than 30 percent of the amount of the
9 grant made to the State under this section for
10 fiscal year 1998 or a succeeding fiscal year to
11 carry out a State program pursuant to any or
12 all of the following provisions of law:

13 “(i) Part A of this title.

14 “(ii) Title XX of this Act.

15 “(iii) The Child Care and Develop-
16 ment Block Grant Act of 1990.

17 “(iv) Any provision of law, enacted
18 into law during the 104th Congress, under
19 which grants are made to States for food
20 and nutrition or employment and training.

21 “(B) APPLICABLE RULES.—Any amount
22 paid to the State under this part that is used
23 to carry out a State program pursuant to a pro-
24 vision of law specified in subparagraph (A)
25 shall not be subject to the requirements of this

1 part, but shall be subject to the requirements
2 that apply to Federal funds provided directly
3 under the provision of law to carry out the pro-
4 gram.

5 “(3) TIMING OF EXPENDITURES.—A State to
6 which a grant is made under this section for a fiscal
7 year shall expend the total amount of the grant not
8 later than the end of the immediately succeeding fis-
9 cal year.

10 “(4) RULE OF INTERPRETATION.—This part
11 shall not be interpreted to prohibit short- and long-
12 term foster care facilities operated for profit from
13 receiving funds provided under this part.

14 “(d) TIMING OF PAYMENTS.—The Secretary shall
15 pay each eligible State the amount of the grant payable
16 to the State under this section in quarterly installments.

17 “(e) PENALTIES.—

18 “(1) FOR USE OF GRANT IN VIOLATION OF
19 THIS PART.—

20 “(A) IN GENERAL.—If an audit conducted
21 pursuant to chapter 75 of title 31, United
22 States Code, finds that an amount paid to a
23 State under this section for a fiscal year has
24 been used in violation of this part, then the
25 Secretary shall reduce the amount of the grant

1 that would (in the absence of this subsection)
2 be payable to the State under this section for
3 the immediately succeeding fiscal year by the
4 amount so used.

5 “(B) LIMITATION.—In carrying out sub-
6 paragraph (A), the Secretary shall not reduce
7 any quarterly payment by more than 25 per-
8 cent.

9 “(C) CARRYFORWARD OF UNRECOVERED
10 PENALTY.—To the extent that subparagraph
11 (B) prevents the Secretary from recovering dur-
12 ing a fiscal year the full amount of a penalty
13 imposed on a State under subparagraph (A) for
14 a prior fiscal year, the Secretary shall apply
15 subparagraph (A) to the grant otherwise pay-
16 able to the State under this section for the im-
17 mediately succeeding fiscal year.

18 “(2) FOR FAILURE TO MAINTAIN EFFORT.—If
19 an audit conducted pursuant to chapter 75 of title
20 31, United States Code, finds that the amount ex-
21 pended by a State (other than from amounts pro-
22 vided by the Federal Government) during fiscal year
23 1996 or 1997 to carry out the State program funded
24 under this part is less than the total amount ex-
25 pended by the State (other than from amounts pro-

1 vided by the Federal Government) during fiscal year
2 1995 under parts B and E of this title, then the
3 Secretary shall reduce the amount of the grant that
4 would (in the absence of this subsection) be payable
5 to the State under this section for the immediately
6 succeeding fiscal year by the amount of the dif-
7 ference.

8 “(3) FOR FAILURE TO SUBMIT REQUIRED RE-
9 PORT.—

10 “(A) IN GENERAL.—The Secretary shall
11 reduce by 3 percent the amount of the grant
12 that would (in the absence of this subsection)
13 be payable to a State under this section for a
14 fiscal year if the Secretary determines that the
15 State has not submitted the report required by
16 section 427(b) for the immediately preceding
17 fiscal year, within 6 months after the end of the
18 immediately preceding fiscal year.

19 “(B) RESCISSION OF PENALTY.—The Sec-
20 retary shall rescind a penalty imposed on a
21 State under subparagraph (A) with respect to a
22 report for a fiscal year if the State submits the
23 report before the end of the immediately suc-
24 ceeding fiscal year.

1 “(f) LIMITATION ON FEDERAL AUTHORITY.—Except
2 as expressly provided in this part, the Secretary may not
3 regulate the conduct of States under this part or enforce
4 any provision of this part.

5 **“SEC. 424. CHILD PROTECTION STANDARDS.**

6 “(a) IN GENERAL.—Each State to which a grant is
7 made under section 423 shall operate a child protection
8 program in accordance with the following standards in
9 order to assure the protection of children:

10 “(1) The primary standard by which a State
11 child welfare system shall be judged is the protection
12 of children.

13 “(2) Each State shall investigate reports of
14 abuse and neglect promptly.

15 “(3) Children removed from their homes shall
16 have a permanency plan and a dispositional hearing
17 by a court or a court-appointed body within 3
18 months after a fact-finding hearing.

19 “(4) All child protection cases in which the
20 child is placed outside the home shall be reviewed
21 every 6 months unless the child is in a long-term
22 placement.

23 “(b) PLACEMENT OF CHILDREN WITH REL-
24 ATIVES.—A State to which a grant is made under this
25 part may consider—

1 “(1) establishing a new type of foster care
2 placement, which could be considered a permanent
3 placement, for children who are separated from their
4 parents (in this subsection referred to as ‘kinship
5 care’) under which—

6 “(A) adult relatives of such children would
7 be the preferred placement option if such rel-
8 atives meet all relevant child protection stand-
9 ards established by the State;

10 “(B) the State would make a needs-based
11 payment and provide supportive services, as ap-
12 propriate, with respect to children placed in a
13 kinship care arrangement; and

14 “(2) in placing children for adoption, giving
15 preference to adult relatives who meet applicable
16 adoption standards (including those acting as foster
17 parents of such children).

18 **“SEC. 425. CITIZEN REVIEW PANELS.**

19 “(a) ESTABLISHMENT.—Each State to which a grant
20 is made under section 423 shall establish at least 3 citizen
21 review panels.

22 “(b) COMPOSITION.—Each panel established under
23 subsection (a) shall be broadly representative of the com-
24 munity from which drawn.

1 “(c) FREQUENCY OF MEETINGS.—Each panel estab-
2 lished under subsection (a) shall meet not less frequently
3 than quarterly.

4 “(d) DUTIES.—

5 “(1) IN GENERAL.—Each panel established
6 under subsection (a) shall, by examining specific
7 cases, determine the extent to which the State and
8 local agencies responsible for carrying out activities
9 under this part are doing so in accordance with the
10 State plan, with the child protection standards set
11 forth in section 424, and with any other criteria that
12 the panel considers important to ensure the protec-
13 tion of children.

14 “(2) CONFIDENTIALITY.—The members and
15 staff of any panel established under subsection (a)
16 shall not disclose to any person or government any
17 information about any specific child protection case
18 with respect to which the panel is provided informa-
19 tion.

20 “(e) STATE ASSISTANCE.—Each State that estab-
21 lishes a panel under subsection (a) shall afford the panel
22 access to any information on any case that the panel de-
23 sires to review, and shall provide the panel with staff as-
24 sistance in performing its duties.

1 “(b) ANNUAL STATE DATA REPORTS.—Each State
2 to which a grant is made under section 423 shall annually
3 submit to the Secretary of Health and Human Services
4 a report that includes the following:

5 “(1) The number of children who were reported
6 to the State during the year as abused or neglected.

7 “(2) Of the number of children described in
8 paragraph (1), the number with respect to whom
9 such reports were substantiated.

10 “(3) Of the number of children described in
11 paragraph (2)—

12 “(A) the number that did not receive serv-
13 ices during the year under the State program
14 funded under this part;

15 “(B) the number that received services
16 during the year under the State program fund-
17 ed under this part or an equivalent State pro-
18 gram; and

19 “(C) the number that were removed from
20 their families during the year.

21 “(4) The number of families that received pre-
22 ventive services from the State during the year.

23 “(5) The number of children who entered foster
24 care under the responsibility of the State during the
25 year.

1 “(6) The number of children in foster care
2 under the responsibility of the State who exited from
3 foster care during the year.

4 “(7) The types of foster care placements made
5 by the State during the year, and the average
6 monthly number of children in each type of place-
7 ment.

8 “(8) The average length of the foster care
9 placements made by the State during the year.

10 “(9) The age, ethnicity, gender, and family in-
11 come of the children placed in foster care under the
12 responsibility of the State during the year.

13 “(10) The number of children in foster care
14 under the responsibility of the State with respect to
15 whom the State has the goal of adoption.

16 “(11) The number of children in foster care
17 under the responsibility of the State who were freed
18 for adoption during the year.

19 “(12) The number of children in foster care
20 under the responsibility of the State whose adoptions
21 were finalized during the year.

22 “(13) The number of disrupted adoptions in the
23 State during the year.

24 “(14) Quantitative measurements showing
25 whether the State is making progress toward the

1 child protection goals identified by the State under
2 section 422(a)(9).

3 “(15) The number of infants abandoned in the
4 State during the year, and the number of such in-
5 fants who were legally adopted during the year and
6 the length of time between the discovery of the aban-
7 donment and such adoption.

8 “(16) The number of children who died during
9 the year while in foster care under the responsibility
10 of the State.

11 “(17) The number of deaths in the State dur-
12 ing the year resulting from child abuse or neglect.

13 “(18) The number of children served by the
14 independent living program of the State.

15 “(19) Any other information which the Sec-
16 retary and a majority of the States agree is appro-
17 priate to collect for purposes of this part.

18 “(20) The response of the State to the findings
19 and recommendations of the citizen review panels es-
20 tablished by the State pursuant to section 425.

21 “(c) AUTHORITY OF STATES TO USE ESTIMATES.—
22 A State may comply with a requirement to provide precise
23 numerical information described in subsection (b) by sub-
24 mitting an estimate which is obtained through the use of
25 scientifically acceptable sampling methods.

1 “(d) ANNUAL REPORT BY THE SECRETARY.—Within
2 6 months after the end of each fiscal year, the Secretary
3 shall prepare a report based on information provided by
4 the States for the fiscal year pursuant to subsection (b),
5 and shall make the report and such information available
6 to the Congress and the public.

7 “(e) SCOPE OF STATE PROGRAM FUNDED UNDER
8 THIS PART.—As used in subsection (b), the term ‘State
9 program funded under this part’ includes any equivalent
10 State program.

11 **“SEC. 428. RESEARCH AND TRAINING.**

12 “(a) IN GENERAL.—The Secretary shall conduct re-
13 search and training in child welfare.

14 “(b) LIMITATION ON AUTHORIZATION OF APPRO-
15 PRIATIONS.—To carry out subsection (a), there are au-
16 thorized to be appropriated to the Secretary not to exceed
17 \$10,000,000 for each fiscal year.

18 **“SEC. 429. NATIONAL RANDOM SAMPLE STUDY OF CHILD**
19 **WELFARE.**

20 “(a) IN GENERAL.—The Secretary shall conduct a
21 national study based on random samples of children who
22 are at risk of child abuse or neglect, or are determined
23 by States to have been abused or neglected.

24 “(b) REQUIREMENTS.—The study required by sub-
25 section (a) shall—

1 “(1) have a longitudinal component; and

2 “(2) yield data reliable at the State level for as
3 many States as the Secretary determines is feasible.

4 “(c) PREFERRED CONTENTS.—In conducting the
5 study required by subsection (a), the Secretary should—

6 “(1) collect data on the child protection pro-
7 grams of different small States or (different groups
8 of such States) in different years to yield an occa-
9 sional picture of the child protection programs of
10 such States;

11 “(2) carefully consider selecting the sample
12 from cases of confirmed abuse or neglect; and

13 “(3) follow each case for several years while ob-
14 taining information on, among other things—

15 “(A) the type of abuse or neglect involved;

16 “(B) the frequency of contact with State
17 or local agencies;

18 “(C) whether the child involved has been
19 separated from the family, and, if so, under
20 what circumstances;

21 “(D) the number, type, and characteristics
22 of out-of-home placements of the child; and

23 “(E) the average duration of each place-
24 ment.

25 “(d) REPORTS.—

1 “(1) PROHIBITION.—A State or other entity
2 that receives funds from the Federal Government
3 and is involved in adoption or foster care placements
4 may not—

5 “(A) deny to any person the opportunity to
6 become an adoptive or a foster parent, on the
7 basis of the race, color, or national origin of the
8 person, or of the child, involved; or

9 “(B) delay or deny the placement of a
10 child for adoption or into foster care, or other-
11 wise discriminate in making a placement deci-
12 sion, on the basis of the race, color, or national
13 origin of the adoptive or foster parent, or the
14 child, involved.

15 “(2) PENALTIES.—

16 “(A) STATE VIOLATORS.—A State that
17 violates paragraph (1) during a period shall
18 remit to the Secretary all funds that were paid
19 to the State under this part during the period.

20 “(B) PRIVATE VIOLATORS.—Any other en-
21 tity that violates paragraph (1) during a period
22 shall remit to the Secretary all funds that were
23 paid to the entity during the period by a State
24 from funds provided under this part.

25 “(3) PRIVATE CAUSE OF ACTION.—

1 “(A) IN GENERAL.—Any individual who is
2 aggrieved by a violation of paragraph (1) by a
3 State or other entity may bring an action seek-
4 ing relief in any United States district court.

5 “(B) STATUTE OF LIMITATIONS.—An ac-
6 tion under this paragraph may not be brought
7 more than 2 years after the date the alleged
8 violation occurred.”.

9 **SEC. 14202. CONFORMING AMENDMENTS.**

10 (a) AMENDMENTS TO PART D OF TITLE IV OF THE
11 SOCIAL SECURITY ACT.—

12 (1) Section 452(a)(10)(C) of the Social Security
13 Act (42 U.S.C. 652(a)(10)(C)), as amended by sec-
14 tion 14104(b)(2)(C) of this Act, is amended—

15 (A) by striking “(or foster care mainte-
16 nance payments under part E)” and inserting
17 “or cash payments under a State program
18 funded under part B”; and

19 (B) by striking “or 471(a)(17)”.

20 (2) Section 452(g)(2)(A) of such Act (42
21 U.S.C. 652(g)(2)(A)) is amended—

22 (A) by striking “or E” the 1st place such
23 term appears and inserting “or benefits or serv-
24 ices are being provided under the State pro-
25 gram funded under part B”; and

1 (B) by striking “or E” the 2nd place such
2 term appears and inserting “or benefits or serv-
3 ices were being provided under the State pro-
4 gram funded under part B”.

5 (3) Section 456(a)(1) of such Act (42 U.S.C.
6 656(a)(1)) is amended by striking “foster care main-
7 tenance payments” and inserting “benefits or serv-
8 ices under a State program funded under part B”.

9 (4) Section 466(a)(3)(B) of such Act (42
10 U.S.C. 666(a)(3)(B)), as amended by section
11 14104(b)(13) of this Act, is amended by striking “or
12 471(a)(17)”.

13 (b) REPEAL OF PART E OF TITLE IV OF THE SOCIAL
14 SECURITY ACT.—Part E of title IV of such Act (42
15 U.S.C. 671–679) is hereby repealed.

16 (c) AMENDMENT TO TITLE XVI OF THE SOCIAL SE-
17 CURITY ACT AS IN EFFECT WITH RESPECT TO THE
18 STATES.—Section 1611(c)(5)(B) of such Act (42 U.S.C.
19 1382(c)(5)(B)) is amended to read as follows: “(B) the
20 State program funded under part B of title IV,”.

21 (d) REPEAL OF SECTION 13712 OF THE OMNIBUS
22 BUDGET RECONCILIATION ACT OF 1993.—Section 13712
23 of the Omnibus Budget Reconciliation Act of 1993 (42
24 U.S.C. 670 note) is hereby repealed.

1 (e) AMENDMENT TO SECTION 9442 OF THE OMNIBUS
2 BUDGET RECONCILIATION ACT OF 1986.—Section
3 9442(4) of the Omnibus Budget Reconciliation Act of
4 1986 (42 U.S.C. 679a(4)) is amended by inserting “(as
5 in effect before October 1, 1995)” after “Act”.

6 (f) REPEAL OF SECTION 553 OF THE HOWARD M.
7 METZENBAUM MULTIETHNIC PLACEMENT ACT OF
8 1994.—Section 553 of the Howard M. Metzenbaum
9 Multiethnic Placement Act of 1994 (42 U.S.C. 5115a; 108
10 Stat. 4056) is hereby repealed.

11 (g) REPEAL OF SUBTITLE C OF TITLE XVII OF THE
12 VIOLENT CRIME CONTROL AND LAW ENFORCEMENT ACT
13 OF 1994.—Subtitle C of title XVII of the Violent Crime
14 Control and Law Enforcement Act of 1994 is hereby re-
15 pealed.

16 **SEC. 14203. CONTINUED APPLICATION OF CURRENT STAND-**
17 **ARDS UNDER MEDICAID PROGRAM.**

18 Section 1931 of the Social Security Act, as inserted
19 by section 14106(a)(2) of this Act, is amended—

20 (1) in subsection (a)(1)—

21 (A) by striking “part A of”, and

22 (B) by striking “under such part” and in-
23 serting “under a part of such title”; and

24 (2) in subsection (b), by striking “part A of”.

1 **SEC. 14204. EFFECTIVE DATE.**

2 (a) IN GENERAL.—this subtitle and the amendments
3 made by this subtitle shall take effect on October 1, 1995.

4 (b) TRANSITION RULE.—The amendments made by
5 this subtitle shall not apply with respect to—

6 (1) powers, duties, functions, rights, claims,
7 penalties, or obligations applicable to aid or services
8 provided before the effective date of this subtitle
9 under the provisions amended; and

10 (2) administrative actions and proceedings com-
11 menced before such date, or authorized before such
12 date to be commenced, under such provisions.

13 **SEC. 14205. SENSE OF THE CONGRESS REGARDING TIMELY**
14 **ADOPTION OF CHILDREN.**

15 It is the sense of the Congress that—

16 (1) too many children who wish to be adopted
17 are spending inordinate amounts of time in foster
18 care;

19 (2) there is an urgent need for States to in-
20 crease the number of waiting children being adopted
21 in a timely and lawful manner;

22 (3) studies have shown that States spend an ex-
23 cess of \$15,000 each year on each special needs
24 child in foster care, and would save significant
25 amounts of money if they offered incentives to fami-
26 lies to adopt special needs children;

1 (4) States should allocate sufficient funds under
2 this subtitle for adoption assistance and medical as-
3 sistance to encourage more families to adopt chil-
4 dren who otherwise would languish in the foster care
5 system for a period that many experts consider det-
6 rimental to their development;

7 (5) States should offer incentives for families
8 that adopt special needs children to make adoption
9 more affordable for middle-class families;

10 (6) when it is necessary for a State to remove
11 a child from the home of the child's biological par-
12 ents, the State should strive—

13 (A) to provide the child with a single foster
14 care placement and a single coordinated case
15 team; and

16 (B) to conclude an adoption of the child,
17 when adoption is the goal of the child and the
18 State, within one year of the child's placement
19 in foster care; and

20 (7) States should participate in local, regional,
21 or national programs to enable maximum visibility of
22 waiting children to potential parents. Such programs
23 should include a nationwide, interactive computer
24 network to disseminate information on children eligi-

1 ble for adoption to help match them with families
2 around the country.

3 **Subtitle C—Block Grants for Child**
4 **Care and for Nutrition Assistance**

5 **CHAPTER 1—CHILD CARE BLOCK GRANTS**

6 **SEC. 14301. AMENDMENTS TO THE CHILD CARE AND DE-**
7 **VELOPMENT BLOCK GRANT ACT OF 1990.**

8 (a) GOALS.—Section 658A of the Child Care and De-
9 velopment Block Grant Act of 1990 (42 U.S.C. 9801 note)
10 is amended—

11 (1) in the heading of such section by inserting
12 “**AND GOALS**” after “**TITLE**”,

13 (2) by inserting “(a) SHORT TITLE.—” before
14 “This”, and

15 (3) by adding at the end the following:

16 “(b) GOALS.—The goals of this subchapter are—

17 “(1) to allow each State maximum flexibility in
18 developing child care programs and policies that best
19 suit the needs of children and parents within such
20 State;

21 “(2) to promote parental choice to empower
22 working parents to make their own decisions on the
23 child care that best suits their family’s needs;

1 “(3) to encourage States to provide consumer
2 education information to help parents make in-
3 formed choices about child care;

4 “(4) to assist States to provide child care to
5 parents trying to achieve independence from public
6 assistance; and

7 “(5) to assist States in implementing the
8 health, safety, licensing, and registration standards
9 established in State regulations.”.

10 (b) AUTHORIZATION OF APPROPRIATIONS.—Section
11 658B of the Child Care and Development Block Grant Act
12 of 1990 (42 U.S.C. 9858) is amended to read as follows:

13 **“SEC. 658B. AUTHORIZATION OF APPROPRIATIONS.**

14 “‘There is authorized to be appropriated to carry out
15 this subchapter \$2,093,000,000 for each of the fiscal
16 years 1996, 1997, 1998, 1999, and 2000.’”.

17 (c) LEAD ENTITY.—Section 658D of the Child Care
18 and Development Block Grant Act of 1990 (42 U.S.C.
19 9858b) is amended—

20 (1) in the heading of such section by striking
21 **“AGENCY”** and inserting **“ENTITY”**,

22 (2) in subsection (a) by inserting “or other en-
23 tity” after “State agency”, and

24 (3) by striking “lead agency” each place it ap-
25 pears and inserting “lead entity”.

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

4 (1) in subsection (b)—

5 (A) by striking “implemented—” and all
6 that follows through “(2)” and inserting “im-
7 plemented”, and

8 (B) by striking “for subsequent State
9 plans”,

10 (2) in subsection (c)—

11 (A) in paragraph (1)—

12 (i) in the heading of such paragraph
13 by striking “AGENCY” and inserting “EN-
14 TITY”, and

15 (ii) by striking “agency” and inserting
16 “entity”,

17 (B) in paragraph (2)—

18 (i) in subparagraph (A)—

19 (I) in clause (i) by striking “,
20 other than through assistance pro-
21 vided under paragraph (3)(C),” and

22 (II) by striking “except” and all
23 that follows through “1992”, and in-
24 serting “and provide a detailed de-
25 scription of the procedures the State

1 will implement to carry out the re-
2 quirements of this subparagraph”,

3 (ii) in subparagraph (B)—

4 (I) by striking “Provide assur-
5 ances” and inserting “Certify”, and

6 (II) by inserting before the pe-
7 riod at the end “and provide a de-
8 tailed description of such procedures”,

9 (iii) in subparagraph (C)—

10 (I) by striking “Provide assur-
11 ances” and inserting “Certify”, and

12 (II) by inserting before the pe-
13 riod at the end “and provide a de-
14 tailed description of how such record
15 is maintained and is made available”,

16 (iv) by amending subparagraph (D) to
17 read as follows:

18 “(D) CONSUMER EDUCATION INFORMA-
19 TION.—Provide assurances that the State will
20 collect and disseminate to parents of eligible
21 children and the general public, consumer edu-
22 cation information that will promote informed
23 child care choices.”,

24 (v) in subparagraph (E)—

- 1 (I) by striking “Provide assur-
2 ances” and inserting “Certify”,
- 3 (II) in clause (i) by inserting
4 “health, safety, and” after “comply
5 with all”,
- 6 (III) in clause (i) by striking “;
7 and” at the end,
- 8 (IV) by striking “that—” and all
9 that follows through “(i)”, and insert-
10 ing “that”, and
- 11 (V) by striking “(ii)” and all that
12 follows through the end of such sub-
13 paragraph, and inserting “and provide
14 a detailed description of such require-
15 ments and of how such requirements
16 are effectively enforced.”, and
- 17 (vi) by striking subparagraphs (F),
18 (G), (H), (I), and (J),
- 19 (C) in paragraph (3)—
- 20 (i) in subparagraph (A) by inserting
21 “or as authorized by section 658T” before
22 the period at the end,
- 23 (ii) in subparagraph (B)—
- 24 (I) by striking “.—Subject to the
25 reservation contained in subparagraph

1 (C), the” and inserting “AND RELAT-
2 ED ACTIVITIES.—The”,

3 (II) by inserting “, other than
4 amounts transferred under section
5 658T,” after “subchapter”,

6 (III) in clause (i) by striking “;
7 and” at the end and inserting a pe-
8 riod,

9 (IV) by striking “for—” and all
10 that follows through “section
11 658E(c)(2)(A)” and inserting “for
12 child care services, activities that im-
13 prove the quality or availability of
14 such services, and any other activity
15 that the State deems appropriate to
16 realize any of the goals specified in
17 paragraphs (2) through (5) of section
18 658A(b)”, and

19 (V) by striking clause (ii), and
20 (iii) by amending subparagraph (C) to
21 read as follows:

22 “(C) LIMITATION ON ADMINISTRATIVE
23 COSTS.—Not more than 5 percent of the aggre-
24 gate amount of payments received under this
25 subchapter by a State in each fiscal year may

1 be expended for administrative costs incurred
2 by such State to carry out all its functions and
3 duties under this subchapter.”,

4 (D) in paragraph (4)(A)—

5 (i) by striking “provide assurances”
6 and inserting “certify”,

7 (ii) in the first sentence by inserting
8 “and shall provide a summary of the facts
9 relied on by the State to determine that
10 such rates are sufficient to ensure such ac-
11 cess” before the period, and

12 (iii) by striking the last sentence, and

13 (E) by striking paragraph (5).

14 (e) LIMITATIONS ON STATE ALLOTMENTS—Section
15 658F(b)(2) of the Child Care and Development Block
16 Grant Act of 1990 (42 U.S.C. 9858d(b)(2)) is amended
17 by striking “referred to in section 658E(c)(2)(F)”.

18 (f) REPEAL OF EARMARKED REQUIRED EXPENDI-
19 TURES.—The Child Care and Development Block Grant
20 Act of 1990 (42 U.S.C. 9801 note) is amended by striking
21 sections 658G and 658H.

22 (g) ADMINISTRATION AND ENFORCEMENT.—Section
23 658I(a) of the Child Care and Development Block Grant
24 Act of 1990 (42 U.S.C. 9858g(a)) is amended—

1 (1) in paragraph (1) by inserting “and” at the
2 end,

3 (2) by striking paragraph (2), and

4 (3) by redesignating paragraph (3) as para-
5 graph (2).

6 (h) PAYMENTS.—Section 658J(c) of the Child Care
7 and Development Block Grant Act of 1990 (42 U.S.C.
8 9858h(c)) is amended—

9 (1) by striking “expended” and inserting “obli-
10 gated”, and

11 (2) by striking “3 fiscal years” and inserting
12 “fiscal year”.

13 (i) ANNUAL REPORT AND AUDITS.—Section 658K of
14 the Child Care and Development Block Grant Act of 1990
15 (42 U.S.C. 9858i) is amended—

16 (1) in the heading of such section by inserting
17 “, **EVALUATION PLANS,**” after “**REPORT**”,

18 (2) in subsection (a)—

19 (A) by striking “, 1992” and inserting
20 “following the end of the first fiscal year with
21 respect to which the amendments made by the
22 Personal Responsibility Act of 1995 apply”,

23 (B) by amending paragraph (2) to read as
24 follows:

1 “(2) containing data on the manner in which
2 the child care needs of families in the State are
3 being fulfilled, including information concerning—

4 “(A) the number and ages of children
5 being assisted with funds provided under this
6 subchapter;

7 “(B) with respect to the families of such
8 children—

9 “(i) the number of other children in
10 such families;

11 “(ii) the number of such families that
12 include only 1 parent;

13 “(iii) the number of such families that
14 include both parents;

15 “(iv) the ages of the mothers of such
16 children;

17 “(v) the ages of the fathers of such
18 children;

19 “(vi) the sources of the economic re-
20 sources of such families, including the
21 amount of such resources obtained from
22 (and separately identified as being from)—

23 “(I) employment, including self-
24 employment;

1 “(II) assistance received under
2 part A of title IV of the Social Secu-
3 rity Act (42 U.S.C. 601 et seq.);

4 “(III) part B of title IV of the
5 Social Security Act (42 U.S.C. 621 et
6 seq.);

7 “(IV) the Child Nutrition Act of
8 1966 (42 U.S.C. 1771 et seq.);

9 “(V) the National School Lunch
10 Act (42 U.S.C. 1751 et seq.);

11 “(VI) assistance received under
12 title XVI of the Social Security Act
13 (42 U.S.C. 1381 et seq.);

14 “(VII) assistance received under
15 title XIV of the Social Security Act
16 (42 U.S.C. 1351 et seq.);

17 “(VIII) assistance received under
18 title XIX of the Social Security Act
19 (42 U.S.C. 1396 et seq.);

20 “(IX) assistance received under
21 title XX of the Social Security Act
22 (42 U.S.C. 1397 et seq.); and

23 “(X) any other source of eco-
24 nomic resources the Secretary deter-
25 mines to be appropriate;

1 “(C) the number of such providers sepa-
2 rately identified with respect to each type of
3 child care provider specified in section 658P(5)
4 that provided child care services obtained with
5 assistance provided under this subchapter;

6 “(D) with respect to cost of such serv-
7 ices—

8 “(i) the cost imposed by such provid-
9 ers to provide such services; and

10 “(ii) the portion of such cost paid
11 with assistance provided under this sub-
12 chapter;

13 “(E) with respect to consumer education
14 information described in section 658E(c)(2)(D)
15 provided by such State—

16 “(i) the manner in which such infor-
17 mation was provided; and

18 “(ii) the number of parents to whom
19 such information was provided; and

20 “(F) with respect to complaints received by
21 such State regarding child care services ob-
22 tained with assistance provided under this sub-
23 chapter—

24 “(i) the number of such complaints
25 that were found to have merit; and

1 “(ii) a description of the actions taken
2 by the State to correct the circumstances
3 on which such complaints were based.”,

4 (C) by striking paragraphs (3), (4), (5),
5 and (6) and inserting the following:

6 “(3) containing evidence demonstrating that the
7 State satisfied the requirements of section
8 658E(c)(2)(F); and

9 “(4) identifying each State program operated
10 under a provision of law specified in section 658T to
11 which the State transferred funds under the author-
12 ity of such section, specifying the amount of funds
13 so transferred to such program, and containing a
14 justification for so transferring such amount;”, and

15 (3) in subsection (b)—

16 (A) in paragraph (1) by striking “a appli-
17 cation” and inserting “an application”,

18 (B) in paragraph (2) by striking “any
19 agency administering activities that receive”
20 and inserting “the State that receives”, and

21 (C) in paragraph (4) by striking “entitles”
22 and inserting “entitled”, and

23 (4) by redesignating subsection (b) as sub-
24 section (c), and

1 (5) by inserting after subsection (a) the follow-
2 ing:

3 “(b) STATE EVALUATION PLAN AND EVALUATION
4 RESULTS.—

5 “(1) EVALUATION PLAN.—In the first report
6 submitted under subsection (a) after the date of the
7 enactment of the Personal Responsibility Act of
8 1995, and in the report for each alternating 1-year
9 period thereafter, the State shall include a plan the
10 State intends to carry out in the 1-year period sub-
11 sequent to the period for which such report is sub-
12 mitted, to evaluate the extent to which the State has
13 realized each of the goals specified in paragraphs (2)
14 through (5) of section 658A(b). The State shall in-
15 clude in such plan a description of the types of data
16 and other information the State will collect to deter-
17 mine whether the State has realized such goals.

18 “(2) EVALUATION RESULTS.—In the second re-
19 port submitted under subsection (a) after the date
20 of the enactment of the Personal Responsibility Act
21 of 1995, and in the report for each alternating 1-
22 year period thereafter, the State shall include a sum-
23 mary of the results of an evaluation carried out
24 under the evaluation plan contained in the report

1 submitted under subsection (a) for the preceding 1-
2 year period.”.

3 (j) REPORT BY SECRETARY.—Section 658L of the
4 Child Care and Development Block Grant Act of 1990 (42
5 U.S.C. 9858j) is amended—

6 (1) by striking “, 1993, and annually” and in-
7 sserting “following the end of the second fiscal year
8 with respect to which the amendments made by the
9 Personal Responsibility Act of 1995 apply, and bien-
10 nially”,

11 (2) by striking “Committee on Education and
12 Labor” and inserting “Speaker”,

13 (3) by striking “Committee on Labor and
14 Human Resources” and inserting “President pro
15 tempore”, and

16 (4) by striking the last sentence.

17 (k) REALLOTMENTS.—Section 658O of the Child
18 Care and Development Block Grant Act of 1990 (42
19 U.S.C. 9858m) is amended—

20 (1) in subsection (a)(1)—

21 (A) by striking “POSSESSIONS” and insert-
22 ing “POSSESSIONS”,

23 (B) by inserting “and” after “States,”,
24 and

1 (C) by striking “, and the Trust Territory
2 of the Pacific Islands”,

3 (2) by amending subsection (b) to read as fol-
4 lows:

5 “(b) STATE ALLOTMENT.—From the amount appro-
6 priated under section 658B for each fiscal year remaining
7 after reservations under subsection (a), the Secretary shall
8 allot to each State (excluding Guam, American Samoa, the
9 Virgin Islands of the United States, and the Common-
10 wealth of the Northern Mariana Islands) an amount that
11 bears the same ratio to the amount so appropriated for
12 such fiscal year as the aggregate of the amounts received
13 by the State under—

14 “(1) this subchapter for fiscal year 1994;

15 “(2) section 403 of the Social Security Act,
16 with respect to expenditures by the State for child
17 care under section 402(g)(1) of such Act during fis-
18 cal year 1994; and

19 “(3) section 403(n) of the Social Security Act
20 for fiscal year 1994;

21 bears to the aggregate of the amounts received by all the
22 States (excluding Guam, American Samoa, the Virgin Is-
23 lands of the United States, and the Commonwealth of the
24 Northern Mariana Islands) under paragraphs (1), (2), and
25 (3).”

1 (3) in subsection (c)—

2 (A) in paragraph (2)(A) by striking “agen-
3 cy” and inserting “entity”, and

4 (B) in paragraph (5) by striking “our”
5 and inserting “out”,

6 (4) by striking subsection (e), and

7 (5) by redesignating subsection (f) as sub-
8 section (e).

9 (l) DEFINITIONS.—Section 658P of the Child Care
10 and Development Block Grant Act of 1990 (42 U.S.C.
11 9858n) is amended—

12 (1) in paragraph (5)(A)—

13 (A) in clause (i) by striking “and” at the
14 end and inserting “or”,

15 (B) by striking “that—” and all that fol-
16 lows through “(i)”, and inserting “that”, and

17 (C) by striking clause (ii),

18 (2) by amending paragraph (8) to read as fol-
19 lows:

20 “(8) LEAD ENTITY.—The term ‘lead entity’
21 means the State agency or other entity designated
22 under section 658B(a).”,

23 (3) by striking paragraphs (3), (10), and (12),

24 (4) by inserting after paragraph (2) the follow-
25 ing:

1 “(3) CHILD CARE SERVICES.—The term ‘child
2 care services’ means services that constitute physical
3 care of a child and may include services that are de-
4 signed to enhance the educational, social, cultural,
5 emotional, and recreational development of a child
6 but that are not intended to serve as a substitute
7 for compulsory educational services.”,

8 (5) in paragraph (13)—

9 (A) by inserting “or” after “Samoa,” and

10 (B) by striking “, and the Trust Territory
11 of the Pacific Islands”, and

12 (6) by redesignating paragraphs (11), (13), and
13 (14) as paragraphs (10), (11), and (12), respec-
14 tively.

15 (m) AUTHORITY TO TRANSFER FUNDS.—The Child
16 Care and Development Block Grant Act of 1990 (42
17 U.S.C. 9858 et seq.) is amended by inserting after section
18 658S the following:

19 **“SEC. 658T. TRANSFER OF FUNDS.**

20 “(a) AUTHORITY.—Of the aggregate amount of pay-
21 ments received under this subchapter by a State in each
22 fiscal year, the State may transfer not more than 20 per-
23 cent for use by the State to carry out State programs
24 under 1 or more of the following provisions of law:

1 “(1) Part A of title IV of the Social Security
2 Act (42 U.S.C. 601 et seq.).

3 “(2) Part B of title IV of the Social Security
4 Act (42 U.S.C. 621 et seq.).

5 “(3) The Child Nutrition Act of 1966 (42
6 U.S.C. 1771 et seq.).

7 “(4) The National School Lunch Act (42
8 U.S.C. 1751 et seq.).

9 “(5) Title XX of the Social Security Act (42
10 U.S.C. 1397 et seq.).

11 “(b) REQUIREMENTS APPLICABLE TO FUNDS
12 TRANSFERRED.—Funds transferred under subsection (a)
13 to carry out a State program operated under a provision
14 of law specified in such subsection shall not be subject to
15 the requirements of this subchapter, but shall be subject
16 to the same requirements that apply to Federal funds pro-
17 vided directly under such provision of law to carry out
18 such program.”.

19 **SEC. 14302. REPEAL OF CHILD CARE ASSISTANCE AUTHOR-**
20 **IZED BY ACTS OTHER THAN THE SOCIAL SE-**
21 **CURITY ACT.**

22 (a) CHILD DEVELOPMENT ASSOCIATE SCHOLARSHIP
23 ASSISTANCE ACT OF 1985.—Title VI of the Human Serv-
24 ices Reauthorization Act of 1986 (42 U.S.C. 10901–
25 10905) is repealed.

1 (b) STATE DEPENDENT CARE DEVELOPMENT
2 GRANTS ACT.—Subchapter E of chapter 8 of subtitle A
3 of title VI of the Omnibus Budget Reconciliation Act of
4 1981 (42 U.S.C. 9871–9877) is repealed.

5 (c) PROGRAMS OF NATIONAL SIGNIFICANCE.—Title
6 X of the Elementary and Secondary Education Act of
7 1965, as amended by Public Law 103–382 (108 Stat.
8 3809 et seq.), is amended—

9 (1) in section 10413(a) by striking paragraph
10 (4),

11 (2) in section 10963(b)(2) by striking subpara-
12 graph (G), and

13 (3) in section 10974(a)(6) by striking subpara-
14 graph (G).

15 (d) NATIVE HAWAIIAN FAMILY-BASED EDUCATION
16 CENTERS.—Section 9205 of the Native Hawaiian Edu-
17 cation Act (Public Law 103–382; 108 Stat. 3794) is re-
18 pealed.

1 **CHAPTER 2—FAMILY AND SCHOOL-BASED**
2 **NUTRITION BLOCK GRANTS**
3 **Subchapter A—Family Nutrition Block Grant**
4 **Program**

5 **SEC. 14321. AMENDMENT TO CHILD NUTRITION ACT OF**
6 **1966.**

7 The Child Nutrition Act of 1966 (42 U.S.C. 1771
8 et seq.) is amended to read as follows:

9 **“SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

10 “(a) **SHORT TITLE.**—This Act may be cited as the
11 ‘Child Nutrition Act of 1966’.

12 “(b) **TABLE OF CONTENTS.**—The table of contents
13 is as follows:

“Sec. 1. Short title; table of contents.

“Sec. 2. Authorization.

“Sec. 3. Allotment.

“Sec. 4. Application.

“Sec. 5. Use of amounts.

“Sec. 6. Reports.

“Sec. 7. Penalties.

“Sec. 8. Model nutrition standards for food assistance for pregnant,
postpartum, and breastfeeding women, infants and children.

“Sec. 9. Authorization of appropriations.

“Sec. 10. Definitions.

14 **“SEC. 2. AUTHORIZATION.**

15 “(a) **IN GENERAL.**—In the case of each State that
16 in accordance with section 4 submits to the Secretary of
17 Agriculture an application for a fiscal year, the Secretary
18 shall provide a grant for the year to the State for the pur-
19 pose of achieving the goals described in subsection (b).

1 The grant shall consist of the allotment determined for
2 the State under section 3.

3 “(b) GOALS.—The goals of this Act are—

4 “(1) to provide nutritional risk assessment, food
5 assistance based on such risk assessment, and nutri-
6 tion education and counseling to economically dis-
7 advantaged pregnant women, postpartum women,
8 breastfeeding women, infants, and young children
9 who are determined to be at nutritional risk;

10 “(2) to provide nutritional risk assessments of
11 such women in order to provide food assistance and
12 nutrition education which meets their specific needs;

13 “(3) to provide nutrition education to such
14 women in order to increase their awareness of the
15 types of foods which should be consumed to main-
16 tain good health;

17 “(4) to provide food assistance, including nutri-
18 tious meal supplements, to such women in order to
19 reduce incidences of low-birthweight babies and ba-
20 bies born with birth defects as a result of nutritional
21 deficiencies;

22 “(5) to provide food assistance, including nutri-
23 tious meal supplements, to such women, infants, and
24 young children in order to ensure their future good
25 health;

1 “(6) to ensure that such women, infants, and
2 children are referred to other health services, includ-
3 ing routine pediatric and obstetric care, when nec-
4 essary;

5 “(7) to ensure that children from economically
6 disadvantaged families in day care facilities, family
7 day care homes, homeless shelters, settlement
8 houses, recreational centers, Head Start centers,
9 Even Start programs and child care facilities for
10 children with disabilities receive nutritious meals,
11 supplements, and low-cost milk; and

12 “(8) to provide summer food service programs
13 to meet the nutritional needs of children from eco-
14 nomically disadvantaged families during months
15 when school is not in session.

16 “(c) TIMING OF PAYMENTS.—The Secretary shall
17 provide payments under a grant under this Act to States
18 on a quarterly basis.

19 **“SEC. 3. ALLOTMENT.**

20 “The Secretary shall allot the amount appropriated
21 to carry out this Act for a fiscal year among the States
22 as follows:

23 “(1) FIRST FISCAL YEAR.—

24 “(A) IN GENERAL.—With respect to the
25 first fiscal year for which the Secretary provides

1 grants to States under this Act, the amount al-
2 lotted to each State shall bear the same propor-
3 tion to such amount appropriated as the aggre-
4 gate of the amounts described in subparagraph
5 (B) that were received by each such State
6 under the provisions of law described in such
7 subparagraph (as such provisions of law were in
8 effect on the day before the date of the enact-
9 ment of the Personal Responsibility Act of
10 1995) for the preceding fiscal year bears to the
11 aggregate of the amounts described in subpara-
12 graph (B) that were received by all such States
13 under such provisions of law for such preceding
14 fiscal year.

15 “(B) AMOUNTS DESCRIBED.—The
16 amounts described in this subparagraph are the
17 following:

18 “(i) The amount received under the
19 special supplemental nutrition program for
20 women, infants, and children under section
21 17 of this Act (42 U.S.C. 1786).

22 “(ii) The amount received under the
23 homeless children nutrition program estab-
24 lished under section 17B of the National
25 School Lunch Act (42 U.S.C. 1766b).

1 “(iii) 87.5 percent of the sum of the
2 amounts received under the following pro-
3 grams:

4 “(I) The child and adult care
5 food program under section 17 of the
6 National School Lunch Act (42
7 U.S.C. 1766), except for subsection
8 (o) of such section.

9 “(II) The summer food service
10 program for children established
11 under section 13 of the National
12 School Lunch Act (42 U.S.C. 1761).

13 “(III) The special milk program
14 established under section 3 of this Act
15 (42 U.S.C. 1772).

16 “(2) SECOND FISCAL YEAR.—With respect to
17 the second fiscal year for which the Secretary pro-
18 vides grants to States under this Act—

19 “(A) 95 percent of such amount appro-
20 priated shall be allotted among the States by al-
21 lotting to each State an amount that bears the
22 same proportion to such amount appropriated
23 as the amount allotted to each such State from
24 a grant under this Act for the preceding fiscal
25 year bears to the aggregate of the amounts al-

1 lotted to all such States from grants under this
2 Act for such preceding fiscal year; and

3 “(B) 5 percent of such amount appro-
4 priated shall be allotted among the States by al-
5 lotting to each State an amount that bears the
6 same proportion to such amount appropriated
7 as the relative number of individuals receiving
8 assistance during the 1-year period ending on
9 June 30 of the preceding fiscal year in such
10 State from amounts received from a grant
11 under this Act for such preceding fiscal year
12 bears to the total number of individuals receiv-
13 ing assistance in all States from amounts re-
14 ceived from grants under this Act for the pre-
15 ceding fiscal year.

16 “(3) THIRD AND FOURTH FISCAL YEARS.—
17 With respect to each of the third and fourth fiscal
18 years for which the Secretary provides grants to
19 States under this Act—

20 “(A) 90 percent of such amount appro-
21 priated shall be allotted among the States by al-
22 lotting to each State an amount determined in
23 accordance with the formula described in para-
24 graph (2)(A); and

1 “(B) 10 percent of such amount appro-
2 priated shall be allotted among the States by al-
3 lotting to each State an amount determined in
4 accordance with the formula described in para-
5 graph (2)(B).

6 “(4) FIFTH FISCAL YEAR.—With respect to the
7 fifth fiscal year for which the Secretary provides
8 grants to States under this Act—

9 “(A) 85 percent of such amount appro-
10 priated shall be allotted among the States by al-
11 lotting to each State an amount determined in
12 accordance with the formula described in para-
13 graph (2)(A); and

14 “(B) 15 percent of such amount appro-
15 priated shall be allotted among the States by al-
16 lotting to each State an amount determined in
17 accordance with the formula described in para-
18 graph (2)(B).

19 **“SEC. 4. APPLICATION.**

20 “The Secretary may provide a grant under this Act
21 to a State for a fiscal year only if the State submits to
22 the Secretary an application containing only—

23 “(1) an agreement that the State will use
24 amounts received from such grant in accordance
25 with section 5;

1 “(2) except as provided in paragraph (3), an
2 agreement that the State will set minimum nutri-
3 tional requirements for food assistance provided
4 under this Act based on the most recent tested nu-
5 tritional research available, except that—

6 “(A) such requirements shall not be con-
7 strued to prohibit the substitution of foods to
8 accommodate the medical or other special die-
9 tary needs of individual students; and

10 “(B) such requirements shall, at a mini-
11 mum, be based on—

12 “(i) the weekly average of the nutrient
13 content of school lunches; or

14 “(ii) such other standards as the
15 State may prescribe;

16 “(3) an agreement that the State, with respect
17 to the provision of food assistance to economically
18 disadvantaged pregnant women, postpartum women,
19 breastfeeding women, infants, and young children,
20 shall—

21 “(A) implement the minimum nutritional
22 requirements described in paragraph (2) for
23 such food assistance; or

1 “(B) implement the model nutrition stand-
2 ards developed under section 8 for such food as-
3 sistance;

4 “(4) an agreement that the State will take such
5 reasonable steps as the State deems necessary to re-
6 strict the use and disclosure of information about in-
7 dividuals and families receiving assistance under this
8 Act;

9 “(5) an agreement that the State will use not
10 more than 5 percent of the amount of such grant for
11 administrative costs incurred to provide assistance
12 under this Act, except that costs associated with the
13 nutritional risk assessment of individuals described
14 in section 5(a)(1) and costs associated with nutrition
15 education and counseling provided to such individ-
16 uals shall not be considered to be administrative
17 costs; and

18 “(6) an agreement that the State will submit to
19 the Secretary a report in accordance with section 6.

20 **“SEC. 5. USE OF AMOUNTS.**

21 “(a) IN GENERAL.—The Secretary may provide a
22 grant under this Act to a State only if the State agrees
23 that it will use all amounts received from such grant—

24 “(1) subject to subsection (b), to provide nutri-
25 tional risk assessment, food assistance based on such

1 risk assessment, and nutrition education and coun-
2 seling to economically disadvantaged pregnant
3 women, postpartum women, breastfeeding women,
4 infants, and young children who are determined to
5 be at nutritional risk;

6 “(2) to provide milk in nonprofit nursery
7 schools, child care centers, settlement houses, sum-
8 mer camps, and similar institutions devoted to the
9 care and training of children, to children from eco-
10 nomically disadvantaged families;

11 “(3) to provide food service programs in institu-
12 tions and family day care homes providing child care
13 to children from economically disadvantaged fami-
14 lies;

15 “(4) to provide summer food service programs
16 carried out by nonprofit food authorities, local gov-
17 ernments, nonprofit higher education institutions
18 participating in the National Youth Sports Program,
19 and residential nonprofit summer camps to children
20 from economically disadvantaged families; and

21 “(5) to provide nutritious meals to pre-school
22 age homeless children in shelters and other facilities
23 serving the homeless population.

1 “(b) ADDITIONAL REQUIREMENTS WITH RESPECT
2 TO ASSISTANCE FOR PREGNANT, POSTPARTUM, AND
3 BREASTFEEDING WOMEN, INFANTS, AND CHILDREN.—

4 “(1) MINIMUM AMOUNT OF ASSISTANCE.—The
5 State shall ensure that not less than 80 percent of
6 the amount of the grant is used to provide nutri-
7 tional risk assessment, food assistance based on such
8 nutritional risk assessment, and nutrition education
9 and counseling to economically disadvantaged preg-
10 nant women, postpartum women, breastfeeding
11 women, infants, and young children under sub-
12 section (a)(1).

13 “(2) COST CONTAINMENT MEASURES REGARD-
14 ING PROCUREMENT OF INFANT FORMULA.—

15 “(A) IN GENERAL.—The State shall, with
16 respect to the provision of food assistance to
17 economically disadvantaged pregnant women,
18 postpartum women, breastfeeding women, in-
19 fants, and young children under subsection
20 (a)(1), establish and carry out a cost contain-
21 ment system for the procurement of infant for-
22 mula.

23 “(B) USE OF AMOUNTS RESULTING FROM
24 SAVINGS.—The State shall use amounts avail-
25 able to the State as result of savings in costs

1 to the State from the implementation of the
2 cost containment system described in subpara-
3 graph (A) for the purpose of providing the as-
4 sistance described in paragraphs (1) through
5 (5) of subsection (a).

6 “(C) ANNUAL REPORTS.—The State shall
7 submit to the Secretary for each fiscal year a
8 report containing—

9 “(i) a description of the cost contain-
10 ment system for infant formula imple-
11 mented by the State in accordance with
12 subparagraph (A) for such fiscal year; and

13 “(ii) the estimated amount of savings
14 in costs derived by the State in providing
15 food assistance described in such subpara-
16 graph under such cost containment system
17 for such fiscal year as compared to the
18 amount of such savings derived by the
19 State under the cost containment system
20 for the preceding fiscal year, where appro-
21 priate.

22 “(3) ASSISTANCE FOR MEMBERS OF THE
23 ARMED FORCES AND THEIR DEPENDENTS.—The
24 State shall ensure that assistance described in sub-
25 section (a)(1) is provided to members of the Armed

1 Forces and dependents of such members (regardless
2 of the State of residence of such members or de-
3 pendents) who meet the requirements of such sub-
4 section on an equitable basis with assistance pro-
5 vided to all other individuals under such subsection
6 in such State.

7 “(c) ADDITIONAL REQUIREMENT WITH RESPECT TO
8 CHILD CARE ASSISTANCE ON MILITARY INSTALLA-
9 TIONS.—

10 “(1) IN GENERAL.—To the extent consistent
11 with the number of children who are receiving assist-
12 ance under child care programs established and car-
13 ried out on military installations in such State by
14 the Department of Defense, the State, after timely
15 and appropriate consultation with representatives of
16 such programs, shall provide assistance to such pro-
17 grams for such children (regardless of the State of
18 residence of such children) in accordance with sub-
19 section (a)(3) on an equitable basis with assistance
20 provided in accordance with such subsection to all
21 other child care programs carried out in such State.

22 “(2) LIMITATION.—In providing assistance to a
23 child care program established and carried out on a
24 military installation under paragraph (1), a State
25 shall not require that such program be licensed

1 under State law if such program is licensed by the
2 Department of Defense.

3 “(d) AUTHORITY TO USE AMOUNTS FOR OTHER
4 PURPOSES.—

5 “(1) IN GENERAL.—Subject to paragraphs (2)
6 and (3), a State may use not more than 20 percent
7 of amounts received from a grant under this Act for
8 a fiscal year to carry out a State program pursuant
9 to any or all of the following provisions of law:

10 “(A) Part A of title IV of the Social Secu-
11 rity Act (42 U.S.C. 601 et seq.).

12 “(B) Part B of title IV of the Social Secu-
13 rity Act (42 U.S.C. 621 et seq.).

14 “(C) Title XX of the Social Security Act
15 (42 U.S.C. 1397 et seq.).

16 “(D) The National School Lunch Act (42
17 U.S.C. 1751 et seq.).

18 “(E) The Child Care and Development
19 Block Grant Act of 1990 (42 U.S.C. 9858 et
20 seq.).

21 “(2) SUFFICIENT FUNDING DETERMINATION.—
22 Prior to using any amounts received from a grant
23 under this Act for a fiscal year to carry out a State
24 program pursuant to any or all of the provisions of
25 law described in paragraph (1), the appropriate

1 State agency shall make a determination that suffi-
2 cient amounts will remain available for such fiscal
3 year to carry out this Act.

4 “(3) RULES GOVERNING USE OF AMOUNTS FOR
5 OTHER PURPOSES.—Amounts paid to the State
6 under a grant under this Act that are used to carry
7 out a State program pursuant to a provision of law
8 specified in paragraph (1) shall not be subject to the
9 requirements of this Act, but shall be subject to the
10 same requirements that apply to Federal funds pro-
11 vided directly under the provision of law to carry out
12 the program.

13 **“SEC. 6. REPORTS.**

14 “The Secretary may provide a grant under this Act
15 to a State for a fiscal year only if the State agrees that
16 it will submit, for such fiscal year, a report to the Sec-
17 retary describing—

18 “(1) the number of individuals receiving assist-
19 ance under the grant in accordance with each of
20 paragraphs (1) through (5) of section 5(a);

21 “(2) the different types of assistance provided
22 to such individuals in accordance with such para-
23 graphs;

1 “(3) the extent to which such assistance was ef-
2 fective in achieving the goals described in section
3 2(b);

4 “(4) the standards and methods the State is
5 using to ensure the nutritional quality of such assist-
6 ance, including meals and supplements;

7 “(5) the number of low birthweight births in
8 the State in such fiscal year compared to the num-
9 ber of such births in the State in the previous fiscal
10 year; and

11 “(6) any other information which can be rea-
12 sonably required by the Secretary.

13 **“SEC. 7. PENALTIES.**

14 “(a) PENALTY FOR USE OF AMOUNTS IN VIOLATION
15 OF THIS ACT.—

16 “(1) IN GENERAL.—The Secretary shall reduce
17 the amounts otherwise payable to a State under a
18 grant under this Act by any amount paid to the
19 State under this Act which an audit conducted pur-
20 suant to chapter 75 of title 31, United States Code,
21 finds has been used in violation of this Act.

22 “(2) LIMITATION.—In carrying out paragraph
23 (1), the Secretary shall not reduce any quarterly
24 payment by more than 25 percent.

1 “(b) PENALTY FOR FAILURE TO SUBMIT REQUIRED
2 REPORT.—The Secretary shall reduce by 3 percent the
3 amount otherwise payable to a State under a grant under
4 this Act for a fiscal year if the Secretary determines that
5 the State has not submitted the report required by section
6 6 for the immediately preceding fiscal year, within 6
7 months after the end of the immediately preceding fiscal
8 year.

9 **“SEC. 8. MODEL NUTRITION STANDARDS FOR FOOD ASSIST-**
10 **ANCE FOR PREGNANT, POSTPARTUM, AND**
11 **BREASTFEEDING WOMEN, INFANTS AND**
12 **CHILDREN.**

13 “(a) IN GENERAL.—Not later than April 1, 1996, the
14 Food and Nutrition Board of the Institute of Medicine of
15 the National Academy of Sciences, in cooperation with pe-
16 diatricians, obstetricians, nutritionists, and directors of
17 programs providing nutritional risk assessment, food as-
18 sistance, and nutrition education and counseling to eco-
19 nomically disadvantaged pregnant women, postpartum
20 women, breastfeeding women, infants, and young children,
21 shall develop model nutrition standards for food assistance
22 provided to such women, infants, and children under this
23 Act.

24 “(b) REQUIREMENT.—Such model nutrition stand-
25 ards shall require that food assistance provided to such

1 women, infants, and children contain nutrients that are
2 lacking in the diets of such women, infants, and children,
3 as determined by nutritional research.

4 “(c) REPORT TO CONGRESS.—Not later than 1 year
5 after the date on which the model nutrition standards are
6 developed under subsection (a), the Food and Nutrition
7 Board of the Institute of Medicine of the National Acad-
8 emy of Sciences shall prepare and submit to the Congress
9 a report regarding the efforts of States to implement such
10 model nutrition standards.

11 **“SEC. 9. AUTHORIZATION OF APPROPRIATIONS.**

12 “(a) IN GENERAL.—There are authorized to be ap-
13 propriated to carry out this Act \$4,606,000,000 for fiscal
14 year 1996, \$4,777,000,000 for fiscal year 1997,
15 \$4,936,000,000 for fiscal year 1998, \$5,120,000,000 for
16 fiscal year 1999, and \$5,308,000,000 for fiscal year 2000.

17 “(b) AVAILABILITY.—Amounts authorized to be ap-
18 propriated under subsection (a) are authorized to remain
19 available until the end of the fiscal year subsequent to the
20 fiscal year for which such amounts are appropriated.

21 **“SEC. 10. DEFINITIONS.**

22 “For purposes of this Act:

23 “(1) BREASTFEEDING WOMEN.—The term
24 ‘breastfeeding women’ means women up to 1 year
25 postpartum who are breastfeeding their infants.

1 “(2) ECONOMICALLY DISADVANTAGED.—The
2 term ‘economically disadvantaged’ means an individ-
3 ual or a family, as the case may be, whose annual
4 income does not exceed 185 percent of the applicable
5 family size income levels contained in the most re-
6 cent income poverty guidelines prescribed by the Of-
7 fice of Management and Budget and based on data
8 from the Bureau of the Census.

9 “(3) INFANTS.—The term ‘infants’ means indi-
10 viduals under 1 year of age.

11 “(4) POSTPARTUM WOMEN.—The term
12 ‘postpartum women’ means women who are in the
13 180-day period beginning on the termination of
14 pregnancy.

15 “(5) PREGNANT WOMEN.—The term ‘pregnant
16 women’ means women who have 1 or more fetuses
17 in utero.

18 “(6) SCHOOL.—The term ‘school’ means a pub-
19 lic or private nonprofit elementary, intermediate, or
20 secondary school.

21 “(7) SECRETARY.—The term ‘Secretary’ means
22 the Secretary of Agriculture.

23 “(8) STATE.—The term ‘State’ means any of
24 the several States, the District of Columbia, the
25 Commonwealth of Puerto Rico, the Commonwealth

1 of the Northern Mariana Islands, American Samoa,
 2 Guam, the Virgin Islands, or a tribal organization
 3 (as defined in section 4(l) of the Indian Self-Deter-
 4 mination and Education Assistance Act (25 U.S.C.
 5 450b(l))).

6 “(9) YOUNG CHILDREN.—The term ‘young chil-
 7 dren’ means individuals who have attained the age
 8 of 1 but have not attained the age of 5.”

9 **Subchapter B—School-Based Nutrition Block**
 10 **Grant Program**

11 **SEC. 14341. AMENDMENT TO NATIONAL SCHOOL LUNCH**
 12 **ACT.**

13 The National School Lunch Act (42 U.S.C. 1751 et
 14 seq.) is amended to read as follows:

15 **“SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

16 “(a) SHORT TITLE.—This Act may be cited as the
 17 ‘National School Lunch Act’.

18 “(b) TABLE OF CONTENTS.—The table of contents
 19 is as follows:

“Sec. 1. Short title; table of contents.

“Sec. 2. Authorization.

“Sec. 3. Allotment.

“Sec. 4. Application.

“Sec. 5. Use of amounts.

“Sec. 6. Reports.

“Sec. 7. Penalties.

“Sec. 8. Assistance to children enrolled in private nonprofit schools and Depart-
 ment of Defense domestic dependents’ schools in case of re-
 strictions on State or failure by State to provide assistance.

“Sec. 9. Food service programs for department of defense overseas dependents’
 schools.

“Sec. 10. Model nutrition standards for meals for students.

“Sec. 11. Definitions.

1 **“SEC. 2. AUTHORIZATION.**

2 “(a) ENTITLEMENT.—

3 “(1) IN GENERAL.—In the case of each State
4 that in accordance with section 4 submits to the
5 Secretary of Agriculture an application for a fiscal
6 year, each such State shall be entitled to receive
7 from the Secretary for such fiscal year a grant for
8 the purpose of achieving the goals described in sub-
9 section (b). Subject to paragraph (2), the grant shall
10 consist of the allotment for such State determined
11 under section 3 of the school-based nutrition amount
12 for the fiscal year.

13 “(2) REQUIREMENT TO PROVIDE COMMOD-
14 ITIES.—9 percent of the amount of the assistance
15 available under this Act for each State shall be in
16 the form of commodities.

17 “(3) SCHOOL-BASED NUTRITION AMOUNT.—

18 “(A) IN GENERAL.—For purposes of this
19 Act, the term ‘school-based nutrition amount’
20 means, subject to the reservation contained in
21 subparagraph (B), \$6,681,000,000 for fiscal
22 year 1996, \$6,956,000,000 for fiscal year 1997,
23 \$7,237,000,000 for fiscal year 1998,
24 \$7,538,000,000 for fiscal year 1999, and
25 \$7,849,000,000 for fiscal year 2000.

1 “(B) RESERVATION.—For each fiscal year
2 described in subparagraph (A), the Secretary
3 shall reserve an amount equal to the amount
4 determined under subsection (c) of section 9 for
5 such fiscal year from the school-based nutrition
6 amount for the purpose of establishing and car-
7 rying out nutritious food service programs at
8 Department of Defense overseas dependents’
9 schools in accordance with such section.

10 “(4) AVAILABILITY.—Payments under a grant
11 to a State from the allotment determined under sec-
12 tion 3 for any fiscal year may be obligated by the
13 State in that fiscal year or in the succeeding fiscal
14 year.

15 “(b) GOALS.—The goals of this Act are—

16 “(1) to safeguard the health and well-being of
17 children through the provision of nutritious, well-bal-
18 anced meals and food supplements;

19 “(2) to provide economically disadvantaged chil-
20 dren access to nutritious free or low cost meals, food
21 supplements, and low-cost milk;

22 “(3) to ensure that children served under this
23 Act are receiving the nutrition they require to take
24 advantage of the educational opportunities provided
25 to them;

1 “(4) to emphasize foods which are naturally
2 good sources of vitamins and minerals over foods
3 which have been enriched with vitamins and min-
4 erals and are high in fat or sodium content;

5 “(5) to provide a comprehensive school nutri-
6 tion program for children; and

7 “(6) to minimize paperwork burdens and ad-
8 ministrative expenses for participating schools.

9 “(c) TIMING OF PAYMENTS.—The Secretary shall
10 provide payments under a grant under this Act to States
11 on a quarterly basis.

12 **“SEC. 3. ALLOTMENT.**

13 “The Secretary shall allot the school-based nutrition
14 amount to carry out this Act for a fiscal year among the
15 States as follows:

16 “(1) FIRST FISCAL YEAR.—

17 “(A) IN GENERAL.—With respect to the
18 first fiscal year for which the Secretary provides
19 grants to States under this Act, the amount al-
20 lotted to each State shall bear the same propor-
21 tion to such school-based nutrition amount as
22 the aggregate of the amounts described in sub-
23 paragraph (B) that were received by each such
24 State under the provisions of law described in
25 such subparagraph (as such provisions of law

1 were in effect on the day before the date of the
2 enactment of the Personal Responsibility Act of
3 1995) for the preceding fiscal year bears to the
4 aggregate of the amounts described in subpara-
5 graph (B) that were received by all such States
6 under such provisions of law for such preceding
7 fiscal year.

8 “(B) AMOUNTS DESCRIBED.—The
9 amounts described in this subparagraph are the
10 following:

11 “(i) The amount received under the
12 school breakfast program established under
13 section 4 of the Child Nutrition Act of
14 1966 (42 U.S.C. 1773).

15 “(ii) The amount received under the
16 school lunch program established under
17 this Act (42 U.S.C. 1751 et seq.).

18 “(iii) 12.5 percent of the sum of the
19 amounts received under the following pro-
20 grams:

21 “(I) The child and adult care
22 food program under section 17 of this
23 Act (42 U.S.C. 1766), except for sub-
24 section (o) of such section.

1 “(II) The summer food service
2 program for children established
3 under section 13 of this Act (42
4 U.S.C. 1761).

5 “(III) The special milk program
6 established under section 3 of the
7 Child Nutrition Act of 1966 (42
8 U.S.C. 1772).

9 “(2) SECOND FISCAL YEAR.—With respect to
10 the second fiscal year for which the Secretary pro-
11 vides grants to States under this Act—

12 “(A) 95 percent of such school-based nu-
13 trition amount shall be allotted among the
14 States by allotting to each State an amount
15 that bears the same proportion to such school-
16 based nutrition amount as the amount allotted
17 to each such State from a grant under this Act
18 for the preceding fiscal year bears to the aggre-
19 gate of the amounts allotted to all such States
20 from grants under this Act for such preceding
21 fiscal year; and

22 “(B) 5 percent of such school-based nutri-
23 tion amount shall be allotted among the States
24 by allotting to each State an amount that bears
25 the same proportion to such school-based nutri-

1 tion amount as the relative number of meals
2 served during the 1-year period ending on June
3 30 of the preceding fiscal year in a State from
4 amounts received from a grant under this Act
5 for such preceding fiscal year bears to the total
6 number of meals served in all States from
7 amounts received from grants under this Act
8 for the preceding fiscal year.

9 “(3) THIRD AND FOURTH FISCAL YEARS.—

10 With respect to each of the third and fourth fiscal
11 years for which the Secretary provides grants to
12 States under this Act—

13 “(A) 90 percent of such school-based nu-
14 trition amount shall be allotted among the
15 States by allotting to each State an amount de-
16 termined in accordance with the formula de-
17 scribed in paragraph (2)(A); and

18 “(B) 10 percent of such school-based nu-
19 trition amount shall be allotted among the
20 States by allotting to each State an amount de-
21 termined in accordance with the formula de-
22 scribed in paragraph (2)(B).

23 “(4) FIFTH FISCAL YEAR.—With respect to the
24 fifth fiscal year for which the Secretary provides
25 grants to States under this Act—

1 “(A) 85 percent of such school-based nu-
2 trition amount shall be allotted among the
3 States by allotting to each State an amount de-
4 termined in accordance with the formula de-
5 scribed in paragraph (2)(A); and

6 “(B) 15 percent of such school-based nu-
7 trition amount shall be allotted among the
8 States by allotting to each State an amount de-
9 termined in accordance with the formula de-
10 scribed in paragraph (2)(B).

11 **“SEC. 4. APPLICATION.**

12 “The Secretary may provide a grant under this Act
13 to a State for a fiscal year only if the State submits to
14 the Secretary an application containing only—

15 “(1) an agreement that the State will use
16 amounts received from such grant in accordance
17 with section 5;

18 “(2) except as provided in paragraph (3), an
19 agreement that the State will set minimum nutri-
20 tional requirements for meals provided under this
21 Act based on the most recent tested nutritional re-
22 search available, except that—

23 “(A) such requirements shall not be con-
24 strued to prohibit the substitution of foods to

1 accommodate the medical or other special die-
2 tary needs of individual students; and

3 “(B) such requirements shall, at a mini-
4 mum, be based on—

5 “(i) the weekly average of the nutrient
6 content of school lunches; or

7 “(ii) such other standards as the
8 State may prescribe;

9 “(3) an agreement that the State, with respect
10 to the provision of meals to students, shall—

11 “(A) implement the minimum nutritional
12 requirements described in paragraph (2) for
13 such meals; or

14 “(B) implement the model nutrition stand-
15 ards developed under section 10 for such meals;

16 “(4) an agreement that the State will take such
17 reasonable steps as the State deems necessary to re-
18 strict the use and disclosure of information about in-
19 dividuals and families receiving assistance under this
20 Act;

21 “(5) an agreement that the State will use not
22 more than 2 percent of the amount of such grant for
23 administrative costs incurred to provide assistance
24 under this Act; and

1 “(6) an agreement that the State will submit to
2 the Secretary a report in accordance with section 6.

3 **“SEC. 5. USE OF AMOUNTS.**

4 “(a) IN GENERAL.—The Secretary may provide a
5 grant under this Act to a State only if the State agrees
6 that it will use all amounts received from such grant to
7 provide assistance to schools to establish and carry out
8 nutritious food service programs that provide affordable
9 meals and supplements to students, which may include—

10 “(1) nonprofit school breakfast programs;

11 “(2) nonprofit school lunch programs;

12 “(3) nonprofit before and after school supple-
13 ment programs;

14 “(4) nonprofit low-cost milk services; and

15 “(5) nonprofit summer meals programs.

16 “(b) ADDITIONAL REQUIREMENTS.—

17 “(1) MINIMUM AMOUNT OF GRANT FOR FREE
18 OR LOW COST MEALS OR SUPPLEMENTS.—In provid-
19 ing assistance to schools to establish and carry out
20 nutritious food service programs in accordance with
21 subsection (a), the State shall ensure that not less
22 than 80 percent of the amount of the grant is used
23 to provide free or low cost meals or supplements to
24 economically disadvantaged children.

1 “(2) PROVISION OF FOOD SERVICE PROGRAMS
2 IN PRIVATE NONPROFIT SCHOOLS AND DEPARTMENT
3 OF DEFENSE DOMESTIC DEPENDENTS’ SCHOOLS.—
4 To the extent consistent with the number of children
5 in the State who are enrolled in private nonprofit
6 schools and Department of Defense domestic de-
7 pendents’ schools, the State, after timely and appro-
8 priate consultation with representatives of such
9 schools, as the case may be, shall ensure that nutri-
10 tious food service programs are established and car-
11 ried out in such schools in accordance with sub-
12 section (a) on an equitable basis with nutritious food
13 service programs established and carried out in pub-
14 lic nonprofit schools in the State.

15 “(c) AUTHORITY TO USE AMOUNTS FOR OTHER
16 PURPOSES.—

17 “(1) IN GENERAL.—Subject to paragraphs (2)
18 and (3), a State may use not more than 20 percent
19 of amounts received from a grant under this Act for
20 a fiscal year to carry out a State program pursuant
21 to any or all of the following provisions of law:

22 “(A) Part A of title IV of the Social Secu-
23 rity Act (42 U.S.C. 601 et seq.).

24 “(B) Part B of title IV of the Social Secu-
25 rity Act (42 U.S.C. 621 et seq.).

1 “(C) Title XX of the Social Security Act
2 (42 U.S.C. 1397 et seq.).

3 “(D) The Child Nutrition Act of 1966 (42
4 U.S.C. 1771 et seq.).

5 “(E) The Child Care and Development
6 Block Grant Act of 1990 (42 U.S.C. 9858 et
7 seq.).

8 “(2) SUFFICIENT FUNDING DETERMINATION.—
9 Prior to using any amounts received from a grant
10 under this Act for a fiscal year to carry out a State
11 program pursuant to any or all of the provisions of
12 law described in paragraph (1), the appropriate
13 State agency shall make a determination that suffi-
14 cient amounts will remain available for such fiscal
15 year to carry out this Act.

16 “(3) RULES GOVERNING USE OF AMOUNTS FOR
17 OTHER PURPOSES.—Amounts paid to the State
18 under a grant under this Act that are used to carry
19 out a State program pursuant to a provision of law
20 specified in paragraph (1) shall not be subject to the
21 requirements of this Act, but shall be subject to the
22 same requirements that apply to Federal funds pro-
23 vided directly under the provision of law to carry out
24 the program.

1 “(d) LIMITATION ON PROVISION OF COMMODITIES
2 TO CERTAIN SCHOOL DISTRICTS, PRIVATE NONPROFIT
3 SCHOOLS, AND DEPARTMENT OF DEFENSE DOMESTIC
4 DEPENDENTS’ SCHOOLS.—

5 “(1) IN GENERAL.—A State may not require a
6 school district, private nonprofit school, or Depart-
7 ment of Defense domestic dependents’ school de-
8 scribed in paragraph (2), except upon the request of
9 such school district, private school, or domestic de-
10 pendents’ school, as the case may be, to accept com-
11 modities for use in the food service program of such
12 school district, private school, or domestic depend-
13 ents’ school in accordance with this section. Such
14 school district, private school, or domestic depend-
15 ents’ school may continue to receive commodity as-
16 sistance in the form that it received such assistance
17 as of January 1, 1987.

18 “(2) SCHOOL DISTRICT, PRIVATE NONPROFIT
19 SCHOOL, AND DEPARTMENT OF DEFENSE DOMESTIC
20 DEPENDENTS’ SCHOOL DESCRIBED.—A school dis-
21 trict, private nonprofit school, or Department of De-
22 fense domestic dependents’ school described in this
23 paragraph is a school district, private nonprofit
24 school, or Department of Defense domestic depend-
25 ents’ school, as the case may be, that as of January

1 1, 1987, was receiving all cash payments or all com-
2 modity letters of credit in lieu of entitlement com-
3 modities for the school lunch program of such school
4 district, private school, or domestic dependents'
5 school under section 18(b) of the National School
6 Lunch Act (42 U.S.C. 1751 et seq.), as such section
7 was in effect on the day before the date of the enact-
8 ment of the Personal Responsibility Act of 1995.

9 “(e) PROHIBITION ON PHYSICAL SEGREGATION,
10 OVERT IDENTIFICATION, OR OTHER DISCRIMINATION
11 WITH RESPECT TO CHILDREN ELIGIBLE FOR FREE OR
12 LOW COST MEALS OR SUPPLEMENTS.—In providing as-
13 sistance to schools to establish and carry out nutritious
14 food service programs in accordance with subsection (a),
15 the State shall ensure that such schools do not—

16 “(1) physically segregate children eligible to re-
17 ceive free or low cost meals or supplements on the
18 basis of such eligibility;

19 “(2) provide for the overt identification of such
20 children by special tokens or tickets, announced or
21 published list of names, or other means; or

22 “(3) otherwise discriminate against such chil-
23 dren.

1 **“SEC. 6. REPORTS.**

2 “The Secretary may provide a grant under this Act
3 to a State for a fiscal year only if the State agrees that
4 it will submit, for such fiscal year, a report to the Sec-
5 retary describing—

6 “(1) the number of individuals receiving assist-
7 ance under the grant;

8 “(2) the different types of assistance provided
9 to such individuals;

10 “(3) the total number of meals served to stu-
11 dents under the grant, including the percentage of
12 such meals served to economically disadvantaged
13 students;

14 “(4) the extent to which such assistance was ef-
15 fective in achieving the goals described in section
16 2(b);

17 “(5) the standards and methods the State is
18 using to ensure the nutritional quality of such assist-
19 ance, including meals and supplements; and

20 “(6) any other information which can be rea-
21 sonably required by the Secretary.

22 **“SEC. 7. PENALTIES.**

23 “(a) PENALTY FOR USE OF AMOUNTS IN VIOLATION
24 OF THIS ACT.—

25 “(1) IN GENERAL.—The Secretary shall reduce
26 the amounts otherwise payable to a State under a

1 grant under this Act by any amount paid to the
2 State under this Act which an audit conducted pur-
3 suant to chapter 75 of title 31, United States Code,
4 finds has been used in violation of this Act.

5 “(2) LIMITATION.—In carrying out paragraph
6 (1), the Secretary shall not reduce any quarterly
7 payment by more than 25 percent.

8 “(b) PENALTY FOR FAILURE TO SUBMIT REQUIRED
9 REPORT.—The Secretary shall reduce by 3 percent the
10 amount otherwise payable to a State under a grant under
11 this Act for a fiscal year if the Secretary determines that
12 the State has not submitted the report required by section
13 6 for the immediately preceding fiscal year, within 6
14 months after the end of the immediately preceding fiscal
15 year.

16 **“SEC. 8. ASSISTANCE TO CHILDREN ENROLLED IN PRIVATE**
17 **NONPROFIT SCHOOLS AND DEPARTMENT OF**
18 **DEFENSE DOMESTIC DEPENDENTS’ SCHOOLS**
19 **IN CASE OF RESTRICTIONS ON STATE OR**
20 **FAILURE BY STATE TO PROVIDE ASSISTANCE.**

21 “(a) IN GENERAL.—If, by reason of any other provi-
22 sion of law, a State is prohibited from providing assistance
23 from amounts received from a grant under this Act to pri-
24 vate nonprofit schools or Department of Defense domestic
25 dependents’ schools for a fiscal year to establish and carry

1 out nutritious food service programs in such schools in ac-
2 cordance with section 5(a), or the Secretary determines
3 that a State has substantially failed or is unwilling to pro-
4 vide such assistance to such private nonprofit schools or
5 domestic dependents' schools for such fiscal year, the Sec-
6 retary shall, after consultation with appropriate represent-
7 atives of the State and private nonprofit schools or domes-
8 tic dependents' schools, as the case may be, arrange for
9 the provision of such assistance to private nonprofit
10 schools or domestic dependents' schools in the State for
11 such fiscal year in accordance with the requirements of
12 this Act.

13 “(b) REDUCTION IN AMOUNT OF STATE GRANT.—
14 If the Secretary arranges for the provision of assistance
15 to private nonprofit schools or Department of Defense do-
16 mestic dependents' schools in a State for a fiscal year
17 under subsection (a), the amount of the grant for such
18 State for such fiscal year shall be reduced by the amount
19 of such assistance provided to such private nonprofit
20 schools or domestic dependents' schools, as the case may
21 be.

22 **“SEC. 9. FOOD SERVICE PROGRAMS FOR DEPARTMENT OF**
23 **DEFENSE OVERSEAS DEPENDENTS' SCHOOLS.**

24 “(a) IN GENERAL.—The Secretary shall make avail-
25 able to the Secretary of Defense for each fiscal year funds

1 and commodities in an amount determined in accordance
2 with subsection (c) for the purpose of establishing and car-
3 rying out nutritious food service programs that provide af-
4 fordable meals and supplements to students attending De-
5 partment of Defense overseas dependents' schools.

6 “(b) REQUIREMENTS.—In carrying out nutritious
7 food service programs under subsection (a), the Secretary
8 of Defense—

9 “(1) shall ensure that not less than 80 percent
10 of the amount of assistance provided to each school
11 for a fiscal year is used to provide free or low cost
12 meals or supplements to economically disadvantaged
13 children; and

14 “(2) shall ensure that, with respect to the pro-
15 vision of meals to students, each such school will—

16 “(A) implement minimum nutritional re-
17 quirements for meals provided under this sec-
18 tion based on the most recent tested nutritional
19 research available, except that—

20 “(i) such requirements shall not be
21 construed to prohibit the substitution of
22 foods to accommodate the medical or other
23 special dietary needs of individual stu-
24 dents; and

1 in cooperation with nutritionists and directors of programs
2 providing meals to students under this Act, shall develop
3 model nutrition standards for meals provided to such stu-
4 dents under this Act.

5 “(b) REPORT TO CONGRESS.—Not later than 1 year
6 after the date on which the model nutrition standards are
7 developed under subsection (a), the Food and Nutrition
8 Board of the Institute of Medicine of the National Acad-
9 emy of Sciences shall prepare and submit to the Congress
10 a report regarding the efforts of States to implement such
11 model nutrition standards.

12 **“SEC. 11. DEFINITIONS.**

13 “For purposes of this Act:

14 “(1) DEPARTMENT OF DEFENSE DOMESTIC DE-
15 PENDENTS’ SCHOOL.—The term ‘Department of De-
16 fense domestic dependents’ school’ means an elemen-
17 tary or secondary school established pursuant to sec-
18 tion 2164 of title 10, United States Code.

19 “(2) DEPARTMENT OF DEFENSE OVERSEAS DE-
20 PENDENTS’ SCHOOL.—The term ‘Department of De-
21 fense overseas dependents’ school’ means a Depart-
22 ment of Defense dependents’ school which is located
23 outside the United States and the territories or pos-
24 sessions of the United States.

1 “(3) ECONOMICALLY DISADVANTAGED.—The
2 term ‘economically disadvantaged’ means an individ-
3 ual or a family, as the case may be, whose annual
4 income does not exceed 185 percent of the applicable
5 family size income levels contained in the most re-
6 cent income poverty guidelines prescribed by the Of-
7 fice of Management and Budget and based on data
8 from the Bureau of the Census.

9 “(4) SCHOOL.—The term ‘school’ means a pub-
10 lic or private nonprofit elementary, intermediate, or
11 secondary school.

12 “(5) SECRETARY.—The term ‘Secretary’ means
13 the Secretary of Agriculture.

14 “(6) STATE.—The term ‘State’ means any of
15 the several States, the District of Columbia, the
16 Commonwealth of Puerto Rico, the Commonwealth
17 of the Northern Mariana Islands, American Samoa,
18 Guam, the Virgin Islands, or a tribal organization
19 (as defined in section 4(l) of the Indian Self-Deter-
20 mination and Education Assistance Act (25 U.S.C.
21 450b(l))).”.

22 **Subchapter C—Miscellaneous Provisions**

23 **SEC. 14361. REPEALERS.**

24 The following Acts are repealed:

1 (1) The Commodity Distribution Reform Act
2 and WIC Amendments of 1987 (Public Law 100–
3 237; 101 Stat. 1733).

4 (2) The Child Nutrition and WIC Reauthoriza-
5 tion Act of 1989 (Public Law 101–147; 103 Stat.
6 877).

7 **CHAPTER 3—OTHER REPEALERS AND**
8 **CONFORMING AMENDMENTS**

9 **SEC. 14371. AMENDMENTS TO LAWS RELATING TO CHILD**
10 **PROTECTION BLOCK GRANT.**

11 (a) ABANDONED INFANTS ASSISTANCE.—

12 (1) REPEALER.—The Abandoned Infants As-
13 sistance Act of 1988 (42 U.S.C. 670 note) is re-
14 pealed.

15 (2) CONFORMING AMENDMENT.—Section
16 421(7) of the Domestic Volunteer Service Act of
17 1973 (42 U.S.C. 5061(7)) is amended to read as
18 follows:

19 “(7) the term ‘boarder baby’ means an infant
20 who is medically cleared for discharge from an
21 acute-care hospital setting, but remains hospitalized
22 because of a lack of appropriate out-of-hospital
23 placement alternatives;”.

24 (b) CHILD ABUSE PREVENTION AND TREATMENT.—

1 (1) REPEALER.—The Child Abuse Prevention
2 and Treatment Act (42 U.S.C. 5101 et seq.) is re-
3 pealed.

4 (2) CONFORMING AMENDMENTS.—The Victims
5 of Crime Act of 1984 (42 U.S.C. 10601 et seq.) is
6 amended—

7 (A) in section 1402—

8 (i) in subsection (d)—

9 (I) by striking paragraph (2);

10 (II) by redesignating paragraphs
11 (3) and (4) as paragraphs (2) and
12 (3), respectively; and

13 (III) in paragraph (2) (as redesi-
14 gnated by subclause (II))—

15 (aa) in subparagraph (A),
16 by striking the semicolon at the
17 end and inserting “; and”;

18 (bb) by striking subpara-
19 graph (B); and

20 (cc) by redesignating sub-
21 paragraph (C) as subparagraph
22 (B); and

23 (ii) by striking subsection (g); and

24 (B) by striking section 1404A.

1 (c) ADOPTION OPPORTUNITIES.—The Child Abuse
2 Prevention and Treatment and Adoption Reform Act of
3 1978 (42 U.S.C. 5111 et seq.) is repealed.

4 (d) CRISIS NURSERIES.—The Temporary Child Care
5 for Children with Disabilities and Crisis Nurseries Act of
6 1986 (42 U.S.C. 5117 et seq.) is amended—

7 (1) in the title heading by striking “AND CRI-
8 SIS NURSERIES”;

9 (2) in section 201 by striking “and Crisis Nurs-
10 eries”;

11 (3) in section 202—

12 (A) by striking “provide: (A) temporary”
13 and inserting “to provide temporary”; and

14 (B) by striking “children, and (B)” and all
15 that follows through the period and inserting
16 “children.”;

17 (4) by striking section 204; and

18 (5) in section 205—

19 (A) in subsection (a)—

20 (i) in paragraph (1)(A) by striking
21 “or 204”; and

22 (ii) in paragraph (2)—

23 (I) by striking subparagraph (D);

24 and

1 (II) by redesignating subpara-
2 graph (E) as subparagraph (D);
3 (B) by striking subsection (b)(3); and
4 (C) in subsection (d)—
5 (i) by striking paragraph (3); and
6 (ii) by redesignating paragraphs (4)
7 and (5) as paragraph (3) and (4), respec-
8 tively.

9 (e) MISSING CHILDREN'S ASSISTANCE ACT.—The
10 Missing Children's Assistance Act (42 U.S.C. 5771–5779)
11 is repealed.

12 (f) FAMILY SUPPORT CENTERS.—Subtitle F of title
13 VII of the Stewart B. McKinney Homeless Assistance Act
14 (42 U.S.C. 11481–11489) is repealed.

15 (g) INVESTIGATION AND PROSECUTION OF CHILD
16 ABUSE CASES.—Subtitle A of title II of the Victims of
17 Child Abuse Act of 1990 (42 U.S.C. 13001–13004) is re-
18 pealed.

19 (h) REPEAL OF FAMILY UNIFICATION PROGRAM.—
20 Subsection (x) of section 8 of the United States Housing
21 Act of 1937 (42 U.S.C. 1437f(x)) is repealed.

CHAPTER 4—RELATED PROVISIONS**SEC. 14381. REQUIREMENT THAT DATA RELATING TO THE
INCIDENCE OF POVERTY IN THE UNITED
STATES BE PUBLISHED AT LEAST EVERY 2
YEARS.**

(a) IN GENERAL.—The Secretary shall, to the extent feasible, produce and publish for each State, county, and local unit of general purpose government for which data have been compiled in the then most recent census of population under section 141(a) of title 13, United States Code, and for each school district, data relating to the incidence of poverty. Such data may be produced by means of sampling, estimation, or any other method that the Secretary determines will produce current, comprehensive, and reliable data.

(b) CONTENT; FREQUENCY.—Data under this section—

(1) shall include—

(A) for each school district, the number of children age 5 to 17, inclusive, in families below the poverty level; and

(B) for each State and county referred to in subsection (a), the number of individuals age 65 or older below the poverty level; and

(2) shall be published—

1 (A) for each State, county, and local unit
2 of general purpose government referred to in
3 subsection (a), in 1996 and at least every sec-
4 ond year thereafter; and

5 (B) for each school district, in 1998 and at
6 least every second year thereafter.

7 (c) AUTHORITY TO AGGREGATE.—

8 (1) IN GENERAL.—If reliable data could not
9 otherwise be produced, the Secretary may, for pur-
10 poses of subsection (b)(1)(A), aggregate school dis-
11 tricts, but only to the extent necessary to achieve re-
12 liability.

13 (2) INFORMATION RELATING TO USE OF AU-
14 THORITY.—Any data produced under this subsection
15 shall be appropriately identified and shall be accom-
16 panied by a detailed explanation as to how and why
17 aggregation was used (including the measures taken
18 to minimize any such aggregation).

19 (d) REPORT TO BE SUBMITTED WHENEVER DATA
20 IS NOT TIMELY PUBLISHED.—If the Secretary is unable
21 to produce and publish the data required under this sec-
22 tion for any State, county, local unit of general purpose
23 government, or school district in any year specified in sub-
24 section (b)(2), a report shall be submitted by the Secretary
25 to the President of the Senate and the Speaker of the

1 House of Representatives, not later than 90 days before
2 the start of the following year, enumerating each govern-
3 ment or school district excluded and giving the reasons
4 for the exclusion.

5 (e) CRITERIA RELATING TO POVERTY.—In carrying
6 out this section, the Secretary shall use the same criteria
7 relating to poverty as were used in the then most recent
8 census of population under section 141(a) of title 13,
9 United States Code (subject to such periodic adjustments
10 as may be necessary to compensate for inflation and other
11 similar factors).

12 (f) CONSULTATION.—The Secretary shall consult
13 with the Secretary of Education in carrying out the re-
14 quirements of this section relating to school districts.

15 (g) DEFINITION.—For the purpose of this section,
16 the term “Secretary” means the Secretary of Health and
17 Human Services.

18 (h) AUTHORIZATION OF APPROPRIATIONS.—There
19 are authorized to be appropriated to carry out this section
20 \$1,500,000 for each of fiscal years 1996 through 2000.

21 **SEC. 14382. DATA ON PROGRAM PARTICIPATION AND OUT-**
22 **COMES.**

23 (a) IN GENERAL.—The Secretary shall produce data
24 relating to participation in programs authorized by this
25 Act by families and children. Such data may be produced

1 by means of sampling, estimation, or any other method
2 that the Secretary determines will produce comprehensive
3 and reliable data.

4 (b) CONTENT.—Data under this section shall include,
5 but not be limited to—

6 (1) changes in participation in welfare, health,
7 education, and employment and training programs,
8 for families and children, the duration of such par-
9 ticipation, and the causes and consequences of any
10 changes in program participation;

11 (2) changes in employment status, income and
12 poverty status, family structure and process, and
13 children's well-being, over time, for families and chil-
14 dren participating in Federal programs and, if ap-
15 propriate, other low-income families and children,
16 and the causes and consequences of such changes;
17 and

18 (3) demographic data, including household com-
19 position, marital status, relationship of householders,
20 racial and ethnic designation, age, and educational
21 attainment.

22 (c) FREQUENCY.—Data under this section shall re-
23 flect the period 1993 through 2002, and shall be published
24 as often as practicable during that time, but in any event
25 no later than December 31, 2003.

1 (d) DEFINITION.—For the purpose of this section,
2 the term “Secretary” means the Secretary of Health and
3 Human Services.

4 (e) AUTHORIZATION OF APPROPRIATIONS.—There
5 are authorized to be appropriated to carry out this section
6 \$2,500,000 in fiscal year 1996, \$10,000,000 for each of
7 fiscal years 1997 through 2002, and \$2,000,000 for fiscal
8 year 2003.

9 **CHAPTER 5—GENERAL EFFECTIVE DATE;**
10 **PRESERVATION OF ACTIONS, OBLIGA-**
11 **TIONS, AND RIGHTS**

12 **SEC. 14391. EFFECTIVE DATE.**

13 Except as otherwise provided in this subtitle, this
14 subtitle and the amendments made by this subtitle shall
15 take effect on October 1, 1995.

16 **SEC. 14392. APPLICATION OF AMENDMENTS AND REPEAL-**
17 **ERS.**

18 An amendment or repeal made by this subtitle shall
19 not apply with respect to—

20 (1) powers, duties, functions, rights, claims,
21 penalties, or obligations applicable to financial as-
22 sistance provided before the effective date of amend-
23 ment or repeal, as the case may be, under the Act
24 so amended or so repealed; and

1 (2) administrative actions and proceedings com-
2 menced before such date, or authorized before such
3 date to be commenced, under such Act.

4 **Subtitle D—Restricting Welfare**
5 **and Public Benefits for Aliens**

6 **SEC. 14400. STATEMENTS OF NATIONAL POLICY CONCERN-**
7 **ING WELFARE AND IMMIGRATION.**

8 The Congress makes the following statements con-
9 cerning national policy with respect to welfare and immi-
10 gration:

11 (1) Self-sufficiency has been a basic principle of
12 United States immigration law since this country's
13 earliest immigration statutes.

14 (2) It continues to be the immigration policy of
15 the United States that—

16 (A) aliens within the nation's borders not
17 depend on public resources to meet their needs,
18 but rather rely on their own capabilities and the
19 resources of their families, their sponsors, and
20 private organizations, and

21 (B) the availability of public benefits not
22 constitute an incentive for immigration to the
23 United States.

24 (3) Despite the principle of self-sufficiency,
25 aliens have been applying for and receiving public

1 benefits from Federal, State, and local governments
2 at increasing rates.

3 (4) Current eligibility rules for public assistance
4 and unenforceable financial support agreements have
5 proved wholly incapable of assuring that individual
6 aliens not burden the public benefits system.

7 (5) It is a compelling government interest to
8 enact new rules for eligibility and sponsorship agree-
9 ments in order to assure that aliens be self-reliant
10 in accordance with national immigration policy.

11 (6) It is a compelling government interest to re-
12 move the incentive for illegal immigration provided
13 by the availability of public benefits.

14 **CHAPTER 1—ELIGIBILITY FOR FEDERAL**
15 **BENEFITS PROGRAMS**

16 **SEC. 14401. INELIGIBILITY OF ILLEGAL ALIENS FOR CER-**
17 **TAIN PUBLIC BENEFITS PROGRAMS.**

18 (a) IN GENERAL.—Notwithstanding any other provi-
19 sion of law and except as provided in subsections (b) and
20 (c), any alien who is not lawfully present in the United
21 States shall not be eligible for any Federal means-tested
22 public benefits program (as defined in section
23 14431(d)(2)).

24 (b) EXCEPTION FOR EMERGENCY ASSISTANCE.—
25 Subsection (a) shall not apply to the provision of noncash,

1 in-kind emergency assistance (including emergency medi-
2 cal services).

3 (c) TREATMENT OF HOUSING-RELATED ASSIST-
4 ANCE.—Subsection (a) shall not apply to any program for
5 housing or community development assistance adminis-
6 tered by the Secretary of Housing and Urban Develop-
7 ment, any program under title V of the Housing Act of
8 1949, or any assistance under section 306C of the Consoli-
9 dated Farm and Rural Development Act, except that in
10 the case of financial assistance (as defined in section
11 214(b) of the Housing and Community Development Act
12 of 1980), the provisions of section 214 of such Act shall
13 apply instead of subsection (a).

14 **SEC. 14402. INELIGIBILITY OF NONIMMIGRANTS FOR CER-**
15 **TAIN PUBLIC BENEFITS PROGRAMS.**

16 (a) IN GENERAL.—Notwithstanding any other provi-
17 sion of law and except as provided in subsections (b) and
18 (c), any alien who is lawfully present in the United States
19 as a nonimmigrant shall not be eligible for any Federal
20 means-tested public benefits program.

21 (b) EXCEPTIONS.—

22 (1) EMERGENCY ASSISTANCE.—Subsection (a)
23 shall not apply to the provision of non-cash, in-kind
24 emergency assistance (including emergency medical
25 services).

1 (2) ALIENS GRANTED ASYLUM.—Subsection (a)
2 shall not apply to an alien who is granted asylum
3 under section 208 of the Immigration and National-
4 ity Act or whose deportation has been withheld
5 under section 243(h) of such Act.

6 (3) TREATMENT OF TEMPORARY AGRICUL-
7 TURAL WORKERS.—Subsection (a) shall not apply to
8 a nonimmigrant admitted as a temporary agricul-
9 tural worker under section 101(a)(15)(H)(ii)(a) of
10 the Immigration and Nationality Act or as the
11 spouse or minor child of such a worker under section
12 101(a)(15)(H)(iii) of such Act.

13 (c) TREATMENT OF HOUSING-RELATED ASSIST-
14 ANCE.—Subsection (a) shall not apply to any program for
15 housing or community development assistance adminis-
16 tered by the Secretary of Housing and Urban Develop-
17 ment, any program under title V of the Housing Act of
18 1949, or any assistance under section 306C of the Consoli-
19 dated Farm and Rural Development Act, except that in
20 the case of financial assistance (as defined in section
21 214(b) of the Housing and Community Development Act
22 of 1980), the provisions of section 214 of such Act shall
23 apply instead of subsection (a).

24 (d) TREATMENT OF ALIENS PAROLED INTO THE
25 UNITED STATES.—An alien who is paroled into the

1 United States under section 212(d)(5) of the Immigration
2 and Nationality Act for a period of less than 1 year shall
3 be considered, for purposes of this chapter, to be lawfully
4 present in the United States as a nonimmigrant.

5 **SEC. 14403. LIMITED ELIGIBILITY OF IMMIGRANTS FOR 5**
6 **SPECIFIED FEDERAL PUBLIC BENEFITS PRO-**
7 **GRAMS.**

8 (a) IN GENERAL.—Notwithstanding any other provi-
9 sion of law and except as provided in subsection (b), any
10 alien who is lawfully present in the United States shall
11 not be eligible for any of the following Federal means-test-
12 ed public benefits programs:

13 (1) SSI.—The supplemental security income
14 program under title XVI of the Social Security Act.

15 (2) TEMPORARY ASSISTANCE FOR NEEDY FAMI-
16 LIES.—The program of block grants to States for
17 temporary assistance for needy families under part
18 A of title IV of the Social Security Act.

19 (3) SOCIAL SERVICES BLOCK GRANT.—The pro-
20 gram of block grants to States for social services
21 under title XX of the Social Security Act.

22 (4) MEDICAID.—The program of medical assist-
23 ance under title XIX of the Social Security Act.

1 (5) CONSOLIDATED FOOD ASSISTANCE PRO-
2 GRAM.—The consolidated program of food assistance
3 under chapter 2 of subtitle E of this title.

4 (b) EXCEPTIONS.—

5 (1) TIME-LIMITED EXCEPTION FOR REFU-
6 GEEES.—Subsection (a) shall not apply to an alien
7 admitted to the United States as a refugee under
8 section 207 of the Immigration and Nationality Act
9 until 5 years after the date of such alien’s arrival
10 into the United States.

11 (2) CERTAIN LONG-TERM, PERMANENT RESI-
12 DENT, AGED ALIENS.—Subsection (a) shall not
13 apply to an alien who—

14 (A) has been lawfully admitted to the
15 United States for permanent residence;

16 (B) is over 75 years of age; and

17 (C) has resided in the United States for at
18 least 5 years.

19 (3) VETERAN AND ACTIVE DUTY EXCEPTION.—
20 Subsection (a) shall not apply to an alien who is
21 lawfully residing in any State (or any territory or
22 possession of the United States) and is—

23 (A) a veteran (as defined in section 101 of
24 title 38, United States Code) with a discharge
25 characterized as an honorable discharge,

1 (B) on active duty (other than active duty
2 for training) in the Armed Forces of the United
3 States, or

4 (C) the spouse or unmarried dependent
5 child of an individual described in subparagraph
6 (A) or (B).

7 Subparagraph (A) shall not apply in the case of a
8 veteran who has been separated from military serv-
9 ice on account of alienage.

10 (4) EMERGENCY ASSISTANCE.—Subsection (a)
11 shall not apply to the provision of non-cash, in-kind
12 emergency assistance (including emergency medical
13 services).

14 (5) TRANSITION FOR CURRENT BENE-
15 FICIARIES.—Subsection (a) shall not apply to the eli-
16 gibility of an alien for a program until 1 year after
17 the date of the enactment of this Act if, on such
18 date of enactment, the alien is lawfully residing in
19 any State or any territory or possession of the
20 United States and is eligible for the program.

21 (6) CERTAIN PERMANENT RESIDENT AND DIS-
22 ABLED ALIENS.—Subsection (a) shall not apply to
23 an alien who—

24 (A) has been lawfully admitted to the
25 United States for permanent residence; and

1 (B) is unable because of physical or devel-
2 opmental disability or mental impairment (in-
3 cluding Alzheimer's disease) to comply with the
4 naturalization requirements of section 312(a) of
5 the Immigration and Naturalization Act.

6 **SEC. 14404. NOTIFICATION.**

7 Each Federal agency that administers a program to
8 which section 14401, 14402, or 14403 applies shall, di-
9 rectly or through the States, post information and provide
10 general notification to the public and to program recipi-
11 ents of the changes regarding eligibility for any such pro-
12 gram pursuant to this chapter.

13 **CHAPTER 2—ELIGIBILITY FOR STATE AND**
14 **LOCAL PUBLIC BENEFITS PROGRAMS**

15 **SEC. 14411. INELIGIBILITY OF ILLEGAL ALIENS FOR STATE**
16 **AND LOCAL PUBLIC BENEFITS PROGRAMS.**

17 (a) IN GENERAL.—Notwithstanding any other provi-
18 sion of law and except as otherwise provided in this sec-
19 tion, no alien who is not lawfully present in the United
20 States (as determined in accordance with regulations of
21 the Attorney General) shall be eligible for any State
22 means-tested public benefits program (as defined in sec-
23 tion 14431(d)(3)).

24 (b) EXCEPTION FOR EMERGENCY ASSISTANCE.—
25 Subsection (a) shall not apply to the provision of non-cash,

1 in-kind emergency assistance (including emergency medi-
2 cal services).

3 **SEC. 14412. INELIGIBILITY OF NONIMMIGRANTS FOR STATE**
4 **AND LOCAL PUBLIC BENEFITS PROGRAMS.**

5 (a) IN GENERAL.—Notwithstanding any other provi-
6 sion of law and except as otherwise provided in this sec-
7 tion, no alien who is lawfully present in the United States
8 as a nonimmigrant shall be eligible for any State means-
9 tested public benefits program (as defined in section
10 14431(d)(3)).

11 (b) EXCEPTIONS.—

12 (1) EMERGENCY ASSISTANCE.—The limitations
13 under subsection (a) shall not apply to the provision
14 of non-cash, in-kind emergency assistance (including
15 emergency medical services).

16 (2) ALIENS GRANTED ASYLUM.—Subsection (a)
17 shall not apply to an alien who is granted asylum
18 under section 208 of the Immigration and National-
19 ity Act or whose deportation has been withheld
20 under section 243(h) of such Act.

21 (3) TREATMENT OF TEMPORARY AGRICUL-
22 TURAL WORKERS.—Subsection (a) shall not apply to
23 a nonimmigrant admitted as a temporary agricul-
24 tural worker under section 101(a)(15)(H)(ii)(a) of
25 the Immigration and Nationality Act or as the

1 spouse or minor child of such a worker under section
2 101(a)(15)(H)(iii) of such Act.

3 (c) TREATMENT OF ALIENS PAROLED INTO THE
4 UNITED STATES.—An alien who is paroled into the
5 United States under section 212(d)(5) of the Immigration
6 and Nationality Act for a period of less than 1 year shall
7 be considered, for purposes of this chapter, to be lawfully
8 present in the United States as a nonimmigrant.

9 **SEC. 14413. STATE AUTHORITY TO LIMIT ELIGIBILITY OF**
10 **IMMIGRANTS FOR STATE AND LOCAL MEANS-**
11 **TESTED PUBLIC BENEFITS PROGRAMS.**

12 (a) IN GENERAL.—Notwithstanding any other provi-
13 sion of law and except as otherwise provided in this section
14 or section 14412, a State is authorized to determine eligi-
15 bility requirements for aliens who are lawfully present in
16 the United States for any State means-tested public bene-
17 fits program.

18 (b) EXCEPTIONS.—

19 (1) TIME-LIMITED EXCEPTION FOR REFU-
20 GEES.—The authority under subsection (a) shall not
21 apply to an alien admitted to the United States as
22 a refugee under section 207 of the Immigration and
23 Nationality Act until 5 years after the date of such
24 alien's arrival into the United States.

1 (2) CERTAIN LONG-TERM, PERMANENT RESI-
2 DENT, AGED ALIENS.—The authority under sub-
3 section (a) shall not apply to an alien who—

4 (A) has been lawfully admitted to the
5 United States for permanent residence;

6 (B) is over 75 years of age; and

7 (C) has resided in the United States for at
8 least 5 years.

9 (3) VETERAN AND ACTIVE DUTY EXCEPTION.—

10 The authority under subsection (a) shall not apply
11 to an alien who is lawfully residing in any State (or
12 any territory or possession of the United States) and
13 is—

14 (A) a veteran (as defined in section 101 of
15 title 38, United States Code) with a discharge
16 characterized as an honorable discharge,

17 (B) on active duty (other than active duty
18 for training) in the Armed Forces of the United
19 States, or

20 (C) the spouse or unmarried dependent
21 child of an individual described in subparagraph
22 (A) or (B).

23 Subparagraph (A) shall not apply in the case of a
24 veteran who has been separated from military serv-
25 ice on account of alienage.

1 (4) EMERGENCY ASSISTANCE.—The authority
2 under subsection (a) shall not apply to the provision
3 of non-cash, in-kind emergency assistance (including
4 emergency medical services).

5 (5) TRANSITION.—The authority under sub-
6 section (a) shall not apply to eligibility of an alien
7 for a State means-tested public benefits program
8 until 1 year after the date of the enactment of this
9 Act if, on such date of enactment, the alien is law-
10 fully present in the United States and is eligible for
11 benefits under the program. Nothing in the previous
12 sentence is intended to address alien eligibility for
13 such a program before the date of the enactment of
14 this Act.

15 **CHAPTER 3—ATTRIBUTION OF INCOME**
16 **AND AFFIDAVITS OF SUPPORT**

17 **SEC. 14421. ATTRIBUTION OF SPONSOR'S INCOME AND RE-**
18 **SOURCES TO FAMILY-SPONSORED IMMI-**
19 **GRANTS.**

20 (a) IN GENERAL.—Notwithstanding any other provi-
21 sion of law and except as provided in subsection (c), in
22 determining the eligibility and the amount of benefits of
23 an alien for any means-tested public benefits program (as
24 defined in section 14431(d)) the income and resources of
25 the alien shall be deemed to include—

1 any consular officer to establish that an alien is not ex-
2 cludable as a public charge under section 212(a)(4) unless
3 such affidavit is executed as a contract—

4 “(1) which is legally enforceable against the
5 sponsor by the Federal Government and by any
6 State (or any political subdivision of such State)
7 which provides any means-tested public benefits pro-
8 gram, but not later than 10 years after the alien last
9 receives any such benefit; and

10 “(2) in which the sponsor agrees to submit to
11 the jurisdiction of any Federal or State court for the
12 purpose of actions brought under subsection (e)(2).

13 Such contract shall be enforceable with respect to benefits
14 provided to the alien until such time as the alien achieves
15 United States citizenship through naturalization pursuant
16 to chapter 2 of title III.

17 “(b) FORMS.—Not later than 90 days after the date
18 of enactment of this section, the Attorney General, in con-
19 sultation with the Secretary of State and the Secretary
20 of Health and Human Services, shall formulate an affida-
21 vit of support consistent with the provisions of this
22 section.

23 “(c) STATUTORY CONSTRUCTION.—Nothing in this
24 section shall be construed to grant third party beneficiary

1 rights to any sponsored alien under an affidavit of sup-
2 port.

3 “(d) NOTIFICATION OF CHANGE OF ADDRESS.—(1)
4 The sponsor shall notify the Federal Government and the
5 State in which the sponsored alien is currently resident
6 within 30 days of any change of address of the sponsor
7 during the period specified in subsection (a)(1).

8 “(2) Any person subject to the requirement of para-
9 graph (1) who fails to satisfy such requirement shall be
10 subject to a civil penalty of—

11 “(A) not less than \$250 or more than \$2,000,
12 or

13 “(B) if such failure occurs with knowledge that
14 the sponsored alien has received any benefit under
15 any means-tested public benefits program, not less
16 than \$2,000 or more than \$5,000.

17 “(e) REIMBURSEMENT OF GOVERNMENT EX-
18 PENSES.—(1)(A) Upon notification that a sponsored alien
19 has received any benefit under any means-tested public
20 benefits program, the appropriate Federal, State, or local
21 official shall request reimbursement by the sponsor in the
22 amount of such assistance.

23 “(B) The Attorney General, in consultation with the
24 Secretary of Health and Human Services, shall prescribe

1 such regulations as may be necessary to carry out sub-
2 paragraph (A).

3 “(2) If within 45 days after requesting reimburse-
4 ment, the appropriate Federal, State, or local agency has
5 not received a response from the sponsor indicating a will-
6 ingness to commence payments, an action may be brought
7 against the sponsor pursuant to the affidavit of support.

8 “(3) If the sponsor fails to abide by the repayment
9 terms established by such agency, the agency may, within
10 60 days of such failure, bring an action against the spon-
11 sor pursuant to the affidavit of support.

12 “(4) No cause of action may be brought under this
13 subsection later than 10 years after the alien last received
14 any benefit under any means-tested public benefits pro-
15 gram.

16 “(f) DEFINITIONS.—For the purposes of this sec-
17 tion—

18 “(1) SPONSOR.—The term ‘sponsor’ means an
19 individual who—

20 “(A) is a citizen or national of the United
21 States or an alien who is lawfully admitted to
22 the United States for permanent residence;

23 “(B) is 18 years of age or over; and

24 “(C) is domiciled in any State.

1 “(2) MEANS-TESTED PUBLIC BENEFITS PRO-
2 GRAM.—The term ‘means-tested public benefits pro-
3 gram’ means a program of public benefits (including
4 cash, medical, housing, and food assistance and so-
5 cial services) of the Federal Government or of a
6 State or political subdivision of a State in which the
7 eligibility of an individual, household, or family eligi-
8 bility unit for benefits under the program, or the
9 amount of such benefits, or both are determined on
10 the basis of income, resources, or financial need of
11 the individual, household, or unit.”.

12 (b) CLERICAL AMENDMENT.—The table of contents
13 of such Act is amended by inserting after the item relating
14 to section 213 the following:

“Sec. 213A. Requirements for sponsor’s affidavit of support.”.

15 (c) EFFECTIVE DATE.—Subsection (a) of section
16 213A of the Immigration and Nationality Act, as inserted
17 by subsection (a) of this section, shall apply to affidavits
18 of support executed on or after a date specified by the
19 Attorney General, which date shall be not earlier than 60
20 days (and not later than 90 days) after the date the Attor-
21 ney General formulates the form for such affidavits under
22 subsection (b) of such section.

1 **CHAPTER 4—GENERAL PROVISIONS**

2 **SEC. 14431. DEFINITIONS.**

3 (a) **IN GENERAL.**—Except as otherwise provided in
4 this section, the terms used in this subtitle have the same
5 meaning given such terms in section 101(a) of the Immi-
6 gration and Nationality Act.

7 (b) **LAWFUL PRESENCE.**—For purposes of this sub-
8 title, the determination of whether an alien is lawfully
9 present in the United States shall be made in accordance
10 with regulations of the Attorney General. An alien shall
11 not be considered to be lawfully present in the United
12 States for purposes of this subtitle merely because the
13 alien may be considered to be permanently residing in the
14 United States under color of law for purposes of any par-
15 ticular program.

16 (c) **STATE.**—As used in this subtitle, the term
17 “State” includes the District of Columbia, Puerto Rico,
18 the Virgin Islands, Guam, the Northern Mariana Islands,
19 and American Samoa.

20 (d) **PUBLIC BENEFITS PROGRAMS.**—As used in this
21 subtitle—

22 (1) **MEANS-TESTED PROGRAM.**—The term
23 “means-tested public benefits program” means a
24 program of public benefits (including cash, medical,
25 housing, and food assistance and social services) of

1 the Federal Government or of a State or political
2 subdivision of a State in which the eligibility of an
3 individual, household, or family eligibility unit for
4 benefits under the program, or the amount of such
5 benefits, or both are determined on the basis of in-
6 come, resources, or financial need of the individual,
7 household, or unit.

8 (2) FEDERAL MEANS-TESTED PUBLIC BENE-
9 FITS PROGRAM.—The term “Federal means-tested
10 public benefits program” means a means-tested pub-
11 lic benefits program of (or contributed to by) the
12 Federal Government and under which the Federal
13 Government has specified standards for eligibility
14 and includes the programs specified in section
15 14403(a).

16 (3) STATE MEANS-TESTED PUBLIC BENEFITS
17 PROGRAM.—The term “State means-tested public
18 benefits program” means a means-tested public ben-
19 efits program of a State or political subdivision of a
20 State under which the State or political subdivision
21 specifies the standards for eligibility, and does not
22 include any Federal means-tested public benefits
23 program.

1 **SEC. 14432. CONSTRUCTION.**

2 Nothing in this subtitle shall be construed as address-
3 ing alien eligibility for governmental programs that are
4 not means-tested public benefits programs.

5 **CHAPTER 5—CONFORMING AMENDMENTS**

6 **SEC. 14441. CONFORMING AMENDMENTS RELATING TO AS-**
7 **SISTED HOUSING.**

8 (a) LIMITATIONS ON ASSISTANCE.—Section 214 of
9 the Housing and Community Development Act of 1980
10 (42 U.S.C. 1436a) is amended—

11 (1) by striking “Secretary of Housing and
12 Urban Development” each place it appears and in-
13 serting “applicable Secretary”;

14 (2) in subsection (b), by inserting after “Na-
15 tional Housing Act,” the following: “the direct loan
16 program under section 502 of the Housing Act of
17 1949 or section 502(c)(5)(D), 504, 521(a)(2)(A), or
18 542 of such Act, subtitle A of title III of the Cran-
19 ston-Gonzalez National Affordable Housing Act,”;

20 (3) in paragraphs (2) through (6) of subsection
21 (d), by striking “Secretary” each place it appears
22 and inserting “applicable Secretary”;

23 (4) in subsection (d), in the matter following
24 paragraph (6), by striking “the term ‘Secretary’”
25 and inserting “the term ‘applicable Secretary’”; and

1 (5) by adding at the end the following new sub-
2 section:

3 “(h) For purposes of this section, the term ‘applicable
4 Secretary’ means—

5 “(1) the Secretary of Housing and Urban De-
6 velopment, with respect to financial assistance ad-
7 ministered by such Secretary and financial assist-
8 ance under subtitle A of title III of the Cranston-
9 Gonzalez National Affordable Housing Act; and

10 “(2) the Secretary of Agriculture, with respect
11 to financial assistance administered by such Sec-
12 retary.”.

13 (b) CONFORMING AMENDMENTS.—Section 501(h) of
14 the Housing Act of 1949 (42 U.S.C. 1471(h)) is amend-
15 ed—

16 (1) by striking “(1)”;

17 (2) by striking “by the Secretary of Housing
18 and Urban Development”; and

19 (3) by striking paragraph (2).

20 **Subtitle E—Food Stamp Reform**
21 **and Commodity Distribution**

22 **SEC. 14501. SHORT TITLE.**

23 This subtitle may be cited as the “Food Stamp Re-
24 form and Commodity Distribution Act”.

1 **CHAPTER 1—COMMODITY DISTRIBUTION**
2 **PROVISIONS**

3 **SEC. 14511. SHORT TITLE.**

4 This chapter may be cited as the “Commodity Dis-
5 tribution Act of 1995”.

6 **SEC. 14512. AVAILABILITY OF COMMODITIES.**

7 (a) Notwithstanding any other provision of law, the
8 Secretary of Agriculture (hereinafter in this chapter re-
9 ferred to as the “Secretary”) is authorized during fiscal
10 years 1996 through 2000 to purchase a variety of nutri-
11 tious and useful commodities and distribute such commod-
12 ities to the States for distribution in accordance with this
13 chapter.

14 (b) In addition to the commodities described in sub-
15 section (a), the Secretary may expend funds made avail-
16 able to carry out section 32 of the Act of August 24, 1935
17 (7 U.S.C. 612c), which are not expended or needed to
18 carry out such sections, to purchase, process, and distrib-
19 ute commodities of the types customarily purchased under
20 such section to the States for distribution in accordance
21 with this chapter.

22 (c) In addition to the commodities described in sub-
23 sections (a) and (b), agricultural commodities and the
24 products thereof made available under clause (2) of the
25 second sentence of section 32 of the Act of August 24,

1 1935 (7 U.S.C. 612c), may be made available by the Sec-
2 retary to the States for distribution in accordance with
3 this chapter.

4 (d) In addition to the commodities described in sub-
5 sections (a), (b), and (c), commodities acquired by the
6 Commodity Credit Corporation that the Secretary deter-
7 mines, in the discretion of the Secretary, are in excess of
8 quantities needed to—

9 (1) carry out other domestic donation pro-
10 grams;

11 (2) meet other domestic obligations;

12 (3) meet international market development and
13 food aid commitments; and

14 (4) carry out the farm price and income sta-
15 bilization purposes of the Agricultural Adjustment
16 Act of 1938, the Agricultural Act of 1949, and the
17 Commodity Credit Corporation Charter Act;

18 shall be made available by the Secretary, without charge
19 or credit for such commodities, to the States for distribu-
20 tion in accordance with this chapter.

21 (e) During each fiscal year, the types, varieties, and
22 amounts of commodities to be purchased under this chap-
23 ter shall be determined by the Secretary. In purchasing
24 such commodities, except those commodities purchased
25 pursuant to section 14520, the Secretary shall, to the ex-

1 tent practicable and appropriate, make purchases based
2 on—

3 (1) agricultural market conditions;

4 (2) the preferences and needs of States and dis-
5 tributing agencies; and

6 (3) the preferences of the recipients.

7 **SEC. 14513. STATE, LOCAL AND PRIVATE**
8 **SUPPLEMENTATION OF COMMODITIES.**

9 (a) The Secretary shall establish procedures under
10 which State and local agencies, recipient agencies, or any
11 other entity or person may supplement the commodities
12 distributed under this chapter for use by recipient agen-
13 cies with nutritious and wholesome commodities that such
14 entities or persons donate for distribution, in all or part
15 of the State, in addition to the commodities otherwise
16 made available under this chapter.

17 (b) States and eligible recipient agencies may use—

18 (1) the funds appropriated for administrative
19 cost under section 14519(b);

20 (2) equipment, structures, vehicles, and all
21 other facilities involved in the storage, handling, or
22 distribution of commodities made available under
23 this chapter; and

24 (3) the personnel, both paid or volunteer, in-
25 volved in such storage, handling, or distribution;

1 to store, handle or distribute commodities donated for use
2 under subsection (a).

3 (c) States and recipient agencies shall continue, to
4 the maximum extent practical, to use volunteer workers,
5 and commodities and other foodstuffs donated by chari-
6 table and other organizations, in the distribution of com-
7 modities under this chapter.

8 **SEC. 14514. STATE PLAN.**

9 (a) A State seeking to receive commodities under this
10 chapter shall submit a plan of operation and administra-
11 tion every four years to the Secretary for approval. The
12 plan may be amended at any time, with the approval of
13 the Secretary.

14 (b) The State plan, at a minimum, shall—

15 (1) designate the State agency responsible for
16 distributing the commodities received under this
17 chapter;

18 (2) set forth a plan of operation and adminis-
19 tration to expeditiously distribute commodities under
20 this chapter in quantities requested to eligible recipi-
21 ent agencies in accordance with sections 14516 and
22 14520;

23 (3) set forth the standards of eligibility for re-
24 cipient agencies; and

1 (4) set forth the standards of eligibility for indi-
2 vidual or household recipients of commodities, which
3 at minimum shall require—

4 (A) individuals or households to be com-
5 prised of needy persons; and

6 (B) individual or household members to be
7 residing in the geographic location served by
8 the distributing agency at the time of applica-
9 tion for assistance.

10 (c) The Secretary shall encourage each State receiv-
11 ing commodities under this chapter to establish a State
12 advisory board consisting of representatives of all inter-
13 ested entities, both public and private, in the distribution
14 of commodities received under this chapter in the State.

15 (d) A State agency receiving commodities under this
16 chapter may—

17 (1)(A) enter into cooperative agreements with
18 State agencies of other States to jointly provide
19 commodities received under this chapter to eligible
20 recipient agencies that serve needy persons in a sin-
21 gle geographical area which includes such States; or

22 (B) transfer commodities received under this
23 chapter to any such eligible recipient agency in the
24 other State under such agreement; and

1 (2) advise the Secretary of an agreement en-
2 tered into under this subsection and the transfer of
3 commodities made pursuant to such agreement.

4 **SEC. 14515. ALLOCATION OF COMMODITIES TO STATES.**

5 (a) In each fiscal year, except for those commodities
6 purchased under section 14520, the Secretary shall allo-
7 cate the commodities distributed under this chapter as
8 follows:

9 (1) 60 percent of the such total value of com-
10 modities shall be allocated in a manner such that the
11 value of commodities allocated to each State bears
12 the same ratio to 60 percent of such total value as
13 the number of persons in households within the
14 State having incomes below the poverty line bears to
15 the total number of persons in households within all
16 States having incomes below such poverty line. Each
17 State shall receive the value of commodities allocated
18 under this paragraph.

19 (2) 40 percent of such total value of commod-
20 ities shall be allocated in a manner such that the
21 value of commodities allocated to each State bears
22 the same ratio to 40 percent of such total value as
23 the average monthly number of unemployed persons
24 within the State bears to the average monthly num-
25 ber of unemployed persons within all States during

1 the same fiscal year. Each State shall receive the
2 value of commodities allocated to the State under
3 this paragraph.

4 (b)(1) The Secretary shall notify each State of the
5 amount of commodities that such State is allotted to re-
6 ceive under subsection (a) or this subsection, if applicable.
7 Each State shall promptly notify the Secretary if such
8 State determines that it will not accept any or all of the
9 commodities made available under such allocation. On
10 such a notification by a State, the Secretary shall reallo-
11 cate and distribute such commodities as the Secretary
12 deems appropriate and equitable. The Secretary shall fur-
13 ther establish procedures to permit States to decline to
14 receive portions of such allocation during each fiscal year
15 as the State determines is appropriate and the Secretary
16 shall reallocate and distribute such allocation as the Sec-
17 retary deems appropriate and equitable.

18 (2) In the event of any drought, flood, hurricane, or
19 other natural disaster affecting substantial numbers of
20 persons in a State, county, or parish, the Secretary may
21 request that States unaffected by such a disaster consider
22 assisting affected States by allowing the Secretary to re-
23 allocate commodities from such unaffected State to States
24 containing areas adversely affected by the disaster.

1 (c) Purchases of commodities under this chapter shall
2 be made by the Secretary at such times and under such
3 conditions as the Secretary determines appropriate within
4 each fiscal year. All commodities so purchased for each
5 such fiscal year shall be delivered at reasonable intervals
6 to States based on the allocations and reallocations made
7 under subsections (a) and (b), and or carry out section
8 14520, not later than December 31 of the following fiscal
9 year.

10 **SEC. 14516. PRIORITY SYSTEM FOR STATE DISTRIBUTION**
11 **OF COMMODITIES.**

12 (a) In distributing the commodities allocated under
13 subsections (a) and (b) of section 14515, the State agency,
14 under procedures determined by the State agency, shall
15 offer, or otherwise make available, its full allocation of
16 commodities for distribution to emergency feeding organi-
17 zations.

18 (b) If the State agency determines that the State will
19 not exhaust the commodities allocated under subsections
20 (a) and (b) of section 14515 through distribution to orga-
21 nizations referred to in subsection (a), its remaining allo-
22 cation of commodities shall be distributed to charitable in-
23 stitutions described in section 14523(3) not receiving com-
24 modities under subsection (a).

1 (c) If the State agency determines that the State will
2 not exhaust the commodities allocated under subsections
3 (a) and (b) of section 14515 through distribution to orga-
4 nizations referred to in subsections (a) and (b), its remain-
5 ing allocation of commodities shall be distributed to any
6 eligible recipient agency not receiving commodities under
7 subsections (a) and (b).

8 **SEC. 14517. INITIAL PROCESSING COSTS.**

9 The Secretary may use funds of the Commodity
10 Credit Corporation to pay the costs of initial processing
11 and packaging of commodities to be distributed under this
12 chapter into forms and in quantities suitable, as deter-
13 mined by the Secretary, for use by the individual house-
14 holds or eligible recipient agencies, as applicable. The Sec-
15 retary may pay such costs in the form of Corporation-
16 owned commodities equal in value to such costs. The Sec-
17 retary shall ensure that any such payments in kind will
18 not displace commercial sales of such commodities.

19 **SEC. 14518. ASSURANCES; ANTICIPATED USE.**

20 (a) The Secretary shall take such precautions as the
21 Secretary deems necessary to ensure that commodities
22 made available under this chapter will not displace com-
23 mercial sales of such commodities or the products thereof.
24 The Secretary shall submit to the Committee on Agri-
25 culture of the House of Representatives and the Commit-

1 tee on Agriculture, Nutrition, and Forestry of the Senate
2 by December 31, 1997, and not less than every two years
3 thereafter, a report as to whether and to what extent such
4 displacements or substitutions are occurring.

5 (b) The Secretary shall determine that commodities
6 provided under this chapter shall be purchased and dis-
7 tributed only in quantities that can be consumed without
8 waste. No eligible recipient agency may receive commod-
9 ities under this chapter in excess of anticipated use, based
10 on inventory records and controls, or in excess of its ability
11 to accept and store such commodities.

12 **SEC. 14519. AUTHORIZATION OF APPROPRIATIONS.**

13 (a) PURCHASE OF COMMODITIES.—To carry out this
14 chapter there are authorized to be appropriated
15 \$260,000,000 for each of the fiscal years 1996 through
16 2000 to purchase, process, and distribute commodities to
17 the States in accordance with this chapter.

18 (b) ADMINISTRATIVE FUNDS.—

19 (1) There are authorized to be appropriated
20 \$40,000,000 for each of the fiscal years 1996
21 through 2000 for the Secretary to make available to
22 the States for State and local payments for costs as-
23 sociated with the distribution of commodities by eli-
24 gible recipient agencies under this chapter, excluding
25 costs associated with the distribution of those com-

1 commodities distributed under section 14520. Funds ap-
2 propriated under this paragraph for any fiscal year
3 shall be allocated to the States on an advance basis
4 dividing such funds among the States in the same
5 proportions as the commodities distributed under
6 this chapter for such fiscal year are allocated among
7 the States. If a State agency is unable to use all of
8 the funds so allocated to it, the Secretary shall re-
9 allocate such unused funds among the other States
10 in a manner the Secretary deems appropriate and
11 equitable.

12 (2)(A) A State shall make available in each fis-
13 cal year to eligible recipient agencies in the State
14 not less than 40 percent of the funds received by the
15 State under paragraph (1) for such fiscal year, as
16 necessary to pay for, or provide advance payments
17 to cover, the allowable expenses of eligible recipient
18 agencies for distributing commodities to needy per-
19 sons, but only to the extent such expenses are actu-
20 ally so incurred by such recipient agencies.

21 (B) As used in this paragraph, the term “allow-
22 able expenses” includes—

23 (i) costs of transporting, storing, handling,
24 repackaging, processing, and distributing com-

1 commodities incurred after such commodities are
2 received by eligible recipient agencies;

3 (ii) costs associated with determinations of
4 eligibility, verification, and documentation;

5 (iii) costs of providing information to per-
6 sons receiving commodities under this chapter
7 concerning the appropriate storage and prepa-
8 ration of such commodities; and

9 (iv) costs of recordkeeping, auditing, and
10 other administrative procedures required for
11 participation in the program under this chapter.

12 (C) If a State makes a payment, using State
13 funds, to cover allowable expenses of eligible recipi-
14 ent agencies, the amount of such payment shall be
15 counted toward the amount a State must make
16 available for allowable expenses of recipient agencies
17 under this paragraph.

18 (3) States to which funds are allocated for a
19 fiscal year under this subsection shall submit finan-
20 cial reports to the Secretary, on a regular basis, as
21 to the use of such funds. No such funds may be
22 used by States or eligible recipient agencies for costs
23 other than those involved in covering the expenses
24 related to the distribution of commodities by eligible
25 recipient agencies.

1 (4)(A) Except as provided in subparagraph (B),
2 to be eligible to receive funds under this subsection,
3 a State shall provide in cash or in kind (according
4 to procedures approved by the Secretary for certify-
5 ing these in-kind contributions) from non-Federal
6 sources a contribution equal to the difference be-
7 tween—

8 (i) the amount of such funds so received;

9 and

10 (ii) any part of the amount allocated to the
11 State and paid by the State—

12 (I) to eligible recipient agencies; or

13 (II) for the allowable expenses of such
14 recipient agencies; for use in carrying out
15 this chapter.

16 (B) Funds allocated to a State under this sec-
17 tion may, upon State request, be allocated before
18 States satisfy the matching requirement specified in
19 subparagraph (A), based on the estimated contribu-
20 tion required. The Secretary shall periodically rec-
21 oncile estimated and actual contributions and adjust
22 allocations to the State to correct for overpayments
23 and underpayments.

1 (C) Any funds distributed for administrative
2 costs under section 14520(b) shall not be covered by
3 this paragraph.

4 (5) States may not charge for commodities
5 made available to eligible recipient agencies, and
6 may not pass on to such recipient agencies the cost
7 of any matching requirements, under this chapter.

8 (c) The value of the commodities made available
9 under subsections (c) and (d) of section 14512, and the
10 funds of the Commodity Credit Corporation used to pay
11 the costs of initial processing, packaging (including forms
12 suitable for home use), and delivering commodities to the
13 States shall not be charged against appropriations author-
14 ized by this section.

15 **SEC. 14520. COMMODITY SUPPLEMENTAL FOOD PROGRAM.**

16 (a) From the funds appropriated under section
17 14519(a), \$94,500,000 shall be used for each fiscal year
18 to purchase and distribute commodities to supplemental
19 feeding programs serving woman, infants, and children or
20 elderly individuals (hereinafter in this section referred to
21 as the “commodity supplemental food program”), or serv-
22 ing both groups wherever located.

23 (b) Not more than 20 percent of the funds made
24 available under subsection (a) shall be made available to
25 the States for State and local payments of administrative

1 costs associated with the distribution of commodities by
2 eligible recipient agencies under this section. Administra-
3 tive costs for the purposes of the commodity supplemental
4 food program shall include, but not be limited to, expenses
5 for information and referral, operation, monitoring, nutri-
6 tion education, start-up costs, and general administration,
7 including staff, warehouse and transportation personnel,
8 insurance, and administration of the State or local office.

9 (c)(1) During each fiscal year the commodity supple-
10 mental food program is in operation, the types, varieties,
11 and amounts of commodities to be purchased under this
12 section shall be determined by the Secretary, but, if the
13 Secretary proposes to make any significant changes in the
14 types, varieties, or amounts from those that were available
15 or were planned at the beginning of the fiscal year the
16 Secretary shall report such changes before implementation
17 to the Committee on Agriculture of the House of Rep-
18 resentatives and the Committee on Agriculture, Nutrition,
19 and Forestry of the Senate.

20 (2) Notwithstanding any other provision of law, the
21 Commodity Credit Corporation shall, to the extent that
22 the Commodity Credit Corporation inventory levels per-
23 mit, provide not less than 9,000,000 pounds of cheese and
24 not less than 4,000,000 pounds of nonfat dry milk in each
25 of the fiscal years 1996 through 2000 to the Secretary.

1 The Secretary shall use such amounts of cheese and non-
2 fat dry milk to carry out the commodity supplemental food
3 program before the end of each fiscal year.

4 (d) The Secretary shall, in each fiscal year, approve
5 applications of additional sites for the program, including
6 sites that serve only elderly persons, in areas in which the
7 program currently does not operate, to the full extent that
8 applications can be approved within the appropriations
9 available for the program for the fiscal year and without
10 reducing actual participation levels (including participa-
11 tion of elderly persons under subsection (e)) in areas in
12 which the program is in effect.

13 (e) If a local agency that administers the commodity
14 supplemental food program determines that the amount
15 of funds made available to the agency to carry out this
16 section exceeds the amount of funds necessary to provide
17 assistance under such program to women, infants, and
18 children, the agency, with the approval of the Secretary,
19 may permit low-income elderly persons (as defined by the
20 Secretary) to participate in and be served by such pro-
21 gram.

22 (f)(1) If it is necessary for the Secretary to pay a
23 significantly higher than expected price for one or more
24 types of commodities purchased under this section, the
25 Secretary shall promptly determine whether the price is

1 likely to cause the number of persons that can be served
2 in the program in a fiscal year to decline.

3 (2) If the Secretary determines that such a decline
4 would occur, the Secretary shall promptly notify the State
5 agencies charged with operating the program of the de-
6 cline and shall ensure that a State agency notify all local
7 agencies operating the program in the State of the decline.

8 (g) Commodities distributed to States pursuant to
9 this section shall not be considered in determining the
10 commodity allocation to each State under section 14515
11 or priority of distribution under section 14516.

12 **SEC. 14521. COMMODITIES NOT INCOME.**

13 Notwithstanding any other provision of law, commod-
14 ities distributed under this chapter shall not be considered
15 income or resources for purposes of determining recipient
16 eligibility under any Federal, State, or local means-tested
17 program.

18 **SEC. 14522. PROHIBITION AGAINST CERTAIN STATE**
19 **CHARGES.**

20 Whenever a commodity is made available without
21 charge or credit under this chapter by the Secretary for
22 distribution within the States to eligible recipient agencies,
23 the State may not charge recipient agencies any amount
24 that is in excess of the State's direct costs of storing, and
25 transporting to recipient agencies the commodities minus

1 any amount the Secretary provides the State for the costs
2 of storing and transporting such commodities.

3 **SEC. 14523. DEFINITIONS.**

4 As used in this chapter:

5 (1) The term “average monthly number of un-
6 employed persons” means the average monthly num-
7 ber of unemployed persons within a State in the
8 most recent fiscal year for which such information is
9 available as determined by the Bureau of Labor Sta-
10 tistics of the Department of Labor.

11 (2) The term “elderly persons” means individ-
12 uals 60 years of age or older.

13 (3) The term “eligible recipient agency” means
14 a public or nonprofit organization that admin-
15 isters—

16 (A) an institution providing commodities to
17 supplemental feeding programs serving women,
18 infants, and children or serving elderly persons,
19 or serving both groups;

20 (B) an emergency feeding organization;

21 (C) a charitable institution (including a
22 hospital and a retirement home, but excluding
23 a penal institution) to the extent that such in-
24 stitution serves needy persons;

1 (D) a summer camp for children, or a
2 child nutrition program providing food service;

3 (E) a nutrition project operating under the
4 Older Americans Act of 1965, including such
5 project that operates a congregate nutrition site
6 and a project that provides home-delivered
7 meals; or

8 (F) a disaster relief program; and that has
9 been designated by the appropriate State agen-
10 cy, or by the Secretary, and approved by the
11 Secretary for participation in the program es-
12 tablished under this chapter.

13 (4) The term “emergency feeding organization”
14 means a public or nonprofit organization that ad-
15 ministers activities and projects (including the activi-
16 ties and projects of a charitable institution, a food
17 bank, a food pantry, a hunger relief center, a soup
18 kitchen, or a similar public or private nonprofit eligi-
19 ble recipient agency) providing nutrition assistance
20 to relieve situations of emergency and distress
21 through the provision of food to needy persons, in-
22 cluding low-income and unemployed persons.

23 (5) The term “food bank” means a public and
24 charitable institution that maintains an established
25 operation involving the provision of food or edible

1 commodities, or the products thereof, to food pan-
2 tries, soup kitchens, hunger relief centers, or other
3 food or feeding centers that, as an integral part of
4 their normal activities, provide meals or food to feed
5 needy persons on a regular basis.

6 (6) The term “food pantry” means a public or
7 private nonprofit organization that distributes food
8 to low-income and unemployed households, including
9 food from sources other than the Department of Ag-
10 riculture, to relieve situations of emergency and dis-
11 tress.

12 (7) The term “needy persons” means—

13 (A) individuals who have low incomes or
14 who are unemployed, as determined by the
15 State (in no event shall the income of such indi-
16 vidual or household exceed 185 percent of the
17 poverty line);

18 (B) households certified as eligible to par-
19 ticipate in the food stamp program under the
20 Food Stamp Act of 1977 (7 U.S.C. 2011 et
21 seq.); or

22 (C) individuals or households participating
23 in any other Federal, or Federally assisted,
24 means-tested program.

1 (8) The term “poverty line” has the same
2 meaning given such term in section 673(2) of the
3 Community Services Block Grant Act (42 U.S.C.
4 9902(2)).

5 (9) The term “soup kitchen” means a public
6 and charitable institution that, as integral part of its
7 normal activities, maintains an established feeding
8 operation to provide food to needy homeless persons
9 on a regular basis.

10 **SEC. 14524. REGULATIONS.**

11 (a) The Secretary shall issue regulations within 120
12 days to implement this chapter.

13 (b) In administering this chapter, the Secretary shall
14 minimize, to the maximum extent practicable, the regu-
15 latory, recordkeeping, and paperwork requirements im-
16 posed on eligible recipient agencies.

17 (c) The Secretary shall as early as feasible but not
18 later than the beginning of each fiscal year, publish in the
19 Federal Register a nonbinding estimate of the types and
20 quantities of commodities that the Secretary anticipates
21 are likely to be made available under the commodity dis-
22 tribution program under this chapter during the fiscal
23 year.

24 (d) The regulations issued by the Secretary under
25 this section shall include provisions that set standards

1 with respect to liability for commodity losses for the com-
2 modities distributed under this chapter in situations in
3 which there is no evidence of negligence or fraud, and con-
4 ditions for payment to cover such losses. Such provisions
5 shall take into consideration the special needs and cir-
6 cumstances of eligible recipient agencies.

7 **SEC. 14525. FINALITY OF DETERMINATIONS.**

8 Determinations made by the Secretary under this
9 chapter and the facts constituting the basis for any dona-
10 tion of commodities under this chapter, or the amount
11 thereof, when officially determined in conformity with the
12 applicable regulations prescribed by the Secretary, shall
13 be final and conclusive and shall not be reviewable by any
14 other officer or agency of the Government.

15 **SEC. 14526. SALE OF COMMODITIES PROHIBITED.**

16 Except as otherwise provided in section 14517, none
17 of the commodities distributed under this chapter shall be
18 sold or otherwise disposed of in commercial channels in
19 any form.

20 **SEC. 14527. SETTLEMENT AND ADJUSTMENT OF CLAIMS.**

21 (a) The Secretary, or a designee of the Secretary,
22 shall have the authority to—

23 (1) determine the amount of, settle, and adjust
24 any claim arising under this chapter; and

1 (2) waive such a claim if the Secretary deter-
2 mines that to do so will serve the purposes of this
3 chapter.

4 (b) Nothing contained in this section shall be con-
5 strued to diminish the authority of the Attorney General
6 of the United States under section 516 of title 28, United
7 States Code, to conduct litigation on behalf of the United
8 States.

9 **SEC. 14528. REPEALERS; AMENDMENTS.**

10 (a) The Emergency Food Assistance Act of 1983 (7
11 U.S.C. 612c note) is repealed.

12 (b) AMENDMENTS.—

13 (1) The Hunger Prevention Act of 1988 (7
14 U.S.C. 612c note) is amended—

15 (A) by striking section 110;

16 (B) by striking subtitle C of title II; and

17 (C) by striking section 502.

18 (2) The Commodity Distribution Reform Act
19 and WIC Amendments of 1987 (7 U.S.C. 612c note)
20 is amended by striking section 4.

21 (3) The Charitable Assistance and Food Bank
22 Act of 1987 (7 U.S.C. 612c note) is amended by
23 striking section 3.

24 (4) The Food Security Act of 1985 (7 U.S.C.
25 612c note) is amended—

1 (A) by striking section 1571; and

2 (B) in section 1562(d), by striking “sec-
3 tion 4 of the Agricultural and Consumer Pro-
4 tection Act of 1973” and inserting “section 110
5 of the Commodity Distribution Act of 1995”.

6 (5) The Agricultural and Consumer Protection
7 Act of 1973 (7 U.S.C. 612c note) is amended—

8 (A) in section 4(a), by striking “institu-
9 tions (including hospitals and facilities caring
10 for needy infants and children), supplemental
11 feeding programs serving women, infants and
12 children or elderly persons, or both, wherever
13 located, disaster areas, summer camps for chil-
14 dren” and inserting “disaster areas”;

15 (B) in subsection 4(c), by striking “the
16 Emergency Food Assistance Act of 1983” and
17 inserting “the Commodity Distribution Act of
18 1995”; and

19 (C) by striking section 5.

20 (6) The Food, Agriculture, Conservation, and
21 Trade Act of 1990 (7 U.S.C. 612c note) is amended
22 by striking section 1773(f).

1 **CHAPTER 2—CONSOLIDATING FOOD**
2 **ASSISTANCE PROGRAMS**

3 **SEC. 14541. FOOD STAMP BLOCK GRANT PROGRAM.**

4 (a) **AUTHORITY TO MAKE BLOCK GRANTS.**—The
5 Secretary of Agriculture shall make grants in accordance
6 with this section to States to provide food assistance to
7 individuals who are economically disadvantaged and to in-
8 dividuals who are members of economically disadvantaged
9 families.

10 (b) **DISTRIBUTION OF FUNDS.**—The funds appro-
11 priated to carry out this section for any fiscal year shall
12 be allotted among the States as follows:

13 (1) Of the aggregate amount to be distributed
14 under this section, .21 percent shall be reserved for
15 grants to Guam, the Virgin Islands of the United
16 States, American Samoa, the Commonwealth of the
17 Northern Mariana Islands, the Republic of the Mar-
18 shall Islands, the Federated States of Micronesia,
19 and Palau.

20 (2) Of the aggregate amount to be distributed
21 under this section, .24 percent shall be reserved for
22 grants to tribal organizations that have govern-
23 mental jurisdiction over geographically defined areas
24 and shall be allocated equitably by the Secretary
25 among such organizations.

1 (3) The remainder of such aggregate amount
2 shall be allocated among the remaining States. The
3 amount allocated to each of the remaining States
4 shall bear the same proportion to such remainder as
5 the number of resident individuals in such State who
6 are economically disadvantaged separately or as
7 members of economically disadvantaged families
8 bears to the aggregate number of resident individ-
9 uals in all such remaining States who are economi-
10 cally disadvantaged separately or as members of eco-
11 nomically disadvantaged families.

12 (c) ELIGIBILITY TO RECEIVE GRANTS.—To be eligi-
13 ble to receive a grant in the amount allotted to a State
14 for a fiscal year, such State shall submit to the Secretary
15 an application in such form, and containing such informa-
16 tion and assurances, as the Secretary may require by rule,
17 including—

18 (1) an assurance that such grant will be ex-
19 pended by the State to provide food assistance to
20 resident individuals in such State who are economi-
21 cally disadvantaged separately or as members of eco-
22 nomically disadvantaged families,

23 (2) an assurance that not more than 5 percent
24 of such grant will be expended by the State for ad-

1 ministrative costs incurred to provide assistance
2 under this section, and

3 (3) an assurance that an individual who has not
4 worked 32 hours in a calendar month shall be ineli-
5 gible to received food assistance under this chapter
6 during the succeeding month unless such individual
7 is—

8 (A) disabled,

9 (B) has attained 60 years of age, or

10 (C) residing with one or more of such indi-
11 vidual's children who have not attained 18
12 years of age, but is not residing with any other
13 parent of any of such children, unless that
14 other parent is disabled.

15 (d) ANNUAL REPORT.—Each State that receives
16 funds appropriated to carry out this section for a fiscal
17 year shall submit the Secretary, not later than May 1 fol-
18 lowing such fiscal year, a report—

19 (1) specifying the number of families who re-
20 ceived food assistance under this section provided by
21 such State in such fiscal year;

22 (2) specifying the number of individuals who re-
23 ceived food assistance under this section provided by
24 such State in such fiscal year;

1 (3) the amount of such funds expended in such
2 fiscal year by such State to provide food assistance;
3 and

4 (4) the administrative costs incurred in such
5 fiscal year by such State to provide food assistance.

6 (e) LIMITATION.—No State or political subdivision of
7 a State that receives funds provided under this subtitle
8 shall replace any employed worker with an individual who
9 is participating in a work program for the purpose of com-
10 plying with subsection (c)(3). Such an individual may be
11 placed in any position offered by the State or political sub-
12 division that—

13 (A) is a new position,

14 (B) is a position that became available in the
15 normal course of conducting the business of the
16 State or political subdivision,

17 (C) involves performing work that would other-
18 wise be performed on an overtime basis by a worker
19 who is not an individual participating in such pro-
20 gram, or

21 (D) that is a position which became available by
22 shifting a current employee to an alternate position.

23 (f) AUTHORIZATION OF APPROPRIATIONS.—(1)
24 There are authorized to be appropriated to carry out this

1 section \$26,245,000,000 for each of the fiscal years 1996,
2 1997, 1998, 1999, and 2000.

3 (2) For the purpose of affording adequate notice of
4 funding available under this section, an appropriation to
5 carry out this section is authorized to be included in an
6 appropriation Act for the fiscal year preceding the fiscal
7 year for which such appropriation is available for obliga-
8 tion.

9 **SEC. 14542. AVAILABILITY OF FEDERAL COUPON SYSTEM**
10 **TO STATES.**

11 (a) ISSUANCE, PURCHASE, AND USE OF COUPONS.—
12 The Secretary shall issue, and make available for purchase
13 by States, coupons for the retail purchase of food from
14 retail food stores that are approved in accordance with
15 subsection (b). Coupons issued, purchased, and used as
16 provided in this section shall be redeemable at face value
17 by the Secretary through the facilities of the Treasury of
18 the United States. The purchase price of each coupon is-
19 sued under this subsection shall be the face value of such
20 coupon.

21 (b) APPROVAL OF RETAIL FOOD STORES AND
22 WHOLESALE FOOD CONCERNS.—(1) Regulations issued
23 pursuant to this section shall provide for the submission
24 of applications for approval by retail food stores and
25 wholesale food concerns which desire to be authorized to

1 accept and redeem coupons under this section. In deter-
2 mining the qualifications of applicants, there shall be con-
3 sidered among such other factors as may be appropriate,
4 the following:

5 (A) The nature and extent of the food business
6 conducted by the applicant.

7 (B) The volume of coupon business which may
8 reasonably be expected to be conducted by the appli-
9 cant food store or wholesale food concern.

10 (C) The business integrity and reputation of
11 the applicant.

12 Approval of an applicant shall be evidenced by the issu-
13 ance to such applicant of a nontransferable certificate of
14 approval. The Secretary is authorized to issue regulations
15 providing for a periodic reauthorization of retail food
16 stores and wholesale food concerns.

17 (2) A buyer or transferee (other than a bona fide
18 buyer or transferee) of a retail food store or wholesale food
19 concern that has been disqualified under subsection (d)
20 may not accept or redeem coupons until the Secretary re-
21 ceives full payment of any penalty imposed on such store
22 or concern.

23 (3) Regulations issued pursuant to this section shall
24 require an applicant retail food store or wholesale food
25 concern to submit information which will permit a deter-

1 mination to be made as to whether such applicant quali-
2 fies, or continues to qualify, for approval under this sec-
3 tion or the regulations issued pursuant to this section.
4 Regulations issued pursuant to this section shall provide
5 for safeguards which limit the use or disclosure of infor-
6 mation obtained under the authority granted by this sub-
7 section to purposes directly connected with administration
8 and enforcement of this section or the regulations issued
9 pursuant to this section, except that such information may
10 be disclosed to and used by States that purchase such
11 coupons.

12 (4) Any retail food store or wholesale food concern
13 which has failed upon application to receive approval to
14 participate in the program under this section may obtain
15 a hearing on such refusal as provided in subsection (f).

16 (c) REDEMPTION OF COUPONS.—Regulations issued
17 under this section shall provide for the redemption of cou-
18 pons accepted by retail food stores through approved
19 wholesale food concerns or through financial institutions
20 which are insured by the Federal Deposit Insurance Cor-
21 poration, or which are insured under the Federal Credit
22 Union Act (12 U.S.C. 1751 et seq.) and have retail food
23 stores or wholesale food concerns in their field of member-
24 ship, with the cooperation of the Treasury Department,
25 except that retail food stores defined in section

1 14533(5)(D) shall be authorized to redeem their members'
2 food coupons prior to receipt by the members of the food
3 so purchased, and publicly operated community mental
4 health centers or private nonprofit organizations or insti-
5 tutions which serve meals to narcotics addicts or alcoholics
6 in drug addiction or alcoholic treatment and rehabilitation
7 programs, public and private nonprofit shelters that pre-
8 pare and serve meals for battered women and children,
9 public or private nonprofit group living arrangements that
10 serve meals to disabled or blind residents, and public or
11 private nonprofit establishments, or public or private non-
12 profit shelters that feed individuals who do not reside in
13 permanent dwellings and individuals who have no fixed
14 mailing addresses shall not be authorized to redeem cou-
15 pons through financial institutions which are insured by
16 the Federal Deposit Insurance Corporation or the Federal
17 Credit Union Act. No financial institution may impose on
18 or collect from a retail food store a fee or other charge
19 for the redemption of coupons that are submitted to the
20 financial institution in a manner consistent with the re-
21 quirements, other than any requirements relating to can-
22 cellation of coupons, for the presentation of coupons by
23 financial institutions to the Federal Reserve banks.

24 (d) CIVIL MONEY PENALTIES AND DISQUALIFICA-
25 TION OF RETAIL FOOD STORES AND WHOLESALE FOOD

1 CONCERNS.—(1) Any approved retail food store or whole-
2 sale food concern may be disqualified for a specified period
3 of time from further participation in the coupon program
4 under this section, or subjected to a civil money penalty
5 of up to \$10,000 for each violation if the Secretary deter-
6 mines that its disqualification would cause hardship to in-
7 dividuals who receive coupons, on a finding, made as speci-
8 fied in the regulations, that such store or concern has vio-
9 lated this section or the regulations issued pursuant to this
10 section.

11 (2) Disqualification under paragraph (1) shall be—

12 (A) for a reasonable period of time, of no less
13 than 6 months nor more than 5 years, upon the first
14 occasion of disqualification,

15 (B) for a reasonable period of time, of no less
16 than 12 months nor more than 10 years, upon the
17 second occasion of disqualification, and

18 (C) permanent upon—

19 (i) the third occasion of disqualification,

20 (ii) the first occasion or any subsequent oc-
21 casion of a disqualification based on the pur-
22 chase of coupons or trafficking in coupons by a
23 retail food store or wholesale food concern, ex-
24 cept that the Secretary shall have the discretion
25 to impose a civil money penalty of up to

1 \$20,000 for each violation (except that the
2 amount of civil money penalties imposed for
3 violations occurring during a single investiga-
4 tion may not exceed \$40,000) in lieu of dis-
5 qualification under this subparagraph, for such
6 purchase of coupons or trafficking in coupons
7 that constitutes a violation of this section or the
8 regulations issued pursuant to this section, if
9 the Secretary determines that there is substan-
10 tial evidence (including evidence that neither
11 the ownership nor management of the store or
12 food concern was aware of, approved, benefited
13 from, or was involved in the conduct or ap-
14 proval of the violation) that such store or food
15 concern had an effective policy and program in
16 effect to prevent violations of this section and
17 such regulations, or

18 (iii) a finding of the sale of firearms, am-
19 munition, explosives, or controlled substance (as
20 defined in section 802 of title 21, United States
21 Code) for coupons, except that the Secretary
22 shall have the discretion to impose a civil money
23 penalty of up to \$20,000 for each violation (ex-
24 cept that the amount of civil money penalties
25 imposed for violations occurring during a single

1 investigation may not exceed \$40,000) in lieu of
2 disqualification under this subparagraph if the
3 Secretary determines that there is substantial
4 evidence (including evidence that neither the
5 ownership nor management of the store or food
6 concern was aware of, approved, benefited from,
7 or was involved in the conduct or approval of
8 the violation) that the store or food concern had
9 an effective policy and program in effect to pre-
10 vent violations of this section.

11 (3) The action of disqualification or the imposition
12 of a civil money penalty shall be subject to review as pro-
13 vided in subsection (f).

14 (4) As a condition of authorization to accept and re-
15 deem coupons issued under subsection (a), the Secretary
16 may require a retail food store or wholesale food concern
17 which has been disqualified or subjected to a civil penalty
18 pursuant to paragraph (1) to furnish a bond to cover the
19 value of coupons which such store or concern may in the
20 future accept and redeem in violation of this section. The
21 Secretary shall, by regulation, prescribe the amount,
22 terms, and conditions of such bond. If the Secretary finds
23 that such store or concern has accepted and redeemed cou-
24 pons in violation of this section after furnishing such bond,
25 such store or concern shall forfeit to the Secretary an

1 amount of such bond which is equal to the value of cou-
2 pons accepted and redeemed by such store or concern in
3 violation of this section. Such store or concern may obtain
4 a hearing on such forfeiture pursuant to subsection (f).

5 (5)(A) In the event any retail food store or wholesale
6 food concern that has been disqualified under paragraph
7 (1) is sold or the ownership thereof is otherwise trans-
8 ferred to a purchaser or transferee, the person or persons
9 who sell or otherwise transfer ownership of the retail food
10 store or wholesale food concern shall be subjected to a civil
11 money penalty in an amount established by the Secretary
12 through regulations to reflect that portion of the disquali-
13 fication period that has not yet expired. If the retail food
14 store or wholesale food concern has been disqualified per-
15 manently, the civil money penalty shall be double the pen-
16 alty for a 10-year disqualification period, as calculated
17 under regulations issued by the Secretary. The disquali-
18 fication period imposed under paragraph (2) shall con-
19 tinue in effect as to the person or persons who sell or oth-
20 erwise transfer ownership of the retail food store or whole-
21 sale food concern notwithstanding the imposition of a civil
22 money penalty under this paragraph.

23 (B) At any time after a civil money penalty imposed
24 under subparagraph (A) has become final under sub-
25 section (f)(1), the Secretary may request the Attorney

1 General of the United States to institute a civil action
2 against the person or persons subject to the penalty in
3 a district court of the United States for any district in
4 which such person or persons are found, reside, or trans-
5 act business to collect the penalty and such court shall
6 have jurisdiction to hear and decide such action. In such
7 action, the validity and amount of such penalty shall not
8 be subject to review.

9 (C) The Secretary may impose a fine against any re-
10 tail food store or wholesale food concern that accepts cou-
11 pons that are not accompanied by the corresponding book
12 cover, other than the denomination of coupons used for
13 making change as specified in regulations issued under
14 this section. The amount of any such fine shall be estab-
15 lished by the Secretary and may be assessed and collected
16 separately in accordance with regulations issued under
17 this section or in combination with any fiscal claim estab-
18 lished by the Secretary. The Attorney General of the Unit-
19 ed States may institute judicial action in any court of com-
20 petent jurisdiction against the store or concern to collect
21 the fine.

22 (6) The Secretary may impose a fine against any per-
23 son not approved by the Secretary to accept and redeem
24 coupons who violates this section or a regulation issued
25 under this section, including violations concerning the ac-

1 ceptance of coupons. The amount of any such fine shall
2 be established by the Secretary and may be assessed and
3 collected in accordance with regulations issued under this
4 section separately or in combination with any fiscal claim
5 established by the Secretary. The Attorney General of the
6 United States may institute judicial action in any court
7 of competent jurisdiction against the person to collect the
8 fine.

9 (e) COLLECTION AND DISPOSITION OF CLAIMS.—The
10 Secretary shall have the power to determine the amount
11 of and settle and adjust any claim and to compromise or
12 deny all or part of any such claim or claims arising under
13 this section or the regulations issued pursuant to this sec-
14 tion, including, but not limited to, claims arising from
15 fraudulent and nonfraudulent overissuances to recipients,
16 including the power to waive claims if the Secretary deter-
17 mines that to do so would serve the purposes of this sec-
18 tion. Such powers with respect to claims against recipients
19 may be delegated by the Secretary to State agencies.

20 (f) ADMINISTRATIVE AND JUDICIAL REVIEW.—(1)
21 Whenever—

22 (A) an application of a retail food store or
23 wholesale food concern for approval to accept and
24 redeem coupons issued under subsection (a) is de-
25 nied pursuant to this section,

1 (B) a retail food store or wholesale food con-
2 cern is disqualified or subjected to a civil money
3 penalty under subsection (d),

4 (C) all or part of any claim of a retail food
5 store or wholesale food concern is denied under sub-
6 section (e), or

7 (D) a claim against a State is stated pursuant
8 to subsection (e),

9 notice of such administrative action shall be issued to the
10 retail food store, wholesale food concern, or State involved.

11 Such notice shall be delivered by certified mail or personal
12 service. If such store, concern, or State is aggrieved by
13 such action, it may, in accordance with regulations pro-
14 mulgated under this section, within 10 days of the date
15 of delivery of such notice, file a written request for an
16 opportunity to submit information in support of its posi-
17 tion to such person or persons as the regulations may des-
18 ignate. If such a request is not made or if such store, con-
19 cern, or State fails to submit information in support of
20 its position after filing a request, the administrative deter-
21 mination shall be final. If such request is made by such
22 store, concern, or State such information as may be sub-
23 mitted by such store, concern, or State as well as such
24 other information as may be available, shall be reviewed
25 by the person or persons designated by the Secretary, who

1 shall, subject to the right of judicial review hereinafter
2 provided, make a determination which shall be final and
3 which shall take effect 30 days after the date of the deliv-
4 ery or service of such final notice of determination. If such
5 store, concern, or State feels aggrieved by such final deter-
6 mination, it may obtain judicial review thereof by filing
7 a complaint against the United States in the United
8 States court for the district in which it resides or is en-
9 gaged in business, or, in the case of a retail food store
10 or wholesale food concern, in any court of record of the
11 State having competent jurisdiction, within 30 days after
12 the date of delivery or service of the final notice of deter-
13 mination upon it, requesting the court to set aside such
14 determination. The copy of the summons and complaint
15 required to be delivered to the official or agency whose
16 order is being attacked shall be sent to the Secretary or
17 such person or persons as the Secretary may designate
18 to receive service of process. The suit in the United States
19 district court or State court shall be a trial de novo by
20 the court in which the court shall determine the validity
21 of the questioned administrative action in issue. If the
22 court determines that such administrative action is in-
23 valid, it shall enter such judgment or order as it deter-
24 mines is in accordance with the law and the evidence. Dur-
25 ing the pendency of such judicial review, or any appeal

1 therefrom, the administrative action under review shall be
2 and remain in full force and effect, unless on application
3 to the court on not less than ten days' notice, and after
4 hearing thereon and a consideration by the court of the
5 applicant's likelihood of prevailing on the merits and of
6 irreparable injury, the court temporarily stays such ad-
7 ministrative action pending disposition of such trial or ap-
8 peal.

9 (g) VIOLATIONS AND ENFORCEMENT.—(1) Subject
10 to paragraph (2), whoever knowingly uses, transfers, ac-
11 quires, alters, or possesses coupons in any manner con-
12 trary to this section or the regulations issued pursuant
13 to this section shall, if such coupons are of a value of
14 \$5,000 or more, be guilty of a felony and shall be fined
15 not more than \$250,000 or imprisoned for not more than
16 20 years, or both, and shall, if such coupons are of a value
17 of \$100 or more, but less than \$5,000, be guilty of a fel-
18 ony and shall, upon the first conviction thereof, be fined
19 not more than \$10,000 or imprisoned for not more than
20 5 years, or both, and, upon the second and any subsequent
21 conviction thereof, shall be imprisoned for not less than
22 6 months nor more than 5 years and may also be fined
23 not more than \$10,000 or, if such coupons are of a value
24 of less than \$100, shall be guilty of a misdemeanor, and,
25 upon the first conviction thereof, shall be fined not more

1 than \$1,000 or imprisoned for not more than one year,
2 or both, and upon the second and any subsequent convic-
3 tion thereof, shall be imprisoned for not more than one
4 year and may also be fined not more than \$1,000.

5 (2) In the case of any individual convicted of an of-
6 fense under paragraph (1), the court may permit such in-
7 dividual to perform work approved by the court for the
8 purpose of providing restitution for losses incurred by the
9 United States and the State as a result of the offense for
10 which such individual was convicted. If the court permits
11 such individual to perform such work and such individual
12 agrees thereto, the court shall withhold the imposition of
13 the sentence on the condition that such individual perform
14 the assigned work. Upon the successful completion of the
15 assigned work the court may suspend such sentence.

16 (3) Whoever presents, or causes to be presented, cou-
17 pons for payment or redemption of the value of \$100 or
18 more, knowing the same to have been received, trans-
19 ferred, or used in any manner in violation of this section
20 or the regulations issued under this section, shall be guilty
21 of a felony and, upon the first conviction thereof, shall
22 be fined not more than \$20,000 or imprisoned for not
23 more than 5 years, or both, and, upon the second and any
24 subsequent conviction thereof, shall be imprisoned for not
25 less than one year nor more than 5 years and may also

1 be fined not more than \$20,000, or, if such coupons are
2 of a value of less than \$100, shall be guilty of a mis-
3 demeanor and, upon the first conviction thereof, shall be
4 fined not more than \$1,000 or imprisoned for not more
5 than one year, or both, and, upon the second and any sub-
6 sequent conviction thereof, shall be imprisoned for not
7 more than one year and may also be fined not more than
8 \$1,000.

9 **SEC. 14543. DEFINITIONS.**

10 For purposes of this chapter—

11 (1) the term “coupon” means any coupon,
12 stamp, or type of certificate, but does not include
13 currency,

14 (2) the term “economically disadvantaged”
15 means an individual or a family, as the case may be,
16 whose income does not exceed the most recent lower
17 living standard income level published by the De-
18 partment of Labor,

19 (3) the term “elderly or disabled individual”
20 means an individual who—

21 (A) is 60 years of age or older,

22 (B)(i) receives supplemental security in-
23 come benefits under title XVI of the Social Se-
24 curity Act (42 U.S.C. 1381 et seq.), or Feder-
25 ally or State administered supplemental benefits

1 of the type described in section 212(a) of Public
2 Law 93–66 (42 U.S.C. 1382 note), or

3 (ii) receives Federally or State adminis-
4 tered supplemental assistance of the type de-
5 scribed in section 1616(a) of the Social Security
6 Act (42 U.S.C. 1382e(a)), interim assistance
7 pending receipt of supplemental security in-
8 come, disability-related medical assistance
9 under title XIX of the Social Security Act (42
10 U.S.C. 1396 et seq.), or disability-based State
11 general assistance benefits, if the Secretary de-
12 termines that such benefits are conditioned on
13 meeting disability or blindness criteria at least
14 as stringent as those used under title XVI of
15 the Social Security Act,

16 (C) receives disability or blindness pay-
17 ments under title I, II, X, XIV, or XVI of the
18 Social Security Act (42 U.S.C. 301 et seq.) or
19 receives disability retirement benefits from a
20 governmental agency because of a disability
21 considered permanent under section 221(i) of
22 the Social Security Act (42 U.S.C. 421(i)),

23 (D) is a veteran who—

24 (i) has a service-connected or non-
25 service-connected disability which is rated

1 as total under title 38, United States Code,
2 or

3 (ii) is considered in need of regular
4 aid and attendance or permanently house-
5 bound under such title,

6 (E) is a surviving spouse of a veteran
7 and—

8 (i) is considered in need of regular aid
9 and attendance or permanently house-
10 bound under title 38, United States Code,
11 or

12 (ii) is entitled to compensation for a
13 service-connected death or pension benefits
14 for a non-service-connected death under
15 title 38, United States Code, and has a
16 disability considered permanent under sec-
17 tion 221(i) of the Social Security Act (42
18 U.S.C. 421(i)),

19 (F) is a child of a veteran and—

20 (i) is considered permanently incapa-
21 ble of self-support under section 414 of
22 title 38, United States Code, or

23 (ii) is entitled to compensation for a
24 service-connected death or pension benefits
25 for a non-service-connected death under

1 title 38, United States Code, and has a
2 disability considered permanent under sec-
3 tion 221(i) of the Social Security Act (42
4 U.S.C. 421(i)), or

5 (G) is an individual receiving an annuity
6 under section 2(a)(1)(iv) or 2(a)(1)(v) of the
7 Railroad Retirement Act of 1974 (45 U.S.C.
8 231a(a)(1)(iv) or 231a(a)(1)(v)), if the individ-
9 ual's service as an employee under the Railroad
10 Retirement Act of 1974, after December 31,
11 1936, had been included in the term "employ-
12 ment" as defined in the Social Security Act (42
13 U.S.C. 301 et seq.), and if an application for
14 disability benefits had been filed,

15 (4) the term "food" means, for purposes of sec-
16 tion 14542(a) only—

17 (A) any food or food product for home con-
18 sumption except alcoholic beverages, tobacco,
19 and hot foods or hot food products ready for
20 immediate consumption other than those au-
21 thorized pursuant to subparagraphs (C), (D),
22 (E), (G), (H), and (I),

23 (B) seeds and plants for use in gardens to
24 produce food for the personal consumption of
25 the eligible individuals,

1 (C) in the case of those persons who are
2 60 years of age or over or who receive supple-
3 mental security income benefits or disability or
4 blindness payments under title I, II, X, XIV, or
5 XVI of the Social Security Act (42 U.S.C. 301
6 et seq.), and their spouses, meals prepared by
7 and served in senior citizens' centers, apart-
8 ment buildings occupied primarily by such per-
9 sons, public or private nonprofit establishments
10 (eating or otherwise) that feed such persons,
11 private establishments that contract with the
12 appropriate agency of the State to offer meals
13 for such persons at concessional prices, and
14 meals prepared for and served to residents of
15 federally subsidized housing for the elderly,

16 (D) in the case of persons 60 years of age
17 or over and persons who are physically or men-
18 tally handicapped or otherwise so disabled that
19 they are unable adequately to prepare all of
20 their meals, meals prepared for and delivered to
21 them (and their spouses) at their home by a
22 public or private nonprofit organization or by a
23 private establishment that contracts with the
24 appropriate State agency to perform such serv-
25 ices at concessional prices,

1 (E) in the case of narcotics addicts or alco-
2 holics, and their children, served by drug addic-
3 tion or alcoholic treatment and rehabilitation
4 programs, meals prepared and served under
5 such programs,

6 (F) in the case of eligible individuals living
7 in Alaska, equipment for procuring food by
8 hunting and fishing, such as nets, hooks, rods,
9 harpoons, and knives (but not equipment for
10 purposes of transportation, clothing, or shelter,
11 and not firearms, ammunition, and explosives)
12 if the Secretary determines that such individ-
13 uals are located in an area of the State where
14 it is extremely difficult to reach stores selling
15 food and that such individuals depend to a sub-
16 stantial extent upon hunting and fishing for
17 subsistence,

18 (G) in the case of disabled or blind recipi-
19 ents of benefits under title I, II, X, XIV, or
20 XVI of the Social Security Act (42 U.S.C. 301
21 et seq.), or are individuals described in subpara-
22 graphs (B) through (G) of paragraph (4), who
23 are residents in a public or private nonprofit
24 group living arrangement that serves no more
25 than 16 residents and is certified by the appro-

1 appropriate State agency or agencies under regula-
2 tions issued under section 1616(e) of the Social
3 Security Act (42 U.S.C. 1382e(e)) or under
4 standards determined by the Secretary to be
5 comparable to standards implemented by appro-
6 priate State agencies under such section, meals
7 prepared and served under such arrangement,

8 (H) in the case of women and children
9 temporarily residing in public or private non-
10 profit shelters for battered women and children,
11 meals prepared and served, by such shelters,
12 and

13 (I) in the case of individuals that do not
14 reside in permanent dwellings and individuals
15 that have no fixed mailing addresses, meals pre-
16 pared for and served by a public or private non-
17 profit establishment (approved by an appro-
18 priate State or local agency) that feeds such in-
19 dividuals and by private establishments that
20 contract with the appropriate agency of the
21 State to offer meals for such individuals at
22 concessional prices,

23 (5) the term “retail food store” means—

24 (A) an establishment or recognized depart-
25 ment thereof or house-to-house trade route,

1 over 50 percent of whose food sales volume, as
2 determined by visual inspection, sales records,
3 purchase records, or other inventory or account-
4 ing recordkeeping methods that are customary
5 or reasonable in the retail food industry, con-
6 sists of staple food items for home preparation
7 and consumption, such as meat, poultry, fish,
8 bread, cereals, vegetables, fruits, dairy prod-
9 ucts, and the like, but not including accessory
10 food items, such as coffee, tea, cocoa, carbon-
11 ated and uncarbonated drinks, candy, con-
12 diments, and spices,

13 (B) an establishment, organization, pro-
14 gram, or group living arrangement referred to
15 in subparagraph (C), (D), (E), (G), (H), or (I)
16 of paragraph (5),

17 (C) a store purveying the hunting and fish-
18 ing equipment described in paragraph (5)(F),
19 or

20 (D) any private nonprofit cooperative food
21 purchasing venture, including those in which
22 the members pay for food purchased prior to
23 the receipt of such food,

24 (6) the term “school” means an elementary, in-
25 termediate, or secondary school,

1 (7) the term “Secretary” means the Secretary
2 of Agriculture,

3 (8) the term “State” means any of the several
4 States, the District of Columbia, the Commonwealth
5 of Puerto Rico, Guam, the Virgin Islands of the
6 United States, American Samoa, the Commonwealth
7 of the Northern Mariana Islands, the Republic of
8 the Marshall Islands, the Federated States of Micro-
9 nesia, Palau, or a tribal organization that exercises
10 governmental jurisdiction over a geographically de-
11 fined area, and

12 (9) the term “tribal organization” has the
13 meaning given it in section 4(l) of the Indian Self-
14 Determination and Education Assistance Act (25
15 U.S.C. 450b(l)).

16 **SEC. 14544. REPEALER.**

17 The Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.)
18 is repealed.

19 **CHAPTER 3—EFFECTIVE DATES AND**
20 **MISCELLANEOUS PROVISIONS**

21 **SEC. 14591. EFFECTIVE DATE; APPLICATION OF REPEALER.**

22 (a) EFFECTIVE DATES.—

23 (1) GENERAL EFFECTIVE DATE OF SUBTITLE
24 A.—Subtitle A shall take effect on October 1, 1995.

1 (2) GENERAL EFFECTIVE DATE OF SUBTITLE
2 A/B.—Except as provided in subsection (b), subtitle
3 B and the repeal made by section 14544 shall take
4 effect on the date of the enactment of this title.

5 (3) SPECIAL EFFECTIVE DATE.—The repeal
6 made by section 14544 shall not take effect until the
7 first day of the first fiscal year for which funds are
8 appropriated more than 180 days in advance of such
9 fiscal year to carry out section 14541.

10 (b) APPLICATION OF REPEALER.—The repeal made
11 by section 14544 shall not apply with respect to—

12 (1) powers, duties, functions, rights, claims,
13 penalties, or obligations applicable to financial as-
14 sistance provided under the Food Stamp Act of
15 1977 before the effective date of such repeal, and

16 (2) administrative actions and proceedings com-
17 menced before such date, or authorized before such
18 date to be commenced, under such Act.

19 **SEC. 14592. SENSE OF THE CONGRESS.**

20 It is the sense of the Congress that States that oper-
21 ate electronic benefit systems to transfer benefits provided
22 under the Food Stamp Act of 1977 should operate elec-
23 tronic benefit systems that are compatible with each other.

1 **SEC. 14593. DEFICIT REDUCTION.**

2 It is the sense of the Committee on Agriculture of
3 the House of Representatives that reductions in outlays
4 resulting from subtitle B shall not be taken into account
5 for purposes of section 252 of the Balanced Budget and
6 Emergency Deficit Control Act of 1985.

7 **Subtitle F—Supplemental Security**
8 **Income**

9 **SEC. 14601. DENIAL OF SUPPLEMENTAL SECURITY INCOME**
10 **BENEFITS BY REASON OF DISABILITY TO**
11 **DRUG ADDICTS AND ALCOHOLICS.**

12 (a) IN GENERAL.—Section 1614(a)(3) of the Social
13 Security Act (42 U.S.C. 1382c(a)(3)) is amended by add-
14 ing at the end the following:

15 “(I) Notwithstanding subparagraph (A), an individ-
16 ual shall not be considered to be disabled for purposes of
17 this title if alcoholism or drug addiction would (but for
18 this subparagraph) be a contributing factor material to
19 the Commissioner’s determination that the individual is
20 disabled.”.

21 (b) CONFORMING AMENDMENTS.—

22 (1) Section 1611(e) of such Act (42 U.S.C.
23 1382(e)) is amended by striking paragraph (3).

24 (2) Section 1631(a)(2)(A)(ii) of such Act (42
25 U.S.C. 1383(a)(2)(A)(ii)) is amended—

26 (A) by striking “(I)”; and

1 (B) by striking subclause (II).

2 (3) Section 1631(a)(2)(B) of such Act (42
3 U.S.C. 1383(a)(2)(B)) is amended—

4 (A) by striking clause (vii);

5 (B) in clause (viii), by striking “(ix)” and
6 inserting “(viii)”;

7 (C) in clause (ix)—

8 (i) by striking “(viii)” and inserting
9 “(vii)”;

10 (ii) in subclause (II), by striking all
11 that follows “15 years” and inserting a pe-
12 riod;

13 (D) in clause (xiii)—

14 (i) by striking “(xii)” and inserting
15 “(xi)”;

16 (ii) by striking “(xi)” and inserting
17 “(x)”;

18 (E) by redesignating clauses (viii) through
19 (xiii) as clauses (vii) through (xii), respectively.

20 (4) Section 1631(a)(2)(D)(i)(II) of such Act
21 (42 U.S.C. 1383(a)(2)(D)(i)(II)) is amended by
22 striking all that follows “\$25.00 per month” and in-
23 serting a period.

24 (5) Section 1634 of such Act (42 U.S.C. 1383c)
25 is amended by striking subsection (e).

1 (6) Section 201(c)(1) of the Social Security
2 Independence and Program Improvements Act of
3 1994 (42 U.S.C. 425 note) is amended—

4 (A) by striking “—” and all that follows
5 through “(A)” the 1st place such term appears;

6 (B) by striking “and” the 3rd place such
7 term appears;

8 (C) by striking subparagraph (B);

9 (D) by striking “either subparagraph (A)
10 or subparagraph (B)” and inserting “the pre-
11 ceding sentence”; and

12 (E) by striking “subparagraph (A) or (B)”
13 and inserting “the preceding sentence”.

14 (c) EFFECTIVE DATE.—The amendments made by
15 this section shall take effect on October 1, 1995, and shall
16 apply with respect to months beginning on or after such
17 date.

18 (d) FUNDING OF CERTAIN PROGRAMS FOR DRUG
19 ADDICTS AND ALCOHOLICS.—

20 (1) IN GENERAL.—Out of any money in the
21 Treasury not otherwise appropriated, there are here-
22 by appropriated—

23 (A) for carrying out section 1971 of the
24 Public Health Service Act (as amended by
25 paragraph (2) of this subsection), \$95,000,000

1 for each of the fiscal years 1997 through 2000;
2 and

3 (B) for carrying out the medication devel-
4 opment project to improve drug abuse and drug
5 treatment research (administered through the
6 National Institute on Drug Abuse), \$5,000,000
7 for each of the fiscal years 1997 through 2000.

8 (2) CAPACITY EXPANSION PROGRAM REGARD-
9 ING DRUG ABUSE TREATMENT.—Section 1971 of the
10 Public Health Service Act (42 U.S.C. 300y) is
11 amended—

12 (A) in subsection (a)(1), by adding at the
13 end the following sentence: “This paragraph is
14 subject to subsection (j).”;

15 (B) by redesignating subsection (j) as sub-
16 section (k);

17 (C) in subsection (j) (as so redesignated),
18 by inserting before the period the following:
19 “and for each of the fiscal years 1995 through
20 2000”; and

21 (D) by inserting after subsection (i) the
22 following subsection:

23 “(j) FORMULA GRANTS FOR CERTAIN FISCAL
24 YEARS.—

1 “(1) IN GENERAL.—For each of the fiscal years
2 1997 through 2000, the Director shall, for the pur-
3 pose described in subsection (a)(1), make a grant to
4 each State that submits to the Director an applica-
5 tion in accordance with paragraph (2). Such a grant
6 for a State shall consist of the allotment determined
7 for the State under paragraph (3). For each of the
8 fiscal years 1997 through 2000, grants under this
9 paragraph shall be the exclusive grants under this
10 section.

11 “(2) REQUIREMENTS.—The Director may make
12 a grant under paragraph (1) only if, by the date
13 specified by the Director, the State submits to the
14 Director an application for the grant that is in such
15 form, is made in such manner, and contain such
16 agreements, assurances, and information as the Di-
17 rector determines to be necessary to carry out this
18 subsection, and if the application contains an agree-
19 ment by the State in accordance with the following:

20 “(A) The State will expend the grant in
21 accordance with the priority described in sub-
22 section (b)(1).

23 “(B) The State will comply with the condi-
24 tions described in each of subsections (c), (d),
25 (g), and (h).

1 “(3) ALLOTMENT.—

2 “(A) For purposes of paragraph (1), the
3 allotment under this paragraph for a State for
4 a fiscal year shall, except as provided in sub-
5 paragraph (B), be the product of—

6 “(i) the amount appropriated in sec-
7 tion 14601(d)(1)(A) of the Personal Re-
8 sponsibility Act of 1995 for the fiscal year,
9 together with any additional amounts ap-
10 propriated to carry out this section for the
11 fiscal year; and

12 “(ii) the percentage determined for
13 the State under the formula established in
14 section 1933(a).

15 “(B) Subsections (b) through (d) of section
16 1933 apply to an allotment under subparagraph
17 (A) to the same extent and in the same manner
18 as such subsections apply to an allotment under
19 subsection (a) of section 1933.”.

20 **SEC. 14602. SUPPLEMENTAL SECURITY INCOME BENEFITS**
21 **FOR DISABLED CHILDREN.**

22 (a) RESTRICTIONS ON ELIGIBILITY FOR CASH BENE-
23 FITS.—

1 (1) IN GENERAL.—Section 1614(a)(3)(A) of the
2 Social Security Act (42 U.S.C. 1382c(a)(3)(A)) is
3 amended—

4 (A) by inserting “(i)” after “(3)(A)”;

5 (B) by inserting “who has attained 18
6 years of age” before “shall be considered”;

7 (C) by striking “he” and inserting “the in-
8 dividual”;

9 (D) by striking “(or, in the case of an indi-
10 vidual under the age of 18, if he suffers from
11 any medically determinable physical or mental
12 impairment impairment of comparable sever-
13 ity)”; and

14 (E) by adding after and below the end the
15 following:

16 “(ii) An individual who has not attained 18 years of
17 age shall be considered to be disabled for purposes of this
18 title for a month if the individual—

19 “(I) meets all non-disability-related require-
20 ments for eligibility for cash benefits under this title;

21 “(II) has any medically determinable physical
22 or mental impairment (or combination of impair-
23 ments) that meets the requirements, applicable to
24 individuals who have not attained 18 years of age,
25 of the Listings of Impairments set forth in appendix

1 1 of subpart P of part 404 of title 20, Code of Fed-
2 eral Regulations (revised as of April 1, 1994), or
3 that is equivalent in severity to such an impairment
4 (or such a combination of impairments); and

5 “(III)(aa) for the month preceding the first
6 month for which this clause takes effect, was eligible
7 for cash benefits under this title by reason of disabil-
8 ity; or

9 “(bb) as a result of the impairment (or com-
10 bination of impairments) involved—

11 “(1) is in a hospital, skilled nursing facil-
12 ity, nursing facility, residential treatment facil-
13 ity, intermediate care facility for the mentally
14 retarded, or other medical institution; or

15 “(2) would be required to be placed in
16 such an institution if the individual were not re-
17 ceiving personal assistance necessitated by the
18 impairment (or impairments).

19 “(iii) As used in clause (ii)(III)(bb)(2), the term ‘per-
20 sonal assistance’ includes at least hands-on or stand-by
21 assistance, supervision, or cueing, with activities of daily
22 living and the administration of medical treatment (where
23 applicable). For purposes of the preceding sentence, the
24 term ‘activities of daily living’ means eating, toileting,
25 dressing, bathing, and transferring.’”.

1 (2) NOTICE.—Within 1 month after the date of
2 the enactment of this Act, the Commissioner of So-
3 cial Security shall notify each individual whose eligi-
4 bility for cash supplemental security income benefits
5 under title XVI of the Social Security Act will termi-
6 nate by reason of the amendments made by para-
7 graph (1) of such termination.

8 (3) ANNUAL REPORTS ON LISTINGS OF IMPAIR-
9 MENTS.—The Commissioner of Social Security shall
10 annually submit to the Congress a report on the
11 Listings of Impairments set forth in appendix 1 of
12 subpart P of part 404 of title 20, Code of Federal
13 Regulations (revised as of April 1, 1994), that are
14 applicable to individuals who have not attained 18
15 years of age, and recommend any necessary revisions
16 to the listings.

17 (b) ESTABLISHMENT OF PROGRAM OF BLOCK
18 GRANTS REGARDING CHILDREN WITH DISABILITIES.—

19 (1) IN GENERAL.—Title XVI of the Social Se-
20 curity Act (42 U.S.C. 1381 et seq.) is amended by
21 adding at the end the following:

1 **“PART C—BLOCK GRANTS TO STATES FOR**
2 **CHILDREN WITH DISABILITIES**

3 **“SEC. 1641. ENTITLEMENT TO GRANTS.**

4 “Each State that meets the requirements of section
5 1642 for fiscal year 1997 or any subsequent fiscal year
6 shall be entitled to receive from the Commissioner for the
7 fiscal year a grant in an amount equal to the allotment
8 (as defined in section 1646(1)) of the State for the fiscal
9 year.

10 **“SEC. 1642. REQUIREMENTS.**

11 “(a) IN GENERAL.—A State meets the requirements
12 of this section for a grant under section 1641 for a fiscal
13 year if by the date specified by the Commissioner, the
14 State submits to the Commissioner an application for the
15 grant that is in such form, is made in such manner, and
16 contain such agreements, assurances, and information as
17 the Commissioner determines to be necessary to carry out
18 this part, and if the application contains an agreement by
19 the State in accordance with the following:

20 “(1) The grant will not be expended for any
21 purpose other than providing authorized services (as
22 defined in section 1646(2)) to qualifying children (as
23 defined in section 1646(3)).

24 “(2)(A) In providing authorized services, the
25 State will make every reasonable effort to obtain
26 payment for the services from other Federal or State

1 programs that provide payment for such services
2 and from private entities that are legally liable to
3 make the payments pursuant to insurance policies,
4 prepaid plans, or other arrangements.

5 “(B) The State will expend the grant only to
6 the extent that payments from the programs and en-
7 tities described in subparagraph (A) are not avail-
8 able for authorized services provided by the State.

9 “(3) The State will comply with the condition
10 described in subsection (b).

11 “(4) The State will comply with the condition
12 described in subsection (c).

13 “(b) MAINTENANCE OF EFFORT.—

14 “(1) IN GENERAL.—The condition referred to
15 in subsection (a)(3) for a State for a fiscal year is
16 that, with respect to the purposes described in para-
17 graph (2), the State will maintain expenditures of
18 non-Federal amounts for such purposes at a level
19 that is not less than the following, as applicable:

20 “(A) For the first fiscal year for which the
21 State receives a grant under section 1641, an
22 amount equal to the difference between—

23 “(i) the average level of such expendi-
24 tures maintained by the State for the 2-
25 year period preceding October 1, 1995 (ex-

1 cept that, if such first fiscal year is other
2 than fiscal year 1997, the amount of such
3 average level shall be increased to the ex-
4 tent necessary to offset the effect of infla-
5 tion occurring after October 1, 1995); and

6 “(ii) the aggregate of non-Federal ex-
7 penditures made by the State for such 2-
8 year period pursuant to section 1618 (as
9 such section was in effect for such period).

10 “(B) For each subsequent fiscal year, the
11 amount applicable under subparagraph (A) in-
12 creased to the extent necessary to offset the ef-
13 fect of inflation occurring after the beginning of
14 the fiscal year to which such subparagraph ap-
15 plies.

16 “(2) RELEVANT PURPOSES.—The purposes de-
17 scribed in this paragraph are any purposes designed
18 to meet (or assist in meeting) the unique needs of
19 qualifying children that arise from physical and
20 mental impairments, including such purposes that
21 are authorized to be carried out under title XIX.

22 “(3) RULE OF CONSTRUCTION.—With respect
23 to compliance with the agreement made by a State
24 pursuant to paragraph (1), the State has discretion
25 to select, from among the purposes described in

1 paragraph (2), the purposes for which the State ex-
2 pends the non-Federal amounts reserved by the
3 State for such compliance.

4 “(4) USE OF CONSUMER PRICE INDEX.—Deter-
5 minations under paragraph (1) of the extent of in-
6 flation shall be made through use of the consumer
7 price index for all urban consumers, U.S. city aver-
8 age, published by the Bureau of Labor Statistics.

9 “(c) ASSESSMENT OF NEED FOR SERVICES.—The
10 condition referred to in subsection (a)(4) for a State for
11 a fiscal year is that each qualifying child will be permitted
12 to apply for authorized services, and will be provided with
13 an opportunity to have an assessment conducted to deter-
14 mine the need of such child for authorized services.

15 **“SEC. 1643. AUTHORITY OF STATE.**

16 “The following decisions are in the discretion of a
17 State with respect to compliance with an agreement made
18 by the State under section 1642(a)(1):

19 “(1) Decisions regarding which of the author-
20 ized services are provided.

21 “(2) Decisions regarding who among qualifying
22 children in the State receives the services.

23 “(3) Decisions regarding the number of services
24 provided for the qualifying child involved and the
25 duration of the services.

1 **“SEC. 1644. AUTHORIZED SERVICES.**

2 “(a) AUTHORITY OF COMMISSIONER.—The Commis-
3 sioner, subject to subsection (b), shall issue regulations
4 designating the purposes for which grants under section
5 1641 are authorized to be expended by the States.

6 “(b) REQUIREMENTS REGARDING SERVICES.—The
7 Commissioner shall ensure that the purposes authorized
8 under subsection (a)—

9 “(1) are designed to meet (or assist in meeting)
10 the unique needs of qualifying children that arise
11 from physical and mental impairments;

12 “(2) include medical and nonmedical services;
13 and

14 “(3) do not include the provision of cash bene-
15 fits.

16 **“SEC. 1645. GENERAL PROVISIONS.**

17 “(a) ISSUANCE OF REGULATIONS.—Regulations
18 under this part shall be issued in accordance with proce-
19 dures established for the issuance of substantive rules
20 under section 553 of title 5, United States Code. Pay-
21 ments under grants under section 1641 for fiscal year
22 1997 shall begin not later than January 1, 1997, without
23 regard to whether final rules under this part have been
24 issued and without regard to whether such rules have
25 taken effect.

26 “(b) PROVISIONS REGARDING OTHER PROGRAMS.—

1 “(1) INAPPLICABILITY OF VALUE OF SERV-
2 ICES.—The value of authorized services provided
3 under this part shall not be taken into account in
4 determining eligibility for, or the amount of, benefits
5 or services under any Federal or federally-assisted
6 program.

7 “(2) MEDICAID PROGRAM.—For purposes of
8 title XIX, each qualifying child shall be considered
9 to be a recipient of supplemental security income
10 benefits under this title (without regard to whether
11 the child has received authorized services under this
12 part and without regard to whether the State in-
13 volved is receiving a grant under section 1641). The
14 preceding sentence applies on and after the date of
15 the enactment of this part.

16 “(c) USE BY STATES OF EXISTING DELIVERY SYS-
17 TEMS.—With respect to the systems utilized by the States
18 to deliver services to individuals with disabilities (including
19 systems utilized before the date of the enactment of the
20 Personal Responsibility Act of 1995), it is the sense of
21 the Congress that the States should utilize such systems
22 in providing authorized services under this part.

23 “(d) REQUIRED PARTICIPATION OF STATES.—Sub-
24 paragraphs (C)(i) and (E)(i)(I) of section 205(c)(2) shall
25 not apply to a State that does not participate in the pro-

1 gram established in this part for fiscal year 1997 or any
2 succeeding fiscal year.

3 **“SEC. 1646. DEFINITIONS.**

4 “As used in this part:

5 “(1) ALLOTMENT.—The term ‘allotment’
6 means, with respect to a State and a fiscal year, the
7 product of—

8 “(A) an amount equal to the difference be-
9 tween—

10 “(i) the number of qualifying children
11 in the State (as determined for the most
12 recent 12-month period for which data are
13 available to the Commissioner); and

14 “(ii) the number of qualifying children
15 in the State receiving cash benefits under
16 this title by reason of disability (as so de-
17 termined); and

18 “(B) an amount equal to 75 percent of the
19 mean average of the respective annual totals of
20 cash benefits paid under this title to each quali-
21 fying child described in subparagraph (A)(ii)
22 (as so determined).

23 “(2) AUTHORIZED SERVICE.—The term ‘au-
24 thorized service’ means each purpose authorized by
25 the Commissioner under section 1644(a).

1 “(3) QUALIFYING CHILD.—

2 “(A) IN GENERAL.—The term ‘qualifying
3 child’ means an individual who—

4 “(i) has not attained 18 years of age;
5 and

6 “(ii)(I) is eligible for cash benefits
7 under this title by reason of disability; or

8 “(II) meets the conditions described
9 in subclauses (I) and (II) of section
10 1614(a)(3)(A)(ii), but (by reason of
11 subclause (III) of such section) is not eligi-
12 ble for such cash benefits.

13 “(B) RESPONSIBILITIES OF COMMIS-
14 SIONER.—The Commissioner shall provide for
15 determinations of whether individuals meet the
16 criteria established in subparagraph (A) for sta-
17 tus as qualifying children. Such determinations
18 shall be made in accordance with the provisions
19 otherwise applicable under this title with re-
20 spect to such criteria.”.

21 (2) RULE REGARDING CERTAIN MILITARY PAR-
22 ENTS; CASH BENEFITS FOR QUALIFYING CHIL-
23 DREN.—Section 1614(a)(1)(B)(ii) of the Social Se-
24 curity Act (42 U.S.C. 1382c(a)(1)(B)(ii)) is amend-
25 ed by striking “United States, and who, for the

1 month” and all that follows and inserting the follow-
2 ing: “United States, and—

3 “(I) who, for the month before the parent re-
4 ported for such assignment, received a cash benefit
5 under this title by reason of blindness, or

6 “(II) for whom, for such month, a determina-
7 tion was in effect that the child is a qualifying child
8 under section 1646(3).”.

9 (c) PROVISIONS RELATING TO SSI CASH BENEFITS
10 AND SSI SERVICE BENEFITS.—

11 (1) CONTINUING DISABILITY REVIEWS FOR
12 CERTAIN CHILDREN.—Section 1614(a)(3)(G) of such
13 Act (42 U.S.C. 1382c(a)(3)(G)) is amended—

14 (A) by inserting “(i)” after “(G)”; and

15 (B) by adding at the end the following:

16 “(ii)(I) Not less frequently than once every 3 years,
17 the Commissioner shall redetermine the eligibility for cash
18 benefits under this title and for services under part C—

19 “(aa) of each individual who has not attained
20 18 years of age and is eligible for such cash benefits
21 by reason of disability; and

22 “(bb) of each qualifying child (as defined in sec-
23 tion 1646(3)).

1 “(II) Subclause (I) shall not apply to an individual
2 if the individual has an impairment (or combination of im-
3 pairments) which is (or are) not expected to improve.”.

4 (2) DISABILITY REVIEW REQUIRED FOR LOW
5 BIRTH WEIGHT BABIES WHO HAVE RECEIVED SSI
6 BENEFITS FOR 12 MONTHS.—Section 1614(a)(3)(G)
7 of such Act (42 U.S.C. 1382c(a)(3)(G)), as amended
8 by paragraph (1) of this subsection, is amended by
9 adding at the end the following:

10 “(iii)(I) The Commissioner shall redetermine the eli-
11 gibility for—

12 “(aa) cash benefits under this title by reason of
13 disability of an individual whose low birth weight is
14 a contributing factor material to the Commissioner’s
15 determination that the individual is disabled; and

16 “(bb) services under part C of an individual
17 who is eligible for such services by reason of low
18 birth weight.

19 “(II) The redetermination required by subclause (I)
20 shall be conducted once the individual has received such
21 benefits for 12 months.

22 “(III) A redetermination under subclause (I) of this
23 clause shall be considered a substitute for a review re-
24 quired under any other provision of this subparagraph.”.

1 (3) APPLICABILITY OF MEDICAID RULES RE-
2 GARDING COUNTING OF CERTAIN ASSETS AND
3 TRUSTS OF CHILDREN.—Section 1613(c) of the So-
4 cial Security Act (42 U.S.C. 1382b(c)) is amended
5 to read as follows:

6 “TREATMENT OF CERTAIN ASSETS AND TRUSTS IN
7 ELIGIBILITY DETERMINATIONS FOR CHILDREN

8 “(c) Subsections (c) and (d) of section 1917 shall
9 apply to determinations of eligibility for benefits under
10 this title in the case of an individual who has not attained
11 18 years of age in the same manner as such subsections
12 apply to determinations of eligibility for medical assistance
13 under a State plan under title XIX, except that—

14 “(1) the amount described in section
15 1917(c)(1)(E)(i)(II) shall be the amount of cash
16 benefits payable under this title to an eligible indi-
17 vidual who does not have an eligible spouse and who
18 has no income or resources;

19 “(2) the look-back date specified in section
20 1917(c)(1)(B) shall be the date that is 36 months
21 before the date the individual has applied for bene-
22 fits under this title; and

23 “(3) any assets in a trust over which the indi-
24 vidual has control shall be considered assets of the
25 individual.”.

26 (d) CONFORMING AMENDMENTS.—

1 (1) Subsections (b)(1), (b)(2), (c)(3), (c)(5),
2 and (e)(1)(B) of section 1611 of the Social Security
3 Act (42 U.S.C. 1382 (b)(1), (b)(2), (c)(3), (c)(5),
4 and (e)(1)(B)) are each amended by inserting
5 “cash” before “benefit under this title”.

6 (2) Section 1611(c)(1) of such Act (42 U.S.C.
7 1382(c)(1)) is amended—

8 (A) by striking “a benefit” and inserting
9 “benefits”;

10 (B) by striking “such benefit” and insert-
11 ing “the cash benefit under this title”; and

12 (C) by striking “and the amount of such
13 benefits” and inserting “benefits under this
14 title and the amount of any cash benefit under
15 this title”.

16 (3) Section 1611(c)(2) of such Act (42 U.S.C.
17 1382(c)(2)) is amended—

18 (A) by striking “such benefit” and insert-
19 ing “the cash benefit”;

20 (B) by inserting “cash” before “benefits”
21 each place such term appears; and

22 (C) in subparagraph (B), by inserting
23 “cash” before “benefit”.

1 (4) Section 1611(c)(3) of such Act (42 U.S.C.
2 1382(c)(3)) is amended by inserting “cash” before
3 “benefits under this title”.

4 (5) Section 1611(e)(1)(G) of such Act (42
5 U.S.C. 1382(e)(1)(G)) is amended by inserting
6 “cash” before “benefit of”.

7 (6) Section 1614(a)(4) of such Act (42 U.S.C.
8 1382c(a)(4)) is amended by inserting “or impair-
9 ment” after “disability” each place such term ap-
10 pears.

11 (7) Section 1614(f)(1) of such Act (42 U.S.C.
12 1382c(f)(1)) is amended by striking “and the
13 amount of benefits” and inserting “benefits under
14 this title and the amount of any cash benefit under
15 this title”.

16 (8) Section 1614(f)(2)(A) of such Act (42
17 U.S.C. 1382c(f)(2)(A)) is amended by striking “and
18 the amount of benefits” and inserting “benefits
19 under this title and the amount of any cash benefit”.

20 (9) Section 1614(f)(3) of such Act (42 U.S.C.
21 1382c(f)(3)) is amended by striking “and the
22 amount of benefits” and inserting “benefits under
23 this title and the amount of any cash benefit under
24 this title”.

1 (10) Section 1616(e)(1) of such Act (42 U.S.C.
2 1382e(e)(1)) is amended by inserting “cash” before
3 “supplemental”.

4 (11) Section 1621(a) of such Act (42 U.S.C.
5 1382j(a)) is amended by striking “and the amount
6 of benefits” and inserting “benefits under this title
7 and the amount of any cash benefit under this title”.

8 (12) Section 1631(a)(4) of such Act (42 U.S.C.
9 1383(a)(4)) is amended by inserting “cash” before
10 “benefits” the 1st place such term appears in each
11 of subparagraphs (A) and (B).

12 (13) Section 1631(a)(7)(A) of such Act (42
13 U.S.C. 1383(a)(7)(A)) is amended by inserting
14 “cash” before “benefits based”.

15 (14) Section 1631(a)(8)(A) of such Act (42
16 U.S.C. 1383(a)(8)(A)) is amended by striking “ben-
17 efits based on disability or blindness under this
18 title” and inserting “benefits under this title (other
19 than by reason of age)”.

20 (15) Section 1631(c) of such Act (42 U.S.C.
21 1383(c)) is amended—

22 (A) by striking “payment” each place such
23 term appears and inserting “benefits”; and

24 (B) by striking “payments” each place
25 such term appears and inserting “benefits”.

1 (16) Section 1631(e) of such Act (42 U.S.C.
2 1383(e)) is amended—

3 (A) in paragraph (1)(B), by striking
4 “amounts of such benefits” and inserting
5 “amounts of cash benefits under this title”;

6 (B) in paragraph (2), by inserting “cash”
7 before “benefits” each place such term appears;

8 (C) by redesignating the 2nd paragraph
9 (6) and paragraph (7) as paragraphs (7) and
10 (8), respectively; and

11 (D) in paragraph (7) (as so redesignated),
12 by inserting “cash” before “benefits” each place
13 such term appears.

14 (17) Section 1631(g)(2) of such Act (42 U.S.C.
15 1383(g)(2)) is amended by striking “supplemental
16 security income” and inserting “cash”.

17 (18) Section 1635(a) of such Act (42 U.S.C.
18 1383d(a)) is amended by striking “by reason of dis-
19 ability or blindness”.

20 (e) TEMPORARY ELIGIBILITY FOR CASH BENEFITS
21 FOR POOR DISABLED CHILDREN RESIDING IN STATES
22 APPLYING ALTERNATIVE INCOME ELIGIBILITY STAND-
23 ARDS UNDER MEDICAID.—

24 (1) IN GENERAL.—For the period beginning
25 upon the 1st day of the 1st month that begins 90

1 or more days after the date of the enactment of this
2 Act and ending upon the close of fiscal year 1996,
3 an individual described in paragraph (2) shall be
4 considered to be eligible for cash benefits under title
5 XVI of the Social Security Act, by reason of disabili-
6 ty notwithstanding that the individual does not
7 meet any of the conditions described in section
8 1614(a)(3)(A)(ii)(III) of such Act.

9 (2) REQUIREMENTS.—For purposes of para-
10 graph (1), an individual described in this paragraph
11 is an individual who—

12 (A) has not attained 18 years of age;

13 (B) meets the conditions described in
14 subclauses (I) and (II) of section
15 1614(a)(3)(A)(ii) of the Social Security Act;

16 (C) resides in a State that, pursuant to
17 section 1902(f) of such Act, restricts eligibility
18 for medical assistance under title XIX of such
19 Act with respect to aged, blind, and disabled in-
20 dividuals; and

21 (D) is not eligible for medical assistance
22 under the State plan under such title XIX.

23 (f) REDUCTION IN CASH BENEFITS PAYABLE TO IN-
24 STITUTIONALIZED CHILDREN WHOSE MEDICAL COSTS
25 ARE COVERED BY PRIVATE INSURANCE.—Section

1 1611(e)(1)(B) of the Social Security Act (42 U.S.C.
2 1382(e)(1)(B)) is amended by inserting “or under any
3 health insurance policy issued by a private provider of
4 such insurance” after “title XIX”.

5 (g) APPLICABILITY.—

6 (1) IN GENERAL.—Except as provided in para-
7 graph (2), the amendments made by subsections
8 (a)(1), (c), (d) and (f), and section 1645(b)(2) of the
9 Social Security Act (as added by the amendment
10 made by subsection (b) of this section), shall apply
11 to benefits for months beginning 90 or more days
12 after the date of the enactment of this Act, without
13 regard to whether regulations have been issued to
14 implement such amendments.

15 (2) DELAYED APPLICABILITY TO CURRENT SSI
16 RECIPIENTS OF ELIGIBILITY RESTRICTIONS.—The
17 amendments made by subsection (a)(1) shall not
18 apply, during the first 6 months that begin after the
19 month in which this Act becomes law, to an individ-
20 ual who is a recipient of cash supplemental security
21 income benefits under title XVI of the Social Secu-
22 rity Act for the month in which this Act becomes
23 law.

24 (h) REGULATIONS.—Within 3 months after the date
25 of the enactment of this Act—

1 (1) the Commissioner of Social Security shall
2 prescribe such regulations as may be necessary to
3 implement the amendments made by subsections
4 (a)(1), (c), (d), and (f) and to implement subsection
5 (e); and

6 (2) the Secretary of Health and Human Serv-
7 ices shall prescribe such regulations as may be nec-
8 essary to implement section 1645(b)(2) of the Social
9 Security Act, as added by the amendment made by
10 subsection (b) of this section.

11 **SEC. 14603. EXAMINATION OF MENTAL LISTINGS USED TO**
12 **DETERMINE ELIGIBILITY OF CHILDREN FOR**
13 **SSI BENEFITS BY REASON OF DISABILITY.**

14 Section 202(e)(2) of the Social Security Independ-
15 ence and Program Improvements Act of 1994 (42 U.S.C.
16 1382 note) is amended—

17 (1) by striking “and” at the end of subpara-
18 graph (F); and

19 (2) by redesignating subparagraph (G) as sub-
20 paragraph (H) and inserting after subparagraph (F)
21 the following:

22 “(G) whether the criteria in the mental dis-
23 orders listings in the Listings of Impairments set
24 forth in appendix 1 of subpart P of part 404 of title
25 20, Code of Federal Regulations, are appropriate to

1 ensure that eligibility of individuals who have not at-
2 tained 18 years of age for cash benefits under the
3 supplemental security income program by reason of
4 disability is limited to those who have serious dis-
5 abilities and for whom such benefits are necessary to
6 improve their condition or quality of life; and”.

7 **SEC. 14604. LIMITATION ON PAYMENTS TO PUERTO RICO,**
8 **THE VIRGIN ISLANDS, AND GUAM UNDER**
9 **PROGRAMS OF AID TO THE AGED, BLIND, OR**
10 **DISABLED.**

11 Section 1108 of the Social Security Act (42 U.S.C.
12 1308), as amended by section 14104(e)(1) of this Act, is
13 amended by inserting before “The total” the following:

14 “(a) PROGRAMS OF AID TO THE AGED, BLIND, OR
15 DISABLED.—The total amount certified by the Secretary
16 of Health and Human Services under titles I, X, XIV, and
17 XVI (as in effect without regard to the amendment made
18 by section 301 of the Social Security Amendments of
19 1972)—

20 “(1) for payment to Puerto Rico shall not ex-
21 ceed \$18,053,940;

22 “(2) for payment to the Virgin Islands shall not
23 exceed \$473,659; and

24 “(3) for payment to Guam shall not exceed
25 \$900,718.

1 “(b) MEDICAID PROGRAMS.—”.

2 **SEC. 14605. REPEAL OF MAINTENANCE OF EFFORT RE-**
3 **QUIREMENTS APPLICABLE TO OPTIONAL**
4 **STATE PROGRAMS FOR SUPPLEMENTATION**
5 **OF SSI BENEFITS.**

6 Section 1618 of the Social Security Act (42 U.S.C.
7 1382g) is hereby repealed.

8 **SEC. 14606. DENIAL OF SSI BENEFITS FOR 10 YEARS TO IN-**
9 **DIVIDUALS FOUND TO HAVE FRAUDULENTLY**
10 **MISREPRESENTED RESIDENCE IN ORDER TO**
11 **OBTAIN BENEFITS SIMULTANEOUSLY IN 2 OR**
12 **MORE STATES.**

13 Section 1614(a) of the Social Security Act (42 U.S.C.
14 1382c(a)) is amended by adding at the end the following:

15 “(5) An individual shall not be considered an eligible
16 individual for purposes of this title during the 10-year pe-
17 riod beginning on the date the individual is found by a
18 State to have made, or is convicted in Federal or State
19 court of having made, a fraudulent statement or represen-
20 tation with respect to the place of residence of the individ-
21 ual in order to receive benefits simultaneously from 2 or
22 more States under programs that are funded under part
23 A of title IV, title XIX, the consolidated program of food
24 assistance under chapter 2 of subtitle E of title XIV of
25 the Personal Responsibility Act of 1995, or the Food

1 Stamp Act of 1977 (as in effect before the effective date
2 of such chapter), or benefits in 2 or more States under
3 the supplemental security income program under title
4 XVI.”.

5 **SEC. 14607. DENIAL OF SSI BENEFITS FOR FUGITIVE FEL-**
6 **ONS AND PROBATION AND PAROLE VIOLA-**
7 **TORS.**

8 (a) IN GENERAL.—Section 1611(c) of the Social Se-
9 curity Act (42 U.S.C. 1382(e)), as amended by section
10 14601(b)(1) of this Act, is amended by inserting after
11 paragraph (2) the following:

12 “(3) A person shall not be an eligible individual
13 or eligible spouse for purposes of this title with re-
14 spect to any month if, throughout the month, the
15 person is—

16 “(A) fleeing to avoid prosecution, or cus-
17 tody or confinement after conviction, under the
18 laws of the place from which the person flees,
19 for a crime, or an attempt to commit a crime,
20 which is a felony under the laws of the place
21 from which the person flees, or which, in the
22 case of the State of New Jersey, is a high mis-
23 demeanor under the laws of such State; or

24 “(B) violating a condition of probation or
25 parole imposed under Federal or State law.”.

1 (b) EXCHANGE OF INFORMATION WITH LAW EN-
2 FORCEMENT AGENCIES.—Section 1631(e) of such Act (42
3 U.S.C. 1383(e)) is amended by inserting after paragraph
4 (3) the following:

5 “(4) Notwithstanding any other provision of law, the
6 Commissioner shall furnish any Federal, State, or local
7 law enforcement officer, upon the request of the officer,
8 with the current address of any recipient of benefits under
9 this title, if the officer furnishes the agency with the name
10 of the recipient and notifies the agency that—

11 “(A) the recipient—

12 “(i) is fleeing to avoid prosecution, or cus-
13 tody or confinement after conviction, under the
14 laws of the place from which the person flees,
15 for a crime, or an attempt to commit a crime,
16 which is a felony under the laws of the place
17 from which the person flees, or which, in the
18 case of the State of New Jersey, is a high mis-
19 demeanor under the laws of such State;

20 “(ii) is violating a condition of probation or
21 parole imposed under Federal or State law; or

22 “(iii) has information that is necessary for
23 the officer to conduct the officer’s official du-
24 ties;

1 “(B) the location or apprehension of the recipi-
2 ent is within the official duties of the officer; and

3 “(C) the request is made in the proper exercise
4 of such duties.”.

5 **SEC. 14608. REAPPLICATION REQUIREMENTS FOR ADULTS**
6 **RECEIVING SSI BENEFITS BY REASON OF DIS-**
7 **ABILITY.**

8 (a) IN GENERAL.—Section 1614(a)(3)(G) of the So-
9 cial Security Act (42 U.S.C. 1382c(a)(3)(G)), as amended
10 by section 14602(c)(2) of this Act, is amended by adding
11 at the end the following clause:

12 “(iv) In the case of an individual who has attained
13 18 years of age and for whom a determination has been
14 made of eligibility for a benefit under this title by reason
15 of disability, the following applies:

16 “(I) Subject to the provisions of this clause, the
17 determination of eligibility is effective for the 3-year
18 period beginning on the date of the determination,
19 and the eligibility of the individual lapses unless a
20 determination of continuing eligibility is made before
21 the end of such period, and before the end of each
22 subsequent 3-year period. This subclause ceases to
23 apply to the individual upon the individual attaining
24 65 years of age. This subclause does not apply to
25 the individual if the individual has an impairment

1 that is not expected to improve (or a combination of
2 impairments that are not expected to improve).

3 “(II) With respect to a determination under
4 subclause (I) of whether the individual continues to
5 be eligible for the benefit (in this clause referred to
6 as a ‘redetermination’), the Commissioner may not
7 make the redetermination unless the individual sub-
8 mits to the Commissioner an application requesting
9 the redetermination. If such an application is sub-
10 mitted, the Commissioner shall make the redeter-
11 mination. This subclause is subject to subclause (V).

12 “(III) If as of the date on which this clause
13 takes effect the individual has been receiving the
14 benefit for three years or less, the first period under
15 subclause (I) for the individual is deemed to end on
16 the expiration of the period beginning on the date on
17 which this clause takes effect and continuing
18 through a number of months equal to 12 plus a
19 number equal to 36 minus the number of months
20 the individual has been receiving the benefit.

21 “(IV) If as of the date on which this clause
22 takes effect the individual has been receiving the
23 benefit for five years or less, but for more than three
24 years, the first period under subclause (I) for the in-
25 dividual is deemed to end on the expiration of the

1 1-year period beginning on the date on which this
2 clause takes effect.

3 “(V) If as of the date on which this clause
4 takes effect the individual has been receiving the
5 benefit for more than five years, the Commissioner
6 shall make redeterminations under subclause (I) and
7 may not require the individual to submit applica-
8 tions for the redeterminations. The first 3-year pe-
9 riod under subclause (I) for the individual is deemed
10 to begin upon the expiration of the period beginning
11 on the date on which this clause takes effect and
12 ending upon the termination of a number of years
13 equal to the lowest number (greater than zero) that
14 can be obtained by subtracting the number of years
15 that the individual has been receiving the benefit
16 from a number that is a multiple of three.

17 “(VI) If the individual first attains 18 years of
18 age on or after the date on which this clause takes
19 effect, the first 3-year period under subclause (I) for
20 the individual is deemed to end on the date on which
21 the individual attains such age.

22 “(VII) Not later than one year prior to the date
23 on which a determination under subclause (I) ex-
24 pires, the Commissioner shall (except in the case of
25 an individual to whom subclause (V) applies) provide

1 to the individual a written notice explaining the ap-
2 plicability of this clause to the individual, including
3 an explanation of the effect of failing to submit the
4 application. If the individual submits the application
5 not later than 180 days prior to such date and the
6 Commissioner does not make the redetermination
7 before such date, the Commissioner shall continue to
8 provide the benefit pending the redetermination and
9 shall publish in the Federal Register a notice that
10 the Commissioner was unable to make the redeter-
11 mination by such date.

12 “(VIII) If the individual fails to submit the ap-
13 plication under subclause (II) by the end of the ap-
14 plicable period under subclause (I), the individual
15 may apply for a redetermination. The Commissioner
16 shall make the redetermination for the individual
17 only after making redeterminations for individuals
18 for whom eligibility has not lapsed pursuant to
19 subclause (I).”.

20 (b) EFFECTIVE DATE.—The amendment made by
21 subsection (a) takes effect upon the expiration of the 9-
22 month period beginning on the date of the enactment of
23 this Act.

24 (c) CONFORMING REPEAL.—Section 207 of the So-
25 cial Security Independence and Program Improvements

1 Act of 1994 (42 U.S.C. 1382 note; 108 Stat. 1516) is
2 hereby repealed.

3 **SEC. 14609. STRIKING OF RESTRICTIONS REGARDING DE-**
4 **TERMINATION OF INELIGIBILITY.**

5 Section 1614(a) of the Social Security Act (42 U.S.C.
6 1382c(a)) is amended by striking paragraph (4).

7 **SEC. 14610. NARROWING OF SSI ELIGIBILITY ON BASIS OF**
8 **MENTAL IMPAIRMENTS.**

9 (a) IN GENERAL.—Section 1614(a)(3)(A)(i) of the
10 Social Security Act (42 U.S.C. 1382c(a)), as designated
11 by section 14602(a)(1)(A) of this Act, is amended by add-
12 ing at the end the following sentence: “In making deter-
13 minations under this clause regarding the severity of men-
14 tal impairments, the Secretary shall revise the regulations
15 under subpart P of part 404 of title 20, Code of Federal
16 Regulations, to accomplish the result that (relative to such
17 regulations as in effect prior to the date on which this
18 sentence takes effect) less weight is given to criteria re-
19 garding concentration, persistence (and pace), and ability
20 to tolerate increased mental demand associated with com-
21 petitive work, and that, accordingly, the eligibility criteria
22 regarding mental impairments are narrowed.”.

23 (b) FINAL REGULATIONS.—The final rule for the
24 regulations required in subsection (a) shall be issued be-
25 fore the expiration of the 9-month period beginning on the

1 date of the enactment of this Act, and shall take effect
2 upon the expiration of such period.

3 **Subtitle G—Child Support**

4 **SEC. 14700. REFERENCES.**

5 Except as otherwise specifically provided, wherever in
6 this subtitle an amendment is expressed in terms of an
7 amendment to or repeal of a section or other provision,
8 the reference shall be considered to be made to that sec-
9 tion or other provision of the Social Security Act.

10 **CHAPTER 1—ELIGIBILITY FOR SERVICES;** 11 **DISTRIBUTION OF PAYMENTS**

12 **SEC. 14701. STATE OBLIGATION TO PROVIDE CHILD SUP-** 13 **PORT ENFORCEMENT SERVICES.**

14 (a) STATE PLAN REQUIREMENTS.—Section 454 (42
15 U.S.C. 654) is amended—

16 (1) by striking paragraph (4) and inserting the
17 following:

18 “(4) provide that the State will—

19 “(A) provide services relating to the estab-
20 lishment of paternity or the establishment,
21 modification, or enforcement of child support
22 obligations, as appropriate, under the plan with
23 respect to—

24 “(i) each child for whom cash assist-
25 ance is provided under the State program

1 funded under part A of this title, benefits
2 or services are provided under the State
3 program funded under part B of this title,
4 or medical assistance is provided under the
5 State plan approved under title XIX, un-
6 less the State agency administering the
7 plan determines (in accordance with para-
8 graph (28)) that it is against the best in-
9 terests of the child to do so; and

10 “(ii) any other child, if an individual
11 applies for such services with respect to
12 the child; and

13 “(B) enforce any support obligation estab-
14 lished with respect to—

15 “(i) a child with respect to whom the
16 State provides services under the plan; or

17 “(ii) the custodial parent of such a
18 child.”; and

19 (2) in paragraph (6)—

20 (A) by striking “provide that” and insert-
21 ing “provide that—”;

22 (B) by striking subparagraph (A) and in-
23 serting the following:

1 “(A) services under the plan shall be made
2 available to nonresidents on the same terms as
3 to residents;”;

4 (C) in subparagraph (B), by inserting “on
5 individuals not receiving assistance under any
6 State program funded under part A” after
7 “such services shall be imposed”;

8 (D) in each of subparagraphs (B), (C),
9 (D), and (E)—

10 (i) by indenting the subparagraph in
11 the same manner as, and aligning the left
12 margin of the subparagraph with the left
13 margin of, the matter inserted by subpara-
14 graph (B) of this paragraph; and

15 (ii) by striking the final comma and
16 inserting a semicolon; and

17 (E) in subparagraph (E), by indenting
18 each of clauses (i) and (ii) 2 additional ems.

19 (b) CONFORMING AMENDMENTS.—

20 (1) Section 452(b) (42 U.S.C. 652(b)) is
21 amended by striking “454(6)” and inserting
22 “454(4)”.

23 (2) Section 452(g)(2)(A) (42 U.S.C.
24 652(g)(2)(A)) is amended by striking “454(6)” each
25 place it appears and inserting “454(4)(A)(ii)”.

1 (3) Section 466(a)(3)(B) (42 U.S.C.
2 666(a)(3)(B)) is amended by striking “in the case of
3 overdue support which a State has agreed to collect
4 under section 454(6)” and inserting “in any other
5 case”.

6 (4) Section 466(e) (42 U.S.C. 666(e)) is
7 amended by striking “paragraph (4) or (6) of sec-
8 tion 454” and inserting “section 454(4)”.

9 **SEC. 14702. DISTRIBUTION OF CHILD SUPPORT COLLEC-**
10 **TIONS.**

11 (a) IN GENERAL.—Section 457 (42 U.S.C. 657) is
12 amended to read as follows:

13 **“SEC. 457. DISTRIBUTION OF COLLECTED SUPPORT.**

14 “(a) IN GENERAL.—An amount collected on behalf
15 of a family as support by a State pursuant to a plan ap-
16 proved under this part shall be distributed as follows:

17 “(1) FAMILIES RECEIVING CASH ASSISTANCE.—

18 In the case of a family receiving cash assistance
19 from the State, the State shall—

20 “(A) retain, or distribute to the family, the
21 State share of the amount so collected; and

22 “(B) pay to the Federal Government the
23 Federal share of the amount so collected.

1 “(2) FAMILIES THAT FORMERLY RECEIVED
2 CASH ASSISTANCE.—In the case of a family that for-
3 merly received cash assistance from the State:

4 “(A) CURRENT SUPPORT PAYMENTS.—To
5 the extent that the amount so collected does not
6 exceed the amount required to be paid to the
7 family for the month in which collected, the
8 State shall distribute the amount so collected to
9 the family.

10 “(B) PAYMENTS OF ARREARAGES.—To the
11 extent that the amount so collected exceeds the
12 amount required to be paid to the family for
13 the month in which collected, the State shall
14 distribute the amount so collected as follows:

15 “(i) DISTRIBUTION TO THE FAMILY
16 TO SATISFY ARREARAGES THAT ACCRUED
17 BEFORE OR AFTER THE FAMILY RECEIVED
18 CASH ASSISTANCE.—The State shall dis-
19 tribute the amount so collected to the fam-
20 ily to the extent necessary to satisfy any
21 support arrears with respect to the family
22 that accrued before or after the family re-
23 ceived cash assistance from the State.

24 “(ii) REIMBURSEMENT OF GOVERN-
25 MENTS FOR ASSISTANCE PROVIDED TO

1 THE FAMILY.—To the extent that clause
2 (i) does not apply to the amount, the State
3 shall retain the State share of the amount
4 so collected, and pay to the Federal Gov-
5 ernment the Federal share of the amount
6 so collected, to the extent necessary to re-
7 imburse amounts paid to the family as
8 cash assistance from the State.

9 “(iii) DISTRIBUTION OF THE REMAIN-
10 DER TO THE FAMILY.—To the extent that
11 neither clause (i) nor clause (ii) applies to
12 the amount so collected, the State shall
13 distribute the amount to the family.

14 “(3) FAMILIES THAT NEVER RECEIVED CASH
15 ASSISTANCE.—In the case of any other family, the
16 State shall distribute the amount so collected to the
17 family.

18 “(b) DEFINITIONS.—As used in subsection (a):

19 “(1) CASH ASSISTANCE.—The term ‘cash as-
20 sistance from the State’ means—

21 “(A) cash assistance under the State pro-
22 gram funded under part A or under the State
23 plan approved under part A of this title (as in
24 effect before October 1, 1995); or

1 “(B) cash benefits under the State pro-
2 gram funded under part B or under the State
3 plan approved under part B or E of this title
4 (as in effect before October 1, 1995).

5 “(2) FEDERAL SHARE.—The term ‘Federal
6 share’ means, with respect to an amount collected by
7 the State to satisfy a support obligation owed to a
8 family for a time period—

9 “(A) the greatest Federal medical assist-
10 ance percentage in effect for the State for fiscal
11 year 1995 or any succeeding fiscal year; or

12 “(B) if support is not owed to the family
13 for any month for which the family received aid
14 to families with dependent children under the
15 State plan approved under part A of this title
16 (as in effect before October 1, 1995), the Fed-
17 eral reimbursement percentage for the fiscal
18 year in which the time period occurs.

19 “(3) FEDERAL MEDICAL ASSISTANCE PERCENT-
20 AGE.—The term ‘Federal medical assistance per-
21 centage’ means—

22 “(A) the Federal medical assistance per-
23 centage (as defined in section 1118), in the case
24 of Puerto Rico, the Virgin Islands, Guam, and
25 American Samoa; or

1 “(B) the Federal medical assistance per-
2 centage (as defined in section 1905(b)) in the
3 case of any other State.

4 “(4) FEDERAL REIMBURSEMENT PERCENT-
5 AGE.—The term ‘Federal reimbursement percentage’
6 means, with respect to a fiscal year—

7 “(A) the total amount paid to the State
8 under section 403 for the fiscal year; divided by

9 “(B) the total amount expended by the
10 State to carry out the State program under
11 part A during the fiscal year.

12 “(5) STATE SHARE.—The term ‘State share’
13 means 100 percent minus the Federal share.

14 “(c) CONTINUATION OF SERVICES FOR FAMILIES
15 CEASING TO RECEIVE ASSISTANCE UNDER THE STATE
16 PROGRAM FUNDED UNDER PART A.—When a family with
17 respect to which services are provided under a State plan
18 approved under this part ceases to receive assistance
19 under the State program funded under part A, the State
20 shall provide appropriate notice to the family and continue
21 to provide such services, subject to the same conditions
22 and on the same basis as in the case of individuals to
23 whom services are furnished under section 454, except
24 that an application or other request to continue services

1 shall not be required of such a family and section
2 454(6)(B) shall not apply to the family.”.

3 (b) EFFECTIVE DATE.—

4 (1) GENERAL RULE.—Except as provided in
5 paragraph (2), the amendment made by subsection
6 (a) shall become effective on October 1, 1999.

7 (2) EARLIER EFFECTIVE DATE FOR RULES RE-
8 LATING TO DISTRIBUTION OF SUPPORT COLLECTED
9 FOR FAMILIES RECEIVING CASH ASSISTANCE.—Sec-
10 tion 457(a)(1) of the Social Security Act, as added
11 by the amendment made by subsection (a), shall be-
12 come effective on October 1, 1995.

13 **SEC. 14703. PRIVACY SAFEGUARDS.**

14 (a) STATE PLAN REQUIREMENT.—Section 454 (42
15 U.S.C. 654) is amended—

16 (1) by striking “and” at the end of paragraph
17 (23);

18 (2) by striking the period at the end of para-
19 graph (24) and inserting “; and”; and

20 (3) by adding after paragraph (24) the follow-
21 ing:

22 “(25) will have in effect safeguards, applicable
23 to all confidential information handled by the State
24 agency, that are designed to protect the privacy
25 rights of the parties, including—

1 “(A) safeguards against unauthorized use
2 or disclosure of information relating to proceed-
3 ings or actions to establish paternity, or to es-
4 tablish or enforce support;

5 “(B) prohibitions against the release of in-
6 formation on the whereabouts of one party to
7 another party against whom a protective order
8 with respect to the former party has been en-
9 tered; and

10 “(C) prohibitions against the release of in-
11 formation on the whereabouts of one party to
12 another party if the State has reason to believe
13 that the release of the information may result
14 in physical or emotional harm to the former
15 party.”.

16 (b) EFFECTIVE DATE.—The amendment made by
17 subsection (a) shall become effective on October 1, 1997.

18 **CHAPTER 2—LOCATE AND CASE**

19 **TRACKING**

20 **SEC. 14711. STATE CASE REGISTRY.**

21 Section 454A, as added by section 14745(a)(2) of
22 this Act, is amended by adding at the end the following:

23 “(e) STATE CASE REGISTRY.—

24 “(1) CONTENTS.—The automated system re-
25 quired by this section shall include a registry (which

1 shall be known as the ‘State case registry’) that con-
2 tains records with respect to—

3 “(A) each case in which services are being
4 provided by the State agency under the State
5 plan approved under this part; and

6 “(B) each support order established or
7 modified in the State on or after October 1,
8 1998.

9 “(2) LINKING OF LOCAL REGISTRIES.—The
10 State case registry may be established by linking
11 local case registries of support orders through an
12 automated information network, subject to this sec-
13 tion.

14 “(3) USE OF STANDARDIZED DATA ELE-
15 MENTS.—Such records shall use standardized data
16 elements for both parents (such as names, social se-
17 curity numbers and other uniform identification
18 numbers, dates of birth, and case identification
19 numbers), and contain such other information (such
20 as on case status) as the Secretary may require.

21 “(4) PAYMENT RECORDS.—Each case record in
22 the State case registry with respect to which services
23 are being provided under the State plan approved
24 under this part and with respect to which a support

1 order has been established shall include a record
2 of—

3 “(A) the amount of monthly (or other peri-
4 odic) support owed under the order, and other
5 amounts (including arrears, interest or late
6 payment penalties, and fees) due or overdue
7 under the order;

8 “(B) any amount described in subpara-
9 graph (A) that has been collected;

10 “(C) the distribution of such collected
11 amounts;

12 “(D) the birth date of any child for whom
13 the order requires the provision of support; and

14 “(E) the amount of any lien imposed with
15 respect to the order pursuant to section
16 466(a)(4).

17 “(5) UPDATING AND MONITORING.—The State
18 agency operating the automated system required by
19 this section shall promptly establish and maintain,
20 and regularly monitor, case records in the State case
21 registry with respect to which services are being pro-
22 vided under the State plan approved under this part,
23 on the basis of—

1 “(A) information on administrative actions
2 and administrative and judicial proceedings and
3 orders relating to paternity and support;

4 “(B) information obtained from compari-
5 son with Federal, State, or local sources of in-
6 formation;

7 “(C) information on support collections
8 and distributions; and

9 “(D) any other relevant information.

10 “(f) INFORMATION COMPARISONS AND OTHER DIS-
11 CLOSURES OF INFORMATION.—The State shall use the
12 automated system required by this section to extract infor-
13 mation from (at such times, and in such standardized for-
14 mat or formats, as may be required by the Secretary), to
15 share and compare information with, and to receive infor-
16 mation from, other data bases and information compari-
17 son services, in order to obtain (or provide) information
18 necessary to enable the State agency (or the Secretary or
19 other State or Federal agencies) to carry out this part,
20 subject to section 6103 of the Internal Revenue Code of
21 1986. Such information comparison activities shall include
22 the following:

23 “(1) FEDERAL CASE REGISTRY OF CHILD SUP-
24 PORT ORDERS.—Furnishing to the Federal Case
25 Registry of Child Support Orders established under

1 section 453(h) (and update as necessary, with infor-
2 mation including notice of expiration of orders) the
3 minimum amount of information on child support
4 cases recorded in the State case registry that is nec-
5 essary to operate the registry (as specified by the
6 Secretary in regulations).

7 “(2) FEDERAL PARENT LOCATOR SERVICE.—
8 Exchanging information with the Federal Parent
9 Locator Service for the purposes specified in section
10 453.

11 “(3) TEMPORARY FAMILY ASSISTANCE AND
12 MEDICAID AGENCIES.—Exchanging information with
13 State agencies (of the State and of other States) ad-
14 ministering programs funded under part A, pro-
15 grams operated under State plans under title XIX,
16 and other programs designated by the Secretary, as
17 necessary to perform State agency responsibilities
18 under this part and under such programs.

19 “(4) INTRA- AND INTERSTATE INFORMATION
20 COMPARISONS.—Exchanging information with other
21 agencies of the State, agencies of other States, and
22 interstate information networks, as necessary and
23 appropriate to carry out (or assist other States to
24 carry out) the purposes of this part.”.

1 **SEC. 14712. COLLECTION AND DISBURSEMENT OF SUPPORT**
2 **PAYMENTS.**

3 (a) STATE PLAN REQUIREMENT.—Section 454 (42
4 U.S.C. 654), as amended by section 14703(a) of this Act,
5 is amended—

6 (1) by striking “and” at the end of paragraph
7 (24);

8 (2) by striking the period at the end of para-
9 graph (25) and inserting “; and”; and

10 (3) by adding after paragraph (25) the follow-
11 ing:

12 “(26) provide that, on and after October 1,
13 1998, the State agency will—

14 “(A) operate a State disbursement unit in
15 accordance with section 454B; and

16 “(B) have sufficient State staff (consisting
17 of State employees) and (at State option) con-
18 tractors reporting directly to the State agency
19 to—

20 “(i) monitor and enforce support col-
21 lections through the unit (including carry-
22 ing out the automated data processing re-
23 sponsibilities described in section 454A(g));
24 and

25 “(ii) take the actions described in sec-
26 tion 466(c)(1) in appropriate cases.”.

1 (b) ESTABLISHMENT OF STATE DISBURSEMENT
2 UNIT.—Part D of title IV (42 U.S.C. 651–669), as
3 amended by section 14745(a)(2) of this Act, is amended
4 by inserting after section 454A the following:

5 **“SEC. 454B. COLLECTION AND DISBURSEMENT OF SUP-**
6 **PORT PAYMENTS.**

7 “(a) STATE DISBURSEMENT UNIT.—

8 “(1) IN GENERAL.—In order for a State to
9 meet the requirements of this section, the State
10 agency must establish and operate a unit (which
11 shall be known as the ‘State disbursement unit’) for
12 the collection and disbursement of payments under
13 support orders in all cases being enforced by the
14 State pursuant to section 454(4).

15 “(2) OPERATION.—The State disbursement
16 unit shall be operated—

17 “(A) directly by the State agency (or 2 or
18 more State agencies under a regional coopera-
19 tive agreement), or (to the extent appropriate)
20 by a contractor responsible directly to the State
21 agency; and

22 “(B) in coordination with the automated
23 system established by the State pursuant to
24 section 454A.

1 “(3) LINKING OF LOCAL DISBURSEMENT
2 UNITS.—The State disbursement unit may be estab-
3 lished by linking local disbursement units through
4 an automated information network, subject to this
5 section. The Secretary must agree that the system
6 will not cost more nor take more time to establish
7 than a centralized system. In addition, employers
8 shall be given 1 location to which income withhold-
9 ing is sent.

10 “(b) REQUIRED PROCEDURES.—The State disburse-
11 ment unit shall use automated procedures, electronic proc-
12 esses, and computer-driven technology to the maximum
13 extent feasible, efficient, and economical, for the collection
14 and disbursement of support payments, including proce-
15 dures—

16 “(1) for receipt of payments from parents, em-
17 ployers, and other States, and for disbursements to
18 custodial parents and other obligees, the State agen-
19 cy, and the agencies of other States;

20 “(2) for accurate identification of payments;

21 “(3) to ensure prompt disbursement of the cus-
22 todial parent’s share of any payment; and

23 “(4) to furnish to any parent, upon request,
24 timely information on the current status of support

1 payments under an order requiring payments to be
2 made by or to the parent.

3 “(c) TIMING OF DISBURSEMENTS.—The State dis-
4 bursement unit shall distribute all amounts payable under
5 section 457(a) within 2 business days after receipt from
6 the employer or other source of periodic income, if suffi-
7 cient information identifying the payee is provided.

8 “(d) BUSINESS DAY DEFINED.—As used in this sec-
9 tion, the term ‘business day’ means a day on which State
10 offices are open for regular business.”.

11 (c) USE OF AUTOMATED SYSTEM.—Section 454A, as
12 added by section 14745(a)(2) of this Act and as amended
13 by section 14711 of this Act, is amended by adding at
14 the end the following:

15 “(g) COLLECTION AND DISTRIBUTION OF SUPPORT
16 PAYMENTS.—

17 “(1) IN GENERAL.—The State shall use the
18 automated system required by this section, to the
19 maximum extent feasible, to assist and facilitate the
20 collection and disbursement of support payments
21 through the State disbursement unit operated under
22 section 454B, through the performance of functions,
23 including, at a minimum—

1 “(A) transmission of orders and notices to
2 employers (and other debtors) for the withhold-
3 ing of wages (and other income)—

4 “(i) within 2 business days after re-
5 ceipt (from a court, another State, an em-
6 ployer, the Federal Parent Locator Service,
7 or another source recognized by the State)
8 of notice of, and the income source subject
9 to, such withholding; and

10 “(ii) using uniform formats prescribed
11 by the Secretary;

12 “(B) ongoing monitoring to promptly iden-
13 tify failures to make timely payment of support;
14 and

15 “(C) automatic use of enforcement proce-
16 dures (including procedures authorized pursu-
17 ant to section 466(c)) where payments are not
18 timely made.

19 “(2) BUSINESS DAY DEFINED.—As used in
20 paragraph (1), the term ‘business day’ means a day
21 on which State offices are open for regular busi-
22 ness.”.

23 (d) EFFECTIVE DATE.—The amendments made by
24 this section shall become effective on October 1, 1998.

1 **SEC. 14713. STATE DIRECTORY OF NEW HIRES.**

2 (a) STATE PLAN REQUIREMENT.—Section 454 (42
3 U.S.C. 654), as amended by sections 14703(a) and
4 14712(a) of this Act, is amended—

5 (1) by striking “and” at the end of paragraph
6 (25);

7 (2) by striking the period at the end of para-
8 graph (26) and inserting “; and”; and

9 (3) by adding after paragraph (26) the follow-
10 ing:

11 “(27) provide that, on and after October 1,
12 1997, the State will operate a State Directory of
13 New Hires in accordance with section 453A.”.

14 (b) STATE DIRECTORY OF NEW HIRES.—Part D of
15 title IV (42 U.S.C. 651–669) is amended by inserting
16 after section 453 the following:

17 **“SEC. 453A. STATE DIRECTORY OF NEW HIRES.**

18 “(a) ESTABLISHMENT.—

19 “(1) IN GENERAL.—Not later than October 1,
20 1997, each State shall establish an automated direc-
21 tory (to be known as the ‘State Directory of New
22 Hires’) which shall contain information supplied in
23 accordance with subsection (b) by employers and
24 labor organizations on each newly hired employee.

25 “(2) DEFINITIONS.—As used in this section:

26 “(A) EMPLOYEE.—The term ‘employee’—

1 “(i) means an individual who is an
2 employee within the meaning of chapter 24
3 of the Internal Revenue Code of 1986; and

4 “(ii) does not include an employee of
5 a Federal or State agency performing in-
6 telligence or counterintelligence functions,
7 if the head of such agency has determined
8 that reporting pursuant to paragraph (1)
9 with respect to the employee could endan-
10 ger the safety of the employee or com-
11 promise an ongoing investigation or intel-
12 ligence mission.

13 “(B) GOVERNMENTAL EMPLOYERS.—The
14 term ‘employer’ includes any governmental en-
15 tity.

16 “(C) LABOR ORGANIZATION.—The term
17 ‘labor organization’ shall have the meaning
18 given such term in section 2(5) of the National
19 Labor Relations Act, and includes any entity
20 (also known as a ‘hiring hall’) which is used by
21 the organization and an employer to carry out
22 requirements described in section 8(f)(3) of
23 such Act of an agreement between the organiza-
24 tion and the employer.

25 “(b) EMPLOYER INFORMATION.—

1 “(1) REPORTING REQUIREMENT.—

2 “(A) IN GENERAL.—Except as provided in
3 subparagraph (B), each employer shall furnish
4 to the Directory of New Hires of the State in
5 which a newly hired employee works a report
6 that contains the name, address, and social se-
7 curity number of the employee, and the name
8 of, and identifying number assigned under sec-
9 tion 6109 of the Internal Revenue Code of 1986
10 to, the employer.

11 “(B) MULTISTATE EMPLOYERS.—An em-
12 ployer who has employees who are employed in
13 2 or more States may comply with subpara-
14 graph (A) by transmitting the report described
15 in subparagraph (A) magnetically or electroni-
16 cally to the State in which the greatest number
17 of employees of the employer are employed.

18 “(2) TIMING OF REPORT.—The report required
19 by paragraph (1) with respect to an employee shall
20 be made not later than the later of—

21 “(A) 15 days after the date the employer
22 hires the employee; or

23 “(B) the date the employee first receives
24 wages or other compensation from the em-
25 ployer.

1 “(c) REPORTING FORMAT AND METHOD.—Each re-
2 port required by subsection (b) shall be made on a W-
3 4 form or the equivalent, and may be transmitted by first
4 class mail, magnetically, or electronically.

5 “(d) CIVIL MONEY PENALTIES ON NONCOMPLYING
6 EMPLOYERS.—

7 “(1) IN GENERAL.—An employer that fails to
8 comply with subsection (b) with respect to an em-
9 ployee shall be subject to a civil money penalty of—

10 “(A) \$25; or

11 “(B) \$500 if, under State law, the failure
12 is the result of a conspiracy between the em-
13 ployer and the employee to not supply the re-
14 quired report or to supply a false or incomplete
15 report.

16 “(2) APPLICABILITY OF SECTION 1128.—Section
17 1128 (other than subsections (a) and (b) of such
18 section) shall apply to a civil money penalty under
19 paragraph (1) of this subsection in the same manner
20 as such section applies to a civil money penalty or
21 proceeding under section 1128A(a).

22 “(e) INFORMATION COMPARISONS.—

23 “(1) IN GENERAL.—Not later than October 1,
24 1997, an agency designated by the State shall, di-
25 rectly or by contract, conduct automated compari-

1 sons of the social security numbers reported by em-
2 ployers pursuant to subsection (b) and the social se-
3 curity numbers appearing in the records of the State
4 case registry for cases being enforced under the
5 State plan.

6 “(2) NOTICE OF MATCH.—When an information
7 comparison conducted under paragraph (1) reveals a
8 match with respect to the social security number of
9 an individual required to provide support under a
10 support order, the State Directory of New Hires
11 shall provide the agency administering the State
12 plan approved under this part of the appropriate
13 State with the name, address, and social security
14 number of the employee to whom the social security
15 number is assigned, and the name of, and identify-
16 ing number assigned under section 6109 of the In-
17 ternal Revenue Code of 1986 to, the employer.

18 “(f) TRANSMISSION OF INFORMATION.—

19 “(1) TRANSMISSION OF WAGE WITHHOLDING
20 NOTICES TO EMPLOYERS.—Within 2 business days
21 after the date information regarding a newly hired
22 employee is entered into the State Directory of New
23 Hires, the State agency enforcing the employee’s
24 child support obligation shall transmit a notice to
25 the employer of the employee directing the employer

1 to withhold from the wages of the employee an
2 amount equal to the monthly (or other periodic)
3 child support obligation of the employee, unless the
4 employee's wages are not subject to withholding pur-
5 suant to section 466(b)(3).

6 “(2) TRANSMISSIONS TO THE NATIONAL DIREC-
7 TORY OF NEW HIRES.—

8 “(A) NEW HIRE INFORMATION.—Within 4
9 business days after the State Directory of New
10 Hires receives information from employers pur-
11 suant to this section, the State Directory of
12 New Hires shall furnish the information to the
13 National Directory of New Hires.

14 “(B) WAGE AND UNEMPLOYMENT COM-
15 PENSATION INFORMATION.—The State Direc-
16 tory of New Hires shall, on a quarterly basis,
17 furnish to the National Directory of New Hires
18 extracts of the reports required under section
19 303(a)(6) to be made to the Secretary of Labor
20 concerning the wages and unemployment com-
21 pensation paid to individuals, by such dates, in
22 such format, and containing such information
23 as the Secretary of Health and Human Services
24 shall specify in regulations.

1 “(3) BUSINESS DAY DEFINED.—As used in this
2 subsection, the term ‘business day’ means a day on
3 which State offices are open for regular business.

4 “(g) OTHER USES OF NEW HIRE INFORMATION.—

5 “(1) LOCATION OF CHILD SUPPORT OBLI-
6 GORS.—The agency administering the State plan ap-
7 proved under this part shall use information received
8 pursuant to subsection (e)(2) to locate individuals
9 for purposes of establishing paternity and establish-
10 ing, modifying, and enforcing child support obliga-
11 tions.

12 “(2) VERIFICATION OF ELIGIBILITY FOR CER-
13 TAIN PROGRAMS.—A State agency responsible for
14 administering a program specified in section 1137(b)
15 shall have access to information reported by employ-
16 ers pursuant to subsection (b) of this section for
17 purposes of verifying eligibility for the program.

18 “(3) ADMINISTRATION OF EMPLOYMENT SECUR-
19 ITY AND WORKERS COMPENSATION.—State agen-
20 cies operating employment security and workers’
21 compensation programs shall have access to informa-
22 tion reported by employers pursuant to subsection
23 (b) for the purposes of administering such pro-
24 grams.”.

1 **SEC. 14714. AMENDMENTS CONCERNING INCOME WITH-**
2 **HOLDING.**

3 (a) MANDATORY INCOME WITHHOLDING.—

4 (1) IN GENERAL.—Section 466(a)(1) (42
5 U.S.C. 666(a)(1)) is amended to read as follows:

6 “(1) INCOME WITHHOLDING.—

7 “(A) UNDER ORDERS ENFORCED UNDER
8 THE STATE PLAN.—Procedures described in
9 subsection (b) for the withholding from income
10 of amounts payable as support in cases subject
11 to enforcement under the State plan.

12 “(B) UNDER CERTAIN ORDERS PREDATING
13 CHANGE IN REQUIREMENT.—Procedures under
14 which the wages of a person with a support ob-
15 ligation imposed by a support order issued (or
16 modified) in the State before October 1, 1996,
17 if not otherwise subject to withholding under
18 subsection (b), shall become subject to with-
19 holding as provided in subsection (b) if arrear-
20 ages occur, without the need for a judicial or
21 administrative hearing.”.

22 (2) CONFORMING AMENDMENTS.—

23 (A) Section 466(a)(8)(B)(iii) (42 U.S.C.
24 666(a)(8)(B)(iii)) is amended—

25 (i) by striking “(5),”; and

1 (ii) by inserting “, and, at the option
2 of the State, the requirements of sub-
3 section (b)(5)” before the period.

4 (B) Section 466(b) (42 U.S.C. 666(b)) is
5 amended in the matter preceding paragraph
6 (1), by striking “subsection (a)(1)” and insert-
7 ing “subsection (a)(1)(A)”.

8 (C) Section 466(b)(5) (42 U.S.C.
9 666(b)(5)) is amended by striking all that fol-
10 lows “administered by” and inserting “the
11 State through the State disbursement unit es-
12 tablished pursuant to section 454B, in accord-
13 ance with the requirements of section 454B.”.

14 (D) Section 466(b)(6)(A) (42 U.S.C.
15 666(b)(6)(A)) is amended—

16 (i) in clause (i), by striking “to the
17 appropriate agency” and all that follows
18 and inserting “to the State disbursement
19 unit within 2 business days after the date
20 the amount would (but for this subsection)
21 have been paid or credited to the employee,
22 for distribution in accordance with this
23 part.”;

1 (ii) in clause (ii), by inserting “be in
2 a standard format prescribed by the Sec-
3 retary, and” after “shall”; and

4 (iii) by adding at the end the follow-
5 ing:

6 “(iii) As used in this subparagraph, the term
7 ‘business day’ means a day on which State offices
8 are open for regular business.”.

9 (E) Section 466(b)(6)(D) (42 U.S.C.
10 666(b)(6)(D)) is amended by striking “any em-
11 ployer” and all that follows and inserting the
12 following:

13 “any employer who—

14 “(i) discharges from employment, refuses
15 to employ, or takes disciplinary action against
16 any absent parent subject to wage withholding
17 required by this subsection because of the exist-
18 ence of such withholding and the obligations or
19 additional obligations which is imposes upon the
20 employer; or

21 “(ii) fails to withhold support from wages,
22 or to pay such amounts to the State disburse-
23 ment unit in accordance with this subsection.”.

24 (F) Section 466(b) (42 U.S.C. 666(b)) is
25 amended by adding at the end the following:

1 “(11) Procedures under which the agency ad-
2 ministering the State plan approved under this part
3 may execute a withholding order through electronic
4 means and without advance notice to the obligor.”.

5 (b) CONFORMING AMENDMENT.—Section 466(c) (42
6 U.S.C. 666(c)) is repealed.

7 **SEC. 14715. LOCATOR INFORMATION FROM INTERSTATE**
8 **NETWORKS.**

9 Section 466(a) (42 U.S.C. 666(a)) is amended by
10 adding at the end the following:

11 “(12) LOCATOR INFORMATION FROM INTER-
12 STATE NETWORKS.—Procedures to ensure that all
13 Federal and State agencies conducting activities
14 under this part have access to any system used by
15 the State to locate an individual for purposes relat-
16 ing to motor vehicles or law enforcement.”.

17 **SEC. 14716. EXPANSION OF THE FEDERAL PARENT LOCA-**
18 **TOR SERVICE.**

19 (a) EXPANDED AUTHORITY TO LOCATE INDIVID-
20 UALS AND ASSETS.—Section 453 (42 U.S.C. 653) is
21 amended—

22 (1) in subsection (a), by striking all that follows
23 “subsection (c))” and inserting “, for the purpose of
24 establishing parentage, establishing, setting the

1 amount of, modifying, or enforcing child support ob-
2 ligations—

3 “(1) information on, or facilitating the discov-
4 ery of, the location of any individual—

5 “(A) who is under an obligation to pay
6 child support;

7 “(B) against whom such an obligation is
8 sought; or

9 “(C) to whom such an obligation is owed,
10 including the individual’s social security number (or
11 numbers), most recent address, and the name, ad-
12 dress, and employer identification number of the in-
13 dividual’s employer; and

14 “(2) information on the individual’s wages (or
15 other income) from, and benefits of, employment (in-
16 cluding rights to or enrollment in group health care
17 coverage).”; and

18 (2) in subsection (b), in the matter preceding
19 paragraph (1), by striking “social security” and all
20 that follows through “absent parent” and inserting
21 “information described in subsection (a)”.

22 (b) REIMBURSEMENT FOR INFORMATION FROM FED-
23 ERAL AGENCIES.—Section 453(e)(2) (42 U.S.C.
24 653(e)(2)) is amended in the 4th sentence by inserting
25 “in an amount which the Secretary determines to be rea-

1 sonable payment for the information exchange (which
2 amount shall not include payment for the costs of obtain-
3 ing, compiling, or maintaining the information)” before
4 the period.

5 (c) REIMBURSEMENT FOR REPORTS BY STATE
6 AGENCIES.—Section 453 (42 U.S.C. 653) is amended by
7 adding at the end the following:

8 “(g) The Secretary may reimburse Federal and State
9 agencies for the costs incurred by such entities in furnish-
10 ing information requested by the Secretary under this sec-
11 tion in an amount which the Secretary determines to be
12 reasonable payment for the information exchange (which
13 amount shall not include payment for the costs of obtain-
14 ing, compiling, or maintaining the information).”.

15 (d) TECHNICAL AMENDMENTS.—

16 (1) Sections 452(a)(9), 453(a), 453(b), 463(a),
17 463(e), and 463(f) (42 U.S.C. 652(a)(9), 653(a),
18 653(b), 663(a), 663(e), and 663(f)) are each amend-
19 ed by inserting “Federal” before “Parent” each
20 place such term appears.

21 (2) Section 453 (42 U.S.C. 653) is amended in
22 the heading by adding “FEDERAL” before “PAR-
23 ENT”.

1 (e) NEW COMPONENTS.—Section 453 (42 U.S.C.
2 653), as amended by subsection (c) of this section, is
3 amended by adding at the end the following:

4 “(h) FEDERAL CASE REGISTRY OF CHILD SUPPORT
5 ORDERS.—

6 “(1) IN GENERAL.—Not later than October 1,
7 1998, in order to assist States in administering pro-
8 grams under State plans approved under this part
9 and programs funded under part A, and for the
10 other purposes specified in this section, the Sec-
11 retary shall establish and maintain in the Federal
12 Parent Locator Service an automated registry
13 (which shall be known as the ‘Federal Case Registry
14 of Child Support Orders’), which shall contain ab-
15 stracts of support orders and other information de-
16 scribed in paragraph (2) with respect to each case
17 in each State case registry maintained pursuant to
18 section 454A(e), as furnished (and regularly up-
19 dated), pursuant to section 454A(f), by State agen-
20 cies administering programs under this part.

21 “(2) CASE INFORMATION.—The information re-
22 ferred to in paragraph (1) with respect to a case
23 shall be such information as the Secretary may
24 specify in regulations (including the names, social
25 security numbers or other uniform identification

1 numbers, and State case identification numbers) to
2 identify the individuals who owe or are owed support
3 (or with respect to or on behalf of whom support ob-
4 ligations are sought to be established), and the State
5 or States which have the case.

6 “(i) NATIONAL DIRECTORY OF NEW HIRES.—

7 “(1) IN GENERAL.—In order to assist States in
8 administering programs under State plans approved
9 under this part and programs funded under part A,
10 and for the other purposes specified in this section,
11 the Secretary shall, not later than October 1, 1996,
12 establish and maintain in the Federal Parent Loca-
13 tor Service an automated directory to be known as
14 the National Directory of New Hires, which shall
15 contain the information supplied pursuant to section
16 453A(f)(2).

17 “(2) ADMINISTRATION OF FEDERAL TAX
18 LAWS.—The Secretary of the Treasury shall have
19 access to the information in the Federal Directory of
20 New Hires for purposes of administering section 32
21 of the Internal Revenue Code of 1986, or the ad-
22 vance payment of the earned income tax credit
23 under section 3507 of such Code, and verifying a
24 claim with respect to employment in a tax return.

1 “(j) INFORMATION COMPARISONS AND OTHER DIS-
2 CLOSURES.—

3 “(1) VERIFICATION BY SOCIAL SECURITY AD-
4 MINISTRATION.—

5 “(A) The Secretary shall transmit informa-
6 tion on individuals and employers maintained
7 under this section to the Social Security Admin-
8 istration to the extent necessary for verification
9 in accordance with subparagraph (B).

10 “(B) The Social Security Administration
11 shall verify the accuracy of, correct, or supply
12 to the extent possible, and report to the Sec-
13 retary, the following information supplied by
14 the Secretary pursuant to subparagraph (A):

15 “(i) The name, social security num-
16 ber, and birth date of each such individual.

17 “(ii) The employer identification num-
18 ber of each such employer.

19 “(2) INFORMATION COMPARISONS.—For the
20 purpose of locating individuals in a paternity estab-
21 lishment case or a case involving the establishment,
22 modification, or enforcement of a support order, the
23 Secretary shall—

24 “(A) compare information in the National
25 Directory of New Hires against information in

1 the support order abstracts in the Federal Case
2 Registry of Child Support Orders not less often
3 than every 2 business days; and

4 “(B) within 2 such days after such a com-
5 parison reveals a match with respect to an indi-
6 vidual, report the information to the State
7 agency responsible for the case.

8 “(3) INFORMATION COMPARISONS AND DISCLO-
9 SURES OF INFORMATION IN ALL REGISTRIES FOR
10 TITLE IV PROGRAM PURPOSES.—To the extent and
11 with the frequency that the Secretary determines to
12 be effective in assisting States to carry out their re-
13 sponsibilities under programs operated under this
14 part and programs funded under part A, the Sec-
15 retary shall—

16 “(A) compare the information in each com-
17 ponent of the Federal Parent Locator Service
18 maintained under this section against the infor-
19 mation in each other such component (other
20 than the comparison required by paragraph
21 (2)), and report instances in which such a com-
22 parison reveals a match with respect to an indi-
23 vidual to State agencies operating such pro-
24 grams; and

1 “(B) disclose information in such registries
2 to such State agencies.

3 “(4) PROVISION OF NEW HIRE INFORMATION
4 TO THE SOCIAL SECURITY ADMINISTRATION.—The
5 National Directory of New Hires shall provide the
6 Commissioner of Social Security with all information
7 in the National Directory, which shall be used to de-
8 termine the accuracy of payments under the supple-
9 mental security income program under title XVI and
10 in connection with benefits under title II.

11 “(5) RESEARCH.—The Secretary may provide
12 access to information reported by employers pursu-
13 ant to section 453A(b) for research purposes found
14 by the Secretary to be likely to contribute to achiev-
15 ing the purposes of part A or this part, but without
16 personal identifiers.

17 “(k) FEES.—

18 “(1) FOR SSA VERIFICATION.—The Secretary
19 shall reimburse the Commissioner of Social Security,
20 at a rate negotiated between the Secretary and the
21 Commissioner, for the costs incurred by the Com-
22 missioner in performing the verification services de-
23 scribed in subsection (j).

24 “(2) FOR INFORMATION FROM STATE DIREC-
25 TORIES OF NEW HIRES.—The Secretary shall reim-

1 burse costs incurred by State directories of new
2 hires in furnishing information as required by sub-
3 section (j)(3), at rates which the Secretary deter-
4 mines to be reasonable (which rates shall not include
5 payment for the costs of obtaining, compiling, or
6 maintaining such information).

7 “(3) FOR INFORMATION FURNISHED TO STATE
8 AND FEDERAL AGENCIES.—A State or Federal agen-
9 cy that receives information from the Secretary pur-
10 suant to this section shall reimburse the Secretary
11 for costs incurred by the Secretary in furnishing the
12 information, at rates which the Secretary determines
13 to be reasonable (which rates shall include payment
14 for the costs of obtaining, verifying, maintaining,
15 and comparing the information).

16 “(l) RESTRICTION ON DISCLOSURE AND USE.—In-
17 formation in the Federal Parent Locator Service, and in-
18 formation resulting from comparisons using such informa-
19 tion, shall not be used or disclosed except as expressly pro-
20 vided in this section, subject to section 6103 of the Inter-
21 nal Revenue Code of 1986.

22 “(m) INFORMATION INTEGRITY AND SECURITY.—
23 The Secretary shall establish and implement safeguards
24 with respect to the entities established under this section
25 designed to—

1 “(1) ensure the accuracy and completeness of
2 information in the Federal Parent Locator Service;
3 and

4 “(2) restrict access to confidential information
5 in the Federal Parent Locator Service to authorized
6 persons, and restrict use of such information to au-
7 thORIZED purposes.”.

8 (f) CONFORMING AMENDMENTS.—

9 (1) TO PART D OF TITLE IV OF THE SOCIAL SE-
10 CURITY ACT.—Section 454(8)(B) (42 U.S.C.
11 654(8)(B)) is amended to read as follows:

12 “(B) the Federal Parent Locator Service
13 established under section 453;”.

14 (2) TO FEDERAL UNEMPLOYMENT TAX ACT.—
15 Section 3304(a)(16) of the Internal Revenue Code of
16 1986 is amended—

17 (A) by striking “Secretary of Health, Edu-
18 cation, and Welfare” each place such term ap-
19 pears and inserting “Secretary of Health and
20 Human Services”;

21 (B) in subparagraph (B), by striking
22 “such information” and all that follows and in-
23 serting “information furnished under subpara-
24 graph (A) or (B) is used only for the purposes
25 authorized under such subparagraph;”;

1 (C) by striking “and” at the end of sub-
2 paragraph (A);

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

5 (E) by inserting after subparagraph (A)
6 the following new subparagraph:

7 “(B) wage and unemployment compensa-
8 tion information contained in the records of
9 such agency shall be furnished to the Secretary
10 of Health and Human Services (in accordance
11 with regulations promulgated by such Sec-
12 retary) as necessary for the purposes of the Na-
13 tional Directory of New Hires established under
14 section 453(i) of the Social Security Act, and”.

15 (3) TO STATE GRANT PROGRAM UNDER TITLE
16 III OF THE SOCIAL SECURITY ACT.—Section 303(a)
17 (42 U.S.C. 503(a)) is amended—

18 (A) by striking “and” at the end of para-
19 graph (8);

20 (B) by striking “and” at the end of para-
21 graph (9);

22 (C) by striking the period at the end of
23 paragraph (10) and inserting “; and”; and

24 (D) by adding after paragraph (10) the
25 following:

1 “(11) The making of quarterly electronic re-
2 ports, at such dates, in such format, and containing
3 such information, as required by the Secretary of
4 Health and Human Services under section 453(i)(3),
5 and compliance with such provisions as such Sec-
6 retary may find necessary to ensure the correctness
7 and verification of such reports.”.

8 **SEC. 14717. COLLECTION AND USE OF SOCIAL SECURITY**
9 **NUMBERS FOR USE IN CHILD SUPPORT EN-**
10 **FORCEMENT.**

11 (a) STATE LAW REQUIREMENT.—Section 466(a) (42
12 U.S.C. 666(a)), as amended by section 14715 of this Act,
13 is amended by adding at the end the following:

14 “(13) RECORDING OF SOCIAL SECURITY NUM-
15 BERS IN CERTAIN FAMILY MATTERS.—Procedures
16 requiring that the social security number of—

17 “(A) any applicant for a professional li-
18 cense, commercial driver’s license, occupational
19 license, or marriage license be recorded on the
20 application;

21 “(B) any individual who is subject to a di-
22 vorce decree, support order, or paternity deter-
23 mination or acknowledgment be placed in the
24 records relating to the matter; and

1 “(C) any individual who has died be placed
2 in the records relating to the death and be re-
3 corded on the death certificate.”.

4 (b) CONFORMING AMENDMENTS.—Section
5 205(c)(2)(C) (42 U.S.C. 405(c)(2)(C)), as amended by
6 section 321(a)(9) of the Social Security Independence and
7 Program Improvements Act of 1994, is amended—

8 (1) in clause (i), by striking “may require” and
9 inserting “shall require”;

10 (2) in clause (ii), by inserting after the 1st sen-
11 tence the following: “In the administration of any
12 law involving the issuance of a marriage certificate
13 or license, each State shall require each party named
14 in the certificate or license to furnish to the State
15 (or political subdivision thereof) or any State agency
16 having administrative responsibility for the law in-
17 volved, the social security number of the party.”;

18 (3) in clause (vi), by striking “may” and insert-
19 ing “shall”; and

20 (4) by adding at the end the following:

21 “(x) An agency of a State (or a politi-
22 cal subdivision thereof) charged with the
23 administration of any law concerning the
24 issuance or renewal of a license, certificate,
25 permit, or other authorization to engage in

1 a profession, an occupation, or a commer-
2 cial activity shall require all applicants for
3 issuance or renewal of the license, certifi-
4 cate, permit, or other authorization to pro-
5 vide the applicant's social security number
6 to the agency for the purpose of admin-
7 istering such laws, and for the purpose of
8 responding to requests for information
9 from an agency operating pursuant to part
10 D of title IV.

11 “(xi) All divorce decrees, support or-
12 ders, and paternity determinations issued,
13 and all paternity acknowledgments made,
14 in each State shall include the social secu-
15 rity number of each party to the decree,
16 order, determination, or acknowledgment
17 in the records relating to the matter.”.

18 **CHAPTER 3—STREAMLINING AND**

19 **UNIFORMITY OF PROCEDURES**

20 **SEC. 14721. ADOPTION OF UNIFORM STATE LAWS.**

21 Section 466 (42 U.S.C. 666) is amended by adding
22 at the end the following:

23 “(f) UNIFORM INTERSTATE FAMILY SUPPORT
24 ACT.—

1 “(1) ENACTMENT AND USE.—In order to sat-
2 isfy section 454(20)(A) on or after January 1, 1997,
3 each State must have in effect the Uniform Inter-
4 state Family Support Act, as approved by the Na-
5 tional Conference of Commissioners on Uniform
6 State Laws in August 1992 (with the modifications
7 and additions specified in this subsection), and the
8 procedures required to implement such Act.

9 “(2) EXPANDED APPLICATION.—The State law
10 enacted pursuant to paragraph (1) shall be applied
11 to any case involving an order which is established
12 or modified in a State and which is sought to be
13 modified or enforced in another State.

14 “(3) JURISDICTION TO MODIFY ORDERS.—The
15 State law enacted pursuant to paragraph (1) of this
16 subsection shall contain the following provision in
17 lieu of section 611(a)(1) of the Uniform Interstate
18 Family Support Act:

19 “(1) the following requirements are met:

20 “(i) the child, the individual obligee, and
21 the obligor—

22 “(I) do not reside in the issuing
23 State; and

1 “(II) either reside in this State or
2 are subject to the jurisdiction of this State
3 pursuant to section 201; and

4 “(ii) (in any case where another State is
5 exercising or seeks to exercise jurisdiction to
6 modify the order) the conditions of section 204
7 are met to the same extent as required for pro-
8 ceedings to establish orders; or’.

9 “(4) SERVICE OF PROCESS.—The State law en-
10 acted pursuant to paragraph (1) shall provide that,
11 in any proceeding subject to the law, process may be
12 served (and proved) upon persons in the State by
13 any means acceptable in any State which is the initi-
14 ating or responding State in the proceeding.”.

15 **SEC. 14722. IMPROVEMENTS TO FULL FAITH AND CREDIT**
16 **FOR CHILD SUPPORT ORDERS.**

17 Section 1738B of title 28, United States Code, is
18 amended—

19 (1) in subsection (a)(2), by striking “subsection
20 (e)” and inserting “subsections (e), (f), and (i)”;

21 (2) in subsection (b), by inserting after the 2nd
22 undesignated paragraph the following:

23 “‘child’s home State’ means the State in which
24 a child lived with a parent or a person acting as par-
25 ent for at least six consecutive months immediately

1 preceding the time of filing of a petition or com-
2 parable pleading for support and, if a child is less
3 than six months old, the State in which the child
4 lived from birth with any of them. A period of tem-
5 porary absence of any of them is counted as part of
6 the six-month period.”;

7 (3) in subsection (c), by inserting “by a court
8 of a State” before “is made”;

9 (4) in subsection (c)(1), by inserting “and sub-
10 sections (e), (f), and (g)” after “located”;

11 (5) in subsection (d)—

12 (A) by inserting “individual” before “con-
13 testant”; and

14 (B) by striking “subsection (e)” and in-
15 serting “subsections (e) and (f)”;

16 (6) in subsection (e), by striking “make a modi-
17 fication of a child support order with respect to a
18 child that is made” and inserting “modify a child
19 support order issued”;

20 (7) in subsection (e)(1), by inserting “pursuant
21 to subsection (i)” before the semicolon;

22 (8) in subsection (e)(2)—

23 (A) by inserting “individual” before “con-
24 testant” each place such term appears; and

1 (B) by striking “to that court’s making the
2 modification and assuming” and inserting “with
3 the State of continuing, exclusive jurisdiction
4 for a court of another State to modify the order
5 and assume”;

6 (9) by redesignating subsections (f) and (g) as
7 subsections (g) and (h), respectively;

8 (10) by inserting after subsection (e) the follow-
9 ing:

10 “(f) RECOGNITION OF CHILD SUPPORT ORDERS.—
11 If one or more child support orders have been issued in
12 this or another State with regard to an obligor and a child,
13 a court shall apply the following rules in determining
14 which order to recognize for purposes of continuing, exclu-
15 sive jurisdiction and enforcement:

16 “(1) If only one court has issued a child sup-
17 port order, the order of that court must be recog-
18 nized.

19 “(2) If two or more courts have issued child
20 support orders for the same obligor and child, and
21 only one of the courts would have continuing, exclu-
22 sive jurisdiction under this section, the order of that
23 court must be recognized.

24 “(3) If two or more courts have issued child
25 support orders for the same obligor and child, and

1 only one of the courts would have continuing, exclu-
2 sive jurisdiction under this section, an order issued
3 by a court in the current home State of the child
4 must be recognized, but if an order has not been is-
5 sued in the current home State of the child, the
6 order most recently issued must be recognized.

7 “(4) If two or more courts have issued child
8 support orders for the same obligor and child, and
9 none of the courts would have continuing, exclusive
10 jurisdiction under this section, a court may issue a
11 child support order, which must be recognized.

12 “(5) The court that has issued an order recog-
13 nized under this subsection is the court having con-
14 tinuing, exclusive jurisdiction.”;

15 (11) in subsection (g) (as so redesignated)—

16 (A) by striking “PRIOR” and inserting
17 “MODIFIED”; and

18 (B) by striking “subsection (e)” and in-
19 serting “subsections (e) and (f)”;

20 (12) in subsection (h) (as so redesignated)—

21 (A) in paragraph (2), by inserting “includ-
22 ing the duration of current payments and other
23 obligations of support” before the comma; and

24 (B) in paragraph (3), by inserting “arrear
25 under” after “enforce”; and

1 (13) by adding at the end the following:

2 “(i) REGISTRATION FOR MODIFICATION.—If there is
3 no individual contestant or child residing in the issuing
4 State, the party or support enforcement agency seeking
5 to modify, or to modify and enforce, a child support order
6 issued in another State shall register that order in a State
7 with jurisdiction over the nonmovant for the purpose of
8 modification.”.

9 **SEC. 14723. ADMINISTRATIVE ENFORCEMENT IN INTER-**
10 **STATE CASES.**

11 Section 466(a) (42 U.S.C. 666(a)), as amended by
12 sections 14715 and 14717(a) of this Act, is amended by
13 adding at the end the following:

14 “(14) ADMINISTRATIVE ENFORCEMENT IN
15 INTERSTATE CASES.—Procedures under which—

16 “(A)(i) the State shall respond within 5
17 business days to a request made by another
18 State to enforce a support order; and

19 “(ii) the term ‘business day’ means a day
20 on which State offices are open for regular
21 business;

22 “(B) the State may, by electronic or other
23 means, transmit to another State a request for
24 assistance in a case involving the enforcement
25 of a support order, which request—

1 “(i) shall include such information as
2 will enable the State to which the request
3 is transmitted to compare the information
4 about the case to the information in the
5 data bases of the State; and

6 “(ii) shall constitute a certification by
7 the requesting State—

8 “(I) of the amount of support
9 under the order the payment of which
10 is in arrears; and

11 “(II) that the requesting State
12 has complied with all procedural due
13 process requirements applicable to the
14 case;

15 “(C) if the State provides assistance to an-
16 other State pursuant to this paragraph with re-
17 spect to a case, neither State shall consider the
18 case to be transferred to the caseload of such
19 other State; and

20 “(D) the State shall maintain records of—

21 “(i) the number of such requests for
22 assistance received by the State;

23 “(ii) the number of cases for which
24 the State collected support in response to
25 such a request; and

1 “(iii) the amount of such collected
2 support.”.

3 **SEC. 14724. USE OF FORMS IN INTERSTATE ENFORCEMENT.**

4 (a) PROMULGATION.—Section 452(a) (42 U.S.C.
5 652(a)) is amended—

6 (1) by striking “and” at the end of paragraph
7 (9);

8 (2) by striking the period at the end of para-
9 graph (10) and inserting “; and”; and

10 (3) by adding at the end the following:

11 “(11) not later than June 30, 1996, promulgate
12 forms to be used by States in interstate cases for—

13 “(A) collection of child support through in-
14 come withholding;

15 “(B) imposition of liens; and

16 “(C) administrative subpoenas.”.

17 (b) USE BY STATES.—Section 454(9) (42 U.S.C.
18 654(9)) is amended—

19 (1) by striking “and” at the end of subpara-
20 graph (C);

21 (2) by inserting “and” at the end of subpara-
22 graph (D); and

23 (3) by adding at the end the following:

24 “(E) no later than October 1, 1996, in
25 using the forms promulgated pursuant to sec-

1 tion 452(a)(11) for income withholding, imposi-
2 tion of liens, and issuance of administrative
3 subpoenas in interstate child support cases;”.

4 **SEC. 14725. STATE LAWS PROVIDING EXPEDITED PROCE-**
5 **DURES.**

6 (a) STATE LAW REQUIREMENTS.—Section 466 (42
7 U.S.C. 666), as amended by section 14714 of this Act,
8 is amended—

9 (1) in subsection (a)(2), by striking the 1st sen-
10 tence and inserting the following: “Expedited admin-
11 istrative and judicial procedures (including the pro-
12 cedures specified in subsection (c)) for establishing
13 paternity and for establishing, modifying, and en-
14 forcing support obligations.”; and

15 (2) by inserting after subsection (b) the follow-
16 ing:

17 “(c) EXPEDITED PROCEDURES.—The procedures
18 specified in this subsection are the following:

19 “(1) ADMINISTRATIVE ACTION BY STATE AGEN-
20 CY.—Procedures which give the State agency the au-
21 thority to take the following actions relating to es-
22 tablishment or enforcement of support orders, with-
23 out the necessity of obtaining an order from any
24 other judicial or administrative tribunal (but subject
25 to due process safeguards, including (as appropriate)

1 requirements for notice, opportunity to contest the
2 action, and opportunity for an appeal on the record
3 to an independent administrative or judicial tribu-
4 nal), and to recognize and enforce the authority of
5 State agencies of other States) to take the following
6 actions:

7 “(A) GENETIC TESTING.—To order genetic
8 testing for the purpose of paternity establish-
9 ment as provided in section 466(a)(5).

10 “(B) DEFAULT ORDERS.—To enter a de-
11 fault order, upon a showing of service of proc-
12 ess and any additional showing required by
13 State law—

14 “(i) establishing paternity, in the case
15 of a putative father who refuses to submit
16 to genetic testing; and

17 “(ii) establishing or modifying a sup-
18 port obligation, in the case of a parent (or
19 other obligor or obligee) who fails to re-
20 spond to notice to appear at a proceeding
21 for such purpose.

22 “(C) SUBPOENAS.—To subpoena any fi-
23 nancial or other information needed to estab-
24 lish, modify, or enforce a support order, and to

1 impose penalties for failure to respond to such
2 a subpoena.

3 “(D) ACCESS TO PERSONAL AND FINAN-
4 CIAL INFORMATION.—To obtain access, subject
5 to safeguards on privacy and information secu-
6 rity, to the records of all other State and local
7 government agencies (including law enforcement
8 and corrections records), including automated
9 access to records maintained in automated data
10 bases.

11 “(E) CHANGE IN PAYEE.—In cases where
12 support is subject to an assignment in order to
13 comply with a requirement imposed pursuant to
14 part A or section 1912, or to a requirement to
15 pay through the State disbursement unit estab-
16 lished pursuant to section 454B, upon provid-
17 ing notice to obligor and obligee, to direct the
18 obligor or other payor to change the payee to
19 the appropriate government entity.

20 “(F) INCOME WITHHOLDING.—To order
21 income withholding in accordance with sub-
22 sections (a)(1) and (b) of section 466.

23 “(G) SECURING ASSETS.—In cases in
24 which there is a support arrearage, to secure
25 assets to satisfy the arrearage by—

1 “(i) intercepting or seizing periodic or
2 lump sum payments from—

3 “(I) a State or local agency (in-
4 cluding unemployment compensation,
5 workers’ compensation, and other ben-
6 efits); and

7 “(II) judgments, settlements, and
8 lotteries;

9 “(ii) attaching and seizing assets of
10 the obligor held in financial institutions;
11 and

12 “(iii) attaching public and private re-
13 tirement funds.

14 “(H) INCREASE MONTHLY PAYMENTS.—
15 For the purpose of securing overdue support, to
16 increase the amount of monthly support pay-
17 ments to include amounts for arrearages (sub-
18 ject to such conditions or limitations as the
19 State may provide).

20 “(2) SUBSTANTIVE AND PROCEDURAL RULES.—
21 The expedited procedures required under subsection
22 (a)(2) shall include the following rules and author-
23 ity, applicable with respect to all proceedings to es-
24 tablish paternity or to establish, modify, or enforce
25 support orders:

1 “(A) LOCATOR INFORMATION; PRESUMP-
2 TIONS CONCERNING NOTICE.—Procedures
3 under which—

4 “(i) each party to any paternity or
5 child support proceeding is required (sub-
6 ject to privacy safeguards) to file with the
7 tribunal and the State case registry upon
8 entry of an order, and to update as appro-
9 priate, information on location and identity
10 of the party (including social security num-
11 ber, residential and mailing addresses, tele-
12 phone number, driver’s license number,
13 and name, address, and name and tele-
14 phone number of employer); and

15 “(ii) in any subsequent child support
16 enforcement action between the parties,
17 upon sufficient showing that diligent effort
18 has been made to ascertain the location of
19 such a party, the tribunal may deem State
20 due process requirements for notice and
21 service of process to be met with respect to
22 the party, upon delivery of written notice
23 to the most recent residential or employer
24 address filed with the tribunal pursuant to
25 clause (i).

1 “(B) STATEWIDE JURISDICTION.—Proce-
2 dures under which—

3 “(i) the State agency and any admin-
4 istrative or judicial tribunal with authority
5 to hear child support and paternity cases
6 exerts statewide jurisdiction over the par-
7 ties; and

8 “(ii) in a State in which orders are is-
9 sued by courts or administrative tribunals,
10 a case may be transferred between admin-
11 istrative areas in the State without need
12 for any additional filing by the petitioner,
13 or service of process upon the respondent,
14 to retain jurisdiction over the parties.”.

15 (b) AUTOMATION OF STATE AGENCY FUNCTIONS.—
16 Section 454A, as added by section 745(a)(2) of this Act
17 and as amended by sections 14711 and 14712(c) of this
18 Act, is amended by adding at the end the following:

19 “(h) EXPEDITED ADMINISTRATIVE PROCEDURES.—
20 The automated system required by this section shall be
21 used, to the maximum extent feasible, to implement the
22 expedited administrative procedures required by section
23 466(c).”.

1 **CHAPTER 4—PATERNITY ESTABLISHMENT**

2 **SEC. 14731. STATE LAWS CONCERNING PATERNITY ESTAB-**
3 **LISHMENT.**

4 (a) STATE LAWS REQUIRED.—Section 466(a)(5) (42
5 U.S.C. 666(a)(5)) is amended to read as follows:

6 “(5) PROCEDURES CONCERNING PATERNITY ES-
7 TABLISHMENT.—

8 “(A) ESTABLISHMENT PROCESS AVAIL-
9 ABLE FROM BIRTH UNTIL AGE 18.—

10 “(i) Procedures which permit the es-
11 tablishment of the paternity of a child at
12 any time before the child attains 18 years
13 of age.

14 “(ii) As of August 16, 1984, clause (i)
15 shall also apply to a child for whom pater-
16 nity has not been established or for whom
17 a paternity action was brought but dis-
18 missed because a statute of limitations of
19 less than 18 years was then in effect in the
20 State.

21 “(B) PROCEDURES CONCERNING GENETIC
22 TESTING.—

23 “(i) GENETIC TESTING REQUIRED IN
24 CERTAIN CONTESTED CASES.—Procedures
25 under which the State is required, in a

1 contested paternity case, to require the
2 child and all other parties (other than indi-
3 viduals found under section 454(28) to
4 have good cause for refusing to cooperate)
5 to submit to genetic tests upon the request
6 of any such party if the request is sup-
7 ported by a sworn statement by the
8 party—

9 “(I) alleging paternity, and set-
10 ting forth facts establishing a reason-
11 able possibility of the requisite sexual
12 contact between the parties; or

13 “(II) denying paternity, and set-
14 ting forth facts establishing a reason-
15 able possibility of the nonexistence of
16 sexual contact between the parties.

17 “(ii) OTHER REQUIREMENTS.—Proce-
18 dures which require the State agency, in
19 any case in which the agency orders ge-
20 netic testing—

21 “(I) to pay costs of such tests,
22 subject to recoupment (where the
23 State so elects) from the alleged fa-
24 ther if paternity is established; and

1 “(II) to obtain additional testing
2 in any case where an original test re-
3 sult is contested, upon request and
4 advance payment by the contestant.

5 “(C) VOLUNTARY PATERNITY ACKNOWLEDGMENT.—
6

7 “(i) SIMPLE CIVIL PROCESS.—Proce-
8 dures for a simple civil process for volun-
9 tarily acknowledging paternity under which
10 the State must provide that, before a
11 mother and a putative father can sign an
12 acknowledgment of paternity, the mother
13 and the putative father must be given no-
14 tice, orally, in writing, and in a language
15 that each can understand, of the alter-
16 natives to, the legal consequences of, and
17 the rights (including, if 1 parent is a
18 minor, any rights afforded due to minority
19 status) and responsibilities that arise from,
20 signing the acknowledgment.

21 “(ii) HOSPITAL-BASED PROGRAM.—
22 Such procedures must include a hospital-
23 based program for the voluntary acknowl-
24 edgment of paternity focusing on the pe-

1 riod immediately before or after the birth
2 of a child.

3 “(iii) PATERNITY ESTABLISHMENT
4 SERVICES.—

5 “(I) STATE-OFFERED SERV-
6 ICES.—Such procedures must require
7 the State agency responsible for main-
8 taining birth records to offer vol-
9 untary paternity establishment serv-
10 ices.

11 “(II) REGULATIONS.—

12 “(aa) SERVICES OFFERED
13 BY HOSPITALS AND BIRTH
14 RECORD AGENCIES.—The Sec-
15 retary shall prescribe regulations
16 governing voluntary paternity es-
17 tablishment services offered by
18 hospitals and birth record agen-
19 cies.

20 “(bb) SERVICES OFFERED
21 BY OTHER ENTITIES.—The Sec-
22 retary shall prescribe regulations
23 specifying the types of other enti-
24 ties that may offer voluntary pa-
25 ternity establishment services,

1 and governing the provision of
2 such services, which shall include
3 a requirement that such an entity
4 must use the same notice provi-
5 sions used by, use the same ma-
6 terials used by, provide the per-
7 sonnel providing such services
8 with the same training provided
9 by, and evaluate the provision of
10 such services in the same manner
11 as the provision of such services
12 is evaluated by, voluntary pater-
13 nity establishment programs of
14 hospitals and birth record agen-
15 cies.

16 “(iv) USE OF FEDERAL PATERNITY
17 ACKNOWLEDGMENT AFFIDAVIT.—Such
18 procedures must require the State and
19 those required to establish paternity to use
20 only the affidavit developed under section
21 452(a)(7) for the voluntary acknowledg-
22 ment of paternity, and to give full faith
23 and credit to such an affidavit signed in
24 any other State.

1 “(D) STATUS OF SIGNED PATERNITY AC-
2 KNOWLEDGMENT.—

3 “(i) LEGAL FINDING OF PATER-
4 NITY.—Procedures under which a signed
5 acknowledgment of paternity is considered
6 a legal finding of paternity, subject to the
7 right of any signatory to rescind the ac-
8 knowledgment within 60 days.

9 “(ii) CONTEST.—Procedures under
10 which, after the 60-day period referred to
11 in clause (i), a signed acknowledgment of
12 paternity may be challenged in court only
13 on the basis of fraud, duress, or material
14 mistake of fact, with the burden of proof
15 upon the challenger, and under which the
16 legal responsibilities (including child sup-
17 port obligations) of any signatory arising
18 from the acknowledgment may not be sus-
19 pended during the challenge, except for
20 good cause shown.

21 “(iii) RESCISSION.—Procedures under
22 which, after the 60-day period referred to
23 in clause (i), a minor who has signed an
24 acknowledgment of paternity other than in
25 the presence of a parent or court-appointed

1 guardian ad litem may rescind the ac-
2 knowledgment in a judicial or administra-
3 tive proceeding, until the earlier of—

4 “(I) attaining the age of major-
5 ity; or

6 “(II) the date of the first judicial
7 or administrative proceeding brought
8 (after the signing) to establish a child
9 support obligation, visitation rights, or
10 custody rights with respect to the
11 child whose paternity is the subject of
12 the acknowledgment, and at which the
13 minor is represented by a parent or
14 guardian ad litem, or an attorney.

15 “(E) BAR ON ACKNOWLEDGMENT RATIFI-
16 CATION PROCEEDINGS.—Procedures under
17 which judicial or administrative proceedings are
18 not required or permitted to ratify an unchal-
19 lenged acknowledgment of paternity.

20 “(F) ADMISSIBILITY OF GENETIC TESTING
21 RESULTS.—Procedures—

22 “(i) requiring the admission into evi-
23 dence, for purposes of establishing pater-
24 nity, of the results of any genetic test that
25 is—

1 “(I) of a type generally acknowl-
2 edged as reliable by accreditation bod-
3 ies designated by the Secretary; and

4 “(II) performed by a laboratory
5 approved by such an accreditation
6 body;

7 “(ii) requiring an objection to genetic
8 testing results to be made in writing not
9 later than a specified number of days be-
10 fore any hearing at which the results may
11 be introduced into evidence (or, at State
12 option, not later than a specified number
13 of days after receipt of the results); and

14 “(iii) making the test results admissi-
15 ble as evidence of paternity without the
16 need for foundation testimony or other
17 proof of authenticity or accuracy, unless
18 objection is made.

19 “(G) PRESUMPTION OF PATERNITY IN
20 CERTAIN CASES.—Procedures which create a re-
21 buttable or, at the option of the State, conclu-
22 sive presumption of paternity upon genetic test-
23 ing results indicating a threshold probability
24 that the alleged father is the father of the child.

1 “(H) DEFAULT ORDERS.—Procedures re-
2 quiring a default order to be entered in a pater-
3 nity case upon a showing of service of process
4 on the defendant and any additional showing
5 required by State law.

6 “(I) NO RIGHT TO JURY TRIAL.—Proce-
7 dures providing that the parties to an action to
8 establish paternity are not entitled to a trial by
9 jury.

10 “(J) TEMPORARY SUPPORT ORDER BASED
11 ON PROBABLE PATERNITY IN CONTESTED
12 CASES.—Procedures which require that a tem-
13 porary order be issued, upon motion by a party,
14 requiring the provision of child support pending
15 an administrative or judicial determination of
16 parentage, where there is clear and convincing
17 evidence of paternity (on the basis of genetic
18 tests or other evidence).

19 “(K) PROOF OF CERTAIN SUPPORT AND
20 PATERNITY ESTABLISHMENT COSTS.—Proce-
21 dures under which bills for pregnancy, child-
22 birth, and genetic testing are admissible as evi-
23 dence without requiring third-party foundation
24 testimony, and shall constitute prima facie evi-

1 dence of amounts incurred for such services or
2 for testing on behalf of the child.

3 “(L) STANDING OF PUTATIVE FATHERS.—
4 Procedures ensuring that the putative father
5 has a reasonable opportunity to initiate a pater-
6 nity action.

7 “(M) FILING OF ACKNOWLEDGMENTS AND
8 ADJUDICATIONS IN STATE REGISTRY OF BIRTH
9 RECORDS.—Procedures under which voluntary
10 acknowledgments and adjudications of paternity
11 by judicial or administrative processes are filed
12 with the State registry of birth records for com-
13 parison with information in the State case reg-
14 istry.”.

15 (b) NATIONAL PATERNITY ACKNOWLEDGMENT AFFI-
16 DAVIT.—Section 452(a)(7) (42 U.S.C. 652(a)(7)) is
17 amended by inserting “, and develop an affidavit to be
18 used for the voluntary acknowledgment of paternity which
19 shall include the social security number of each parent”
20 before the semicolon.

21 (c) TECHNICAL AMENDMENT.—Section 468 (42
22 U.S.C. 668) is amended by striking “a simple civil process
23 for voluntarily acknowledging paternity and”.

1 **SEC. 14732. OUTREACH FOR VOLUNTARY PATERNITY ES-**
2 **TABLISHMENT.**

3 Section 454(23) (42 U.S.C. 654(23)) is amended by
4 inserting “and will publicize the availability and encourage
5 the use of procedures for voluntary establishment of pater-
6 nity and child support by means the State deems appro-
7 priate” before the semicolon.

8 **SEC. 14733. COOPERATION BY APPLICANTS FOR AND RE-**
9 **CIPIENTS OF TEMPORARY FAMILY ASSIST-**
10 **ANCE.**

11 Section 454 (42 U.S.C. 654), as amended by sections
12 14703(a), 14712(a), and 14713(a) of this Act, is amend-
13 ed—

14 (1) by striking “and” at the end of paragraph
15 (26);

16 (2) by striking the period at the end of para-
17 graph (27) and inserting “; and”; and

18 (3) by inserting after paragraph (27) the fol-
19 lowing:

20 “(28) provide that the State agency responsible
21 for administering the State plan—

22 “(A) shall require each individual who has
23 applied for or is receiving assistance under the
24 State program funded under part A to cooper-
25 ate with the State in establishing the paternity
26 of, and in establishing, modifying, or enforcing

1 a support order for, any child of the individual
2 by providing the State agency with the name of,
3 and such other information as the State agency
4 may require with respect to, the father of the
5 child, subject to such good cause and other ex-
6 ceptions as the State may establish; and

7 “(B) may require the individual and the
8 child to submit to genetic tests.”.

9 **CHAPTER 5—PROGRAM ADMINISTRATION**
10 **AND FUNDING**

11 **SEC. 14741. FEDERAL MATCHING PAYMENTS.**

12 (a) INCREASED BASE MATCHING RATE.—Section
13 455(a)(2) (42 U.S.C. 655(a)(2)) is amended to read as
14 follows:

15 “(2) The percent specified in this paragraph for any
16 quarter is 66 percent.”.

17 (b) MAINTENANCE OF EFFORT.—Section 455 (42
18 U.S.C. 655) is amended—

19 (1) in subsection (a)(1), in the matter preced-
20 ing subparagraph (A), by striking “From” and in-
21 serting “Subject to subsection (c), from”; and

22 (2) by inserting after subsection (b) the follow-
23 ing:

24 “(c) MAINTENANCE OF EFFORT.—Notwithstanding
25 subsection (a), the total expenditures under the State plan

1 approved under this part for fiscal year 1997 and each
2 succeeding fiscal year, reduced by the percentage specified
3 in paragraph (2) for the fiscal year shall not be less than
4 such total expenditures for fiscal year 1996, reduced by
5 66 percent.”.

6 **SEC. 14742. PERFORMANCE-BASED INCENTIVES AND PEN-**
7 **ALTIES.**

8 (a) INCENTIVE ADJUSTMENTS TO FEDERAL MATCH-
9 ING RATE.—Section 458 (42 U.S.C. 658) is amended to
10 read as follows:

11 **“SEC. 458. INCENTIVE ADJUSTMENTS TO MATCHING RATE.**

12 “(a) INCENTIVE ADJUSTMENTS.—

13 “(1) IN GENERAL.—Beginning with fiscal year
14 1999, the Secretary shall increase the percent speci-
15 fied in section 455(a)(2) that applies to payments to
16 a State under section 455(a)(1)(A) for each quarter
17 in a fiscal year by a factor reflecting the sum of the
18 applicable incentive adjustments (if any) determined
19 in accordance with regulations under this section
20 with respect to the paternity establishment percent-
21 age of the State for the immediately preceding fiscal
22 year and with respect to overall performance of the
23 State in child support enforcement during such pre-
24 ceding fiscal year.

25 “(2) STANDARDS.—

1 “(A) IN GENERAL.—The Secretary shall
2 specify in regulations—

3 “(i) the levels of accomplishment, and
4 rates of improvement as alternatives to
5 such levels, which a State must attain to
6 qualify for an incentive adjustment under
7 this section; and

8 “(ii) the amounts of incentive adjust-
9 ment that shall be awarded to a State that
10 achieves specified accomplishment or im-
11 provement levels, which amounts shall be
12 graduated, ranging up to—

13 “(I) 12 percentage points, in con-
14 nection with paternity establishment;
15 and

16 “(II) 12 percentage points, in
17 connection with overall performance in
18 child support enforcement.

19 “(B) LIMITATION.—In setting performance
20 standards pursuant to subparagraph (A)(i) and
21 adjustment amounts pursuant to subparagraph
22 (A)(ii), the Secretary shall ensure that the ag-
23 gregate number of percentage point increases as
24 incentive adjustments to all States do not ex-
25 ceed such aggregate increases as assumed by

1 the Secretary in estimates of the cost of this
2 section as of June 1994, unless the aggregate
3 performance of all States exceeds the projected
4 aggregate performance of all States in such cost
5 estimates.

6 “(3) DETERMINATION OF INCENTIVE ADJUST-
7 MENT.—The Secretary shall determine the amount
8 (if any) of the incentive adjustment due each State
9 on the basis of the data submitted by the State pur-
10 suant to section 454(15)(B) concerning the levels of
11 accomplishment (and rates of improvement) with re-
12 spect to performance indicators specified by the Sec-
13 retary pursuant to this section.

14 “(4) RECYCLING OF INCENTIVE ADJUST-
15 MENT.—A State to which funds are paid by the
16 Federal Government as a result of an incentive ad-
17 justment under this section shall expend the funds
18 in the State program under this part within 2 years
19 after the date of the payment.

20 “(b) DEFINITIONS.—As used in this section:

21 “(1) PATERNITY ESTABLISHMENT PERCENT-
22 AGE.—The term ‘paternity establishment percent-
23 age’ means, with respect to a State and a fiscal
24 year—

1 “(A) the total number of children in the
2 State who were born out of wedlock, who have
3 not attained 1 year of age and for whom pater-
4 nity is established or acknowledged during the
5 fiscal year; divided by

6 “(B) the total number of children born out
7 of wedlock in the State during the fiscal year.

8 “(2) OVERALL PERFORMANCE IN CHILD SUP-
9 PORT ENFORCEMENT.—The term ‘overall perform-
10 ance in child support enforcement’ means a measure
11 or measures of the effectiveness of the State agency
12 in a fiscal year which takes into account factors in-
13 cluding—

14 “(A) the percentage of cases requiring a
15 support order in which such an order was es-
16 tablished;

17 “(B) the percentage of cases in which child
18 support is being paid;

19 “(C) the ratio of child support collected to
20 child support due; and

21 “(D) the cost-effectiveness of the State
22 program, as determined in accordance with
23 standards established by the Secretary in regu-
24 lations (after consultation with the States).”.

1 (b) CONFORMING AMENDMENTS.—Section 454(22)
2 (42 U.S.C. 654(22)) is amended—

3 (1) by striking “incentive payments” the 1st
4 place such term appears and inserting “incentive ad-
5 justments”; and

6 (2) by striking “any such incentive payments
7 made to the State for such period” and inserting
8 “any increases in Federal payments to the State re-
9 sulting from such incentive adjustments”.

10 (c) CALCULATION OF IV–D PATERNITY ESTABLISH-
11 MENT PERCENTAGE.—

12 (1) Section 452(g)(1) (42 U.S.C. 652(g)(1)) is
13 amended—

14 (A) in the matter preceding subparagraph
15 (A) by inserting “its overall performance in
16 child support enforcement is satisfactory (as de-
17 fined in section 458(b) and regulations of the
18 Secretary), and” after “1994,”; and

19 (B) in each of subparagraphs (A) and (B),
20 by striking “75” and inserting “90”.

21 (2) Section 452(g)(2)(A) (42 U.S.C.
22 652(g)(2)(A)) is amended in the matter preceding
23 clause (i)—

1 (A) by striking “paternity establishment
2 percentage” and inserting “IV-D paternity es-
3 tablishment percentage”; and

4 (B) by striking “(or all States, as the case
5 may be)”.

6 (3) Section 452(g)(3) (42 U.S.C. 652(g)(3)) is
7 amended—

8 (A) by striking subparagraph (A) and re-
9 designating subparagraphs (B) and (C) as sub-
10 subparagraphs (A) and (B), respectively;

11 (B) in subparagraph (A) (as so redesign-
12 nated), by striking “the percentage of children
13 born out-of-wedlock in a State” and inserting
14 “the percentage of children in a State who are
15 born out of wedlock or for whom support has
16 not been established”; and

17 (C) in subparagraph (B) (as so redesign-
18 nated)—

19 (i) by inserting “and overall perform-
20 ance in child support enforcement” after
21 “paternity establishment percentages”; and

22 (ii) by inserting “and securing sup-
23 port” before the period.

24 (d) EFFECTIVE DATES.—

1 (1) INCENTIVE ADJUSTMENTS.—(A) The
2 amendments made by subsections (a) and (b) shall
3 become effective on October 1, 1997, except to the
4 extent provided in subparagraph (B).

5 (B) Section 458 of the Social Security Act, as
6 in effect prior to the enactment of this section, shall
7 be effective for purposes of incentive payments to
8 States for fiscal years before fiscal year 1999.

9 (2) PENALTY REDUCTIONS.—The amendments
10 made by subsection (c) shall become effective with
11 respect to calendar quarters beginning on and after
12 the date of the enactment of this Act.

13 **SEC. 14743. FEDERAL AND STATE REVIEWS AND AUDITS.**

14 (a) STATE AGENCY ACTIVITIES.—Section 454 (42
15 U.S.C. 654) is amended—

16 (1) in paragraph (14), by striking “(14)” and
17 inserting “(14)(A)”;

18 (2) by redesignating paragraph (15) as sub-
19 paragraph (B) of paragraph (14); and

20 (3) by inserting after paragraph (14) the fol-
21 lowing:

22 “(15) provide for—

23 “(A) a process for annual reviews of and
24 reports to the Secretary on the State program
25 operated under the State plan approved under

1 this part, which shall include such information
2 as may be necessary to measure State compli-
3 ance with Federal requirements for expedited
4 procedures and timely case processing, using
5 such standards and procedures as are required
6 by the Secretary, under which the State agency
7 will determine the extent to which the program
8 is operated in compliance with this part; and

9 “(B) a process of extracting from the auto-
10 mated data processing system required by para-
11 graph (16) and transmitting to the Secretary
12 data and calculations concerning the levels of
13 accomplishment (and rates of improvement)
14 with respect to applicable performance indica-
15 tors (including IV–D paternity establishment
16 percentages and overall performance in child
17 support enforcement) to the extent necessary
18 for purposes of sections 452(g) and 458.”.

19 (b) FEDERAL ACTIVITIES.—Section 452(a)(4) (42
20 U.S.C. 652(a)(4)) is amended to read as follows:

21 “(4)(A) review data and calculations transmit-
22 ted by State agencies pursuant to section
23 454(15)(B) on State program accomplishments with
24 respect to performance indicators for purposes of
25 subsection (g) of this section and section 458;

1 “(B) review annual reports submitted pursuant
2 to section 454(15)(A) and, as appropriate, provide
3 to the State comments, recommendations for addi-
4 tional or alternative corrective actions, and technical
5 assistance; and

6 “(C) conduct audits, in accordance with the
7 government auditing standards of the Comptroller
8 General of the United States—

9 “(i) at least once every 3 years (or more
10 frequently, in the case of a State which fails to
11 meet the requirements of this part, concerning
12 performance standards and reliability of pro-
13 gram data) to assess the completeness, reliabil-
14 ity, and security of the data, and the accuracy
15 of the reporting systems, used in calculating
16 performance indicators under subsection (g) of
17 this section and section 458;

18 “(ii) of the adequacy of financial manage-
19 ment of the State program operated under the
20 State plan approved under this part, including
21 assessments of—

22 “(I) whether Federal and other funds
23 made available to carry out the State pro-
24 gram are being appropriately expended,

1 and are properly and fully accounted for;
2 and

3 “(II) whether collections and disburse-
4 ments of support payments are carried out
5 correctly and are fully accounted for; and

6 “(iii) for such other purposes as the Sec-
7 retary may find necessary;”.

8 (c) EFFECTIVE DATE.—The amendments made by
9 this section shall be effective with respect to calendar
10 quarters beginning 12 months or more after the date of
11 the enactment of this section.

12 **SEC. 14744. REQUIRED REPORTING PROCEDURES.**

13 (a) ESTABLISHMENT.—Section 452(a)(5) (42 U.S.C.
14 652(a)(5)) is amended by inserting “, and establish proce-
15 dures to be followed by States for collecting and reporting
16 information required to be provided under this part, and
17 establish uniform definitions (including those necessary to
18 enable the measurement of State compliance with the re-
19 quirements of this part relating to expedited processes and
20 timely case processing) to be applied in following such pro-
21 cedures” before the semicolon.

22 (b) STATE PLAN REQUIREMENT.—Section 454 (42
23 U.S.C. 654), as amended by sections 14703(a), 14712(a),
24 14713(a), and 14733 of this Act, is amended—

1 (1) by striking “and” at the end of paragraph
2 (27);

3 (2) by striking the period at the end of para-
4 graph (28) and inserting “; and”; and

5 (3) by adding after paragraph (28) the follow-
6 ing:

7 “(29) provide that the State shall use the defi-
8 nitions established under section 452(a)(5) in col-
9 lecting and reporting information as required under
10 this part.”.

11 **SEC. 14745. AUTOMATED DATA PROCESSING REQUIRE-**
12 **MENTS.**

13 (a) REVISED REQUIREMENTS.—

14 (1) Section 454(16) (42 U.S.C. 654(16)) is
15 amended—

16 (A) by striking “, at the option of the
17 State,”;

18 (B) by inserting “and operation by the
19 State agency” after “for the establishment”;

20 (C) by inserting “meeting the requirements
21 of section 454A” after “information retrieval
22 system”;

23 (D) by striking “in the State and localities
24 thereof, so as (A)” and inserting “so as”;

25 (E) by striking “(i)”;

1 (F) by striking “(including” and all that
2 follows and inserting a semicolon.

3 (2) Part D of title IV (42 U.S.C. 651–669) is
4 amended by inserting after section 454 the follow-
5 ing:

6 **“SEC. 454A. AUTOMATED DATA PROCESSING.**

7 “(a) IN GENERAL.—In order for a State to meet the
8 requirements of this section, the State agency administer-
9 ing the State program under this part shall have in oper-
10 ation a single statewide automated data processing and
11 information retrieval system which has the capability to
12 perform the tasks specified in this section with the fre-
13 quency and in the manner required by or under this part.

14 “(b) PROGRAM MANAGEMENT.—The automated sys-
15 tem required by this section shall perform such functions
16 as the Secretary may specify relating to management of
17 the State program under this part, including—

18 “(1) controlling and accounting for use of Fed-
19 eral, State, and local funds in carrying out the pro-
20 gram; and

21 “(2) maintaining the data necessary to meet
22 Federal reporting requirements under this part on a
23 timely basis.

24 “(c) CALCULATION OF PERFORMANCE INDICA-
25 TORS.—In order to enable the Secretary to determine the

1 incentive and penalty adjustments required by sections
2 452(g) and 458, the State agency shall—

3 “(1) use the automated system—

4 “(A) to maintain the requisite data on
5 State performance with respect to paternity es-
6 tablishment and child support enforcement in
7 the State; and

8 “(B) to calculate the IV–D paternity es-
9 tablishment percentage and overall performance
10 in child support enforcement for the State for
11 each fiscal year; and

12 “(2) have in place systems controls to ensure
13 the completeness, and reliability of, and ready access
14 to, the data described in paragraph (1)(A), and the
15 accuracy of the calculations described in paragraph
16 (1)(B).

17 “(d) INFORMATION INTEGRITY AND SECURITY.—The
18 State agency shall have in effect safeguards on the integ-
19 rity, accuracy, and completeness of, access to, and use of
20 data in the automated system required by this section,
21 which shall include the following (in addition to such other
22 safeguards as the Secretary may specify in regulations):

23 “(1) POLICIES RESTRICTING ACCESS.—Written
24 policies concerning access to data by State agency

1 personnel, and sharing of data with other persons,
2 which—

3 “(A) permit access to and use of data only
4 to the extent necessary to carry out the State
5 program under this part; and

6 “(B) specify the data which may be used
7 for particular program purposes, and the per-
8 sonnel permitted access to such data.

9 “(2) SYSTEMS CONTROLS.—Systems controls
10 (such as passwords or blocking of fields) to ensure
11 strict adherence to the policies described in para-
12 graph (1).

13 “(3) MONITORING OF ACCESS.—Routine mon-
14 itoring of access to and use of the automated sys-
15 tem, through methods such as audit trails and feed-
16 back mechanisms, to guard against and promptly
17 identify unauthorized access or use.

18 “(4) TRAINING AND INFORMATION.—Proce-
19 dures to ensure that all personnel (including State
20 and local agency staff and contractors) who may
21 have access to or be required to use confidential pro-
22 gram data are informed of applicable requirements
23 and penalties (including those in section 6103 of the
24 Internal Revenue Code of 1986), and are adequately
25 trained in security procedures.

1 “(5) PENALTIES.—Administrative penalties (up
2 to and including dismissal from employment) for un-
3 authorized access to, or disclosure or use of, con-
4 fidential data.”.

5 (3) REGULATIONS.—The Secretary of Health
6 and Human Services shall prescribe final regulations
7 for implementation of section 454A of the Social Se-
8 curity Act not later than 2 years after the date of
9 the enactment of this Act.

10 (4) IMPLEMENTATION TIMETABLE.—Section
11 454(24) (42 U.S.C. 654(24)), as amended by sec-
12 tions 14703(a)(2) and 14712(a)(1) of this Act, is
13 amended to read as follows:

14 “(24) provide that the State will have in effect
15 an automated data processing and information re-
16 trieval system—

17 “(A) by October 1, 1995, which meets all
18 requirements of this part which were enacted on
19 or before the date of enactment of the Family
20 Support Act of 1988; and

21 “(B) by October 1, 1999, which meets all
22 requirements of this part enacted on or before
23 the date of the enactment of the Personal Re-
24 sponsibility Act of 1995, except that such dead-
25 line shall be extended by 1 day for each day (if

1 any) by which the Secretary fails to meet the
2 deadline imposed by section 14745(a)(3) of the
3 Personal Responsibility Act of 1995.”.

4 (b) SPECIAL FEDERAL MATCHING RATE FOR DE-
5 VELOPMENT COSTS OF AUTOMATED SYSTEMS.—

6 (1) IN GENERAL.—Section 455(a) (42 U.S.C.
7 655(a)) is amended—

8 (A) in paragraph (1)(B)—

9 (i) by striking “90 percent” and in-
10 sserting “the percent specified in paragraph
11 (3)”;

12 (ii) by striking “so much of”; and

13 (iii) by striking “which the Secretary”
14 and all that follows and inserting “, and”;
15 and

16 (B) by adding at the end the following:

17 “(3)(A) The Secretary shall pay to each State, for
18 each quarter in fiscal year 1996, 90 percent of so much
19 of the State expenditures described in paragraph (1)(B)
20 as the Secretary finds are for a system meeting the re-
21 quirements specified in section 454(16).

22 “(B)(i) The Secretary shall pay to each State, for
23 each quarter in fiscal years 1997 through 2001, the per-
24 centage specified in clause (ii) of so much of the State
25 expenditures described in paragraph (1)(B) as the Sec-

1 retary finds are for a system meeting the requirements
2 of sections 454(16) and 454A.

3 “(ii) The percentage specified in this clause is the
4 greater of—

5 “(I) 80 percent; or

6 “(II) the percentage otherwise applicable to
7 Federal payments to the State under subparagraph
8 (A) (as adjusted pursuant to section 458).”.

9 (2) TEMPORARY LIMITATION ON PAYMENTS
10 UNDER SPECIAL FEDERAL MATCHING RATE.—

11 (A) IN GENERAL.—The Secretary of
12 Health and Human Services may not pay more
13 than \$260,000,000 in the aggregate under sec-
14 tion 455(a)(3) of the Social Security Act for fis-
15 cal years 1996, 1997, 1998, 1999, and 2000.

16 (B) ALLOCATION OF LIMITATION AMONG
17 STATES.—The total amount payable to a State
18 under section 455(a)(3) of such Act for fiscal
19 years 1996, 1997, 1998, 1999, and 2000 shall
20 not exceed the limitation determined for the
21 State by the Secretary of Health and Human
22 Services in regulations.

23 (C) ALLOCATION FORMULA.—The regula-
24 tions referred to in subparagraph (B) shall pre-
25 scribe a formula for allocating the amount spec-

1 ified in subparagraph (A) among States with
2 plans approved under part D of title IV of the
3 Social Security Act, which shall take into ac-
4 count—

5 (i) the relative size of State caseloads
6 under such part; and

7 (ii) the level of automation needed to
8 meet the automated data processing re-
9 quirements of such part.

10 (c) CONFORMING AMENDMENT.—Section 123(c) of
11 the Family Support Act of 1988 (102 Stat. 2352; Public
12 Law 100–485) is repealed.

13 **SEC. 14746. TECHNICAL ASSISTANCE.**

14 (a) FOR TRAINING OF FEDERAL AND STATE STAFF,
15 RESEARCH AND DEMONSTRATION PROGRAMS, AND SPE-
16 CIAL PROJECTS OF REGIONAL OR NATIONAL SIGNIFI-
17 CANCE.—Section 452 (42 U.S.C. 652) is amended by add-
18 ing at the end the following:

19 “(j) Out of any money in the Treasury of the United
20 States not otherwise appropriated, there is hereby appro-
21 priated to the Secretary for each fiscal year an amount
22 equal to 1 percent of the total amount paid to the Federal
23 Government pursuant to section 457(a) during the imme-
24 diately preceding fiscal year (as determined on the basis
25 of the most recent reliable data available to the Secretary

1 as of the end of the 3rd calendar quarter following the
2 end of such preceding fiscal year), to cover costs incurred
3 by the Secretary for—

4 “(1) information dissemination and technical
5 assistance to States, training of State and Federal
6 staff, staffing studies, and related activities needed
7 to improve programs under this part (including tech-
8 nical assistance concerning State automated systems
9 required by this part); and

10 “(2) research, demonstration, and special
11 projects of regional or national significance relating
12 to the operation of State programs under this
13 part.”.

14 (b) OPERATION OF FEDERAL PARENT LOCATOR
15 SERVICE.—Section 453 (42 U.S.C. 653), as amended by
16 section 14716(e) of this Act, is amended by adding at the
17 end the following:

18 “(n) Out of any money in the Treasury of the United
19 States not otherwise appropriated, there is hereby appro-
20 priated to the Secretary for each fiscal year an amount
21 equal to 2 percent of the total amount paid to the Federal
22 Government pursuant to section 457(a) during the imme-
23 diately preceding fiscal year (as determined on the basis
24 of the most recent reliable data available to the Secretary
25 as of the end of the 3rd calendar quarter following the

1 end of such preceding fiscal year), to cover costs incurred
2 by the Secretary for operation of the Federal Parent Loca-
3 tor Service under this section, to the extent such costs are
4 not recovered through user fees.”.

5 **SEC. 14747. REPORTS AND DATA COLLECTION BY THE SEC-**
6 **RETARY.**

7 (a) ANNUAL REPORT TO CONGRESS.—

8 (1) Section 452(a)(10)(A) (42 U.S.C.
9 652(a)(10)(A)) is amended—

10 (A) by striking “this part;” and inserting
11 “this part, including—”; and

12 (B) by adding at the end the following:

13 “(i) the total amount of child support
14 payments collected as a result of services
15 furnished during the fiscal year to individ-
16 uals receiving services under this part;

17 “(ii) the cost to the States and to the
18 Federal Government of so furnishing the
19 services; and

20 “(iii) the number of cases involving
21 families—

22 “(I) who became ineligible for as-
23 sistance under State programs funded
24 under part A during a month in the
25 fiscal year; and

1 “(II) with respect to whom a
2 child support payment was received in
3 the month;”.

4 (2) Section 452(a)(10)(C) (42 U.S.C.
5 652(a)(10)(C)) is amended—

6 (A) in the matter preceding clause (i)—

7 (i) by striking “with the data required
8 under each clause being separately stated
9 for cases” and inserting “separately stated
10 for (1) cases”;

11 (ii) by striking “cases where the child
12 was formerly receiving” and inserting “or
13 formerly received”;

14 (iii) by inserting “or 1912” after
15 “471(a)(17)”; and

16 (iv) by inserting “(2)” before “all
17 other”;

18 (B) in each of clauses (i) and (ii), by strik-
19 ing “, and the total amount of such obliga-
20 tions”;

21 (C) in clause (iii), by striking “described
22 in” and all that follows and inserting “in which
23 support was collected during the fiscal year;”;

24 (D) by striking clause (iv);

1 (E) by redesignating clause (v) as clause
2 (vii), and inserting after clause (iii) the follow-
3 ing:

4 “(iv) the total amount of support col-
5 lected during such fiscal year and distrib-
6 uted as current support;

7 “(v) the total amount of support col-
8 lected during such fiscal year and distrib-
9 uted as arrearages;

10 “(vi) the total amount of support due
11 and unpaid for all fiscal years; and”.

12 (3) Section 452(a)(10)(G) (42 U.S.C.
13 652(a)(10)(G)) is amended by striking “on the use
14 of Federal courts and”.

15 (4) Section 452(a)(10) (42 U.S.C. 652(a)(10))
16 is amended by striking all that follows subparagraph
17 (I).

18 (b) EFFECTIVE DATE.—The amendments made by
19 subsection (a) shall be effective with respect to fiscal year
20 1996 and succeeding fiscal years.

1 **CHAPTER 6—ESTABLISHMENT AND**
2 **MODIFICATION OF SUPPORT ORDERS**

3 **SEC. 14751. SIMPLIFIED PROCESS FOR REVIEW AND AD-**
4 **JUSTMENT OF CHILD SUPPORT ORDERS.**

5 Section 466(a)(10) (42 U.S.C. 666(a)(10)) is amend-
6 ed to read as follows:

7 “(10) REVIEW AND ADJUSTMENT OF SUPPORT
8 ORDERS.—Procedures under which the State shall
9 review and adjust each support order being enforced
10 under this part. Such procedures shall provide the
11 following:

12 “(A) The State shall review and, as appro-
13 priate, adjust the support order every 3 years,
14 taking into account the best interests of the
15 child involved.

16 “(B)(i) The State may elect to review and,
17 if appropriate, adjust an order pursuant to sub-
18 paragraph (A) by—

19 “(I) reviewing and, if appropriate, ad-
20 justing the order in accordance with the
21 guidelines established pursuant to section
22 467(a) if the amount of the child support
23 award under the order differs from the
24 amount that would be awarded in accord-
25 ance with the guidelines; or

1 “(II) applying a cost-of-living adjust-
2 ment to the order in accordance with a for-
3 mula developed by the State and permit ei-
4 ther party to contest the adjustment, with-
5 in 30 days after the date of the notice of
6 the adjustment, by making a request for
7 review and, if appropriate, adjustment of
8 the order in accordance with the child sup-
9 port guidelines established pursuant to sec-
10 tion 467(a).

11 “(ii) Any adjustment under clause (i) shall
12 be made without a requirement for proof or
13 showing of a change in circumstances.

14 “(C) The State may use automated meth-
15 ods (including automated comparisons with
16 wage or State income tax data) to identify or-
17 ders eligible for review, conduct the review,
18 identify orders eligible for adjustment, apply
19 the appropriate adjustment to the orders eligi-
20 ble for adjustment under the threshold estab-
21 lished by the State.

22 “(D) The State shall, at the request of ei-
23 ther parent subject to such an order or of any
24 State child support enforcement agency, review
25 and, if appropriate, adjust the order in accord-

1 ance with the guidelines established pursuant to
2 section 467(a) based upon a substantial change
3 in the circumstances of either parent.

4 “(E) The State shall provide notice to the
5 parents subject to such an order informing
6 them of their right to request the State to re-
7 view and, if appropriate, adjust the order pur-
8 suant to subparagraph (D). The notice may be
9 included in the order.”.

10 **SEC. 14752. FURNISHING CONSUMER REPORTS FOR CER-**
11 **TAIN PURPOSES RELATING TO CHILD SUP-**
12 **PORT.**

13 Section 604 of the Fair Credit Reporting Act (15
14 U.S.C. 1681b) is amended by adding at the end the follow-
15 ing:

16 “(4) In response to a request by the head of a
17 State or local child support enforcement agency (or
18 a State or local government official authorized by
19 the head of such an agency), if the person making
20 the request certifies to the consumer reporting agen-
21 cy that—

22 “(A) the consumer report is needed for the
23 purpose of establishing an individual’s capacity
24 to make child support payments or determining
25 the appropriate level of such payments;

1 “(B) the person has provided at least 10
2 days prior notice to the consumer whose report
3 is requested, by certified or registered mail to
4 the last known address of the consumer, that
5 the report will be requested, and

6 “(C) the consumer report will be kept con-
7 fidential, will be used solely for a purpose de-
8 scribed in subparagraph (A), and will not be
9 used in connection with any other civil, admin-
10 istrative, or criminal proceeding, or for any
11 other purpose.

12 “(5) To an agency administering a State plan
13 under section 454 of the Social Security Act (42
14 U.S.C. 654) for use to set an initial or modified
15 child support award.”.

16 **CHAPTER 7—ENFORCEMENT OF SUPPORT**
17 **ORDERS**

18 **SEC. 14761. FEDERAL INCOME TAX REFUND OFFSET.**

19 (a) CHANGED ORDER OF REFUND DISTRIBUTION
20 UNDER INTERNAL REVENUE CODE.—

21 (1) Subsection (c) of section 6402 of the Inter-
22 nal Revenue Code of 1986 is amended by striking
23 the third sentence and inserting the following new
24 sentences: “A reduction under this subsection shall
25 be after any other reduction allowed by subsection

1 (d) with respect to the Department of Health and
2 Human Services and the Department of Education
3 with respect to a student loan and before any other
4 reduction allowed by law and before such overpay-
5 ment is credited to the future liability for tax of
6 such person pursuant to subsection (b). A reduction
7 under this subsection shall be assigned to the State
8 with respect to past-due support owed to individuals
9 for periods such individuals were receiving assistance
10 under part A or B of title IV of the Social Security
11 Act only after satisfying all other past-due sup-
12 port.”.

13 (2) Paragraph (2) of section 6402(d) of such
14 Code is amended—

15 (A) by striking “Any overpayment” and in-
16 sserting “Except in the case of past-due legally
17 enforceable debts owed to the Department of
18 Health and Human Services or to the Depart-
19 ment of Education with respect to a student
20 loan, any overpayment”; and

21 (B) by striking “with respect to past-due
22 support collected pursuant to an assignment
23 under section 402(a)(26) of the Social Security
24 Act”.

1 (b) ELIMINATION OF DISPARITIES IN TREATMENT
2 OF ASSIGNED AND NON-ASSIGNED ARREARAGES.—

3 (1) Section 464(a) (42 U.S.C. 664(a)) is
4 amended—

5 (A) by striking “(a)” and inserting “(a)
6 OFFSET AUTHORIZED.—”;

7 (B) in paragraph (1)—

8 (i) in the 1st sentence, by striking
9 “which has been assigned to such State
10 pursuant to section 402(a)(26) or section
11 471(a)(17)”; and

12 (ii) in the 2nd sentence, by striking
13 “in accordance with section 457(b)(4) or
14 (d)(3)” and inserting “as provided in para-
15 graph (2)”;

16 (C) by striking paragraph (2) and insert-
17 ing the following:

18 “(2) The State agency shall distribute amounts paid
19 by the Secretary of the Treasury pursuant to paragraph
20 (1)—

21 “(A) in accordance with section 457(a), in the
22 case of past-due support assigned to a State pursu-
23 ant to requirements imposed pursuant to section
24 405(a)(8); and

1 “(B) to or on behalf of the child to whom the
2 support was owed, in the case of past-due support
3 not so assigned.”; and

4 (D) in paragraph (3)—

5 (i) by striking “or (2)” each place
6 such term appears; and

7 (ii) in subparagraph (B), by striking
8 “under paragraph (2)” and inserting “on
9 account of past-due support described in
10 paragraph (2)(B)”.

11 (2) Section 464(b) (42 U.S.C. 664(b)) is
12 amended—

13 (A) by striking “(b)(1)” and inserting the
14 following:

15 “(b) REGULATIONS.—”; and

16 (B) by striking paragraph (2).

17 (3) Section 464(c) (42 U.S.C. 664(c)) is
18 amended—

19 (A) by striking “(c)(1) Except as provided
20 in paragraph (2), as” and inserting the follow-
21 ing:

22 “(c) DEFINITION.—As”; and

23 (B) by striking paragraphs (2) and (3).

1 **SEC. 14762. AUTHORITY TO COLLECT SUPPORT FROM FED-**
2 **ERAL EMPLOYEES.**

3 (a) CONSOLIDATION AND STREAMLINING OF AU-
4 THORITIES.—Section 459 (42 U.S.C. 659) is amended to
5 read as follows:

6 **“SEC. 459. CONSENT BY THE UNITED STATES TO INCOME**
7 **WITHHOLDING, GARNISHMENT, AND SIMILAR**
8 **PROCEEDINGS FOR ENFORCEMENT OF CHILD**
9 **SUPPORT AND ALIMONY OBLIGATIONS.**

10 “(a) CONSENT TO SUPPORT ENFORCEMENT.—Not-
11 withstanding any other provision of law (including section
12 207 of this Act and section 5301 of title 38, United States
13 Code), effective January 1, 1975, moneys (the entitlement
14 to which is based upon remuneration for employment) due
15 from, or payable by, the United States or the District of
16 Columbia (including any agency, subdivision, or instru-
17 mentality thereof) to any individual, including members
18 of the Armed Forces of the United States, shall be subject,
19 in like manner and to the same extent as if the United
20 States or the District of Columbia were a private person,
21 to withholding in accordance with State law enacted pur-
22 suant to subsections (a)(1) and (b) of section 466 and reg-
23 ulations of the Secretary under such subsections, and to
24 any other legal process brought, by a State agency admin-
25 istering a program under a State plan approved under this

1 part or by an individual obligee, to enforce the legal obliga-
2 tion of the individual to provide child support or alimony.

3 “(b) CONSENT TO REQUIREMENTS APPLICABLE TO
4 PRIVATE PERSON.—With respect to notice to withhold in-
5 come pursuant to subsection (a)(1) or (b) of section 466,
6 or any other order or process to enforce support obliga-
7 tions against an individual (if the order or process con-
8 tains or is accompanied by sufficient data to permit
9 prompt identification of the individual and the moneys in-
10 volved), each governmental entity specified in subsection
11 (a) shall be subject to the same requirements as would
12 apply if the entity were a private person, except as other-
13 wise provided in this section.

14 “(c) DESIGNATION OF AGENT; RESPONSE TO NOTICE
15 OR PROCESS—

16 “(1) DESIGNATION OF AGENT.—The head of
17 each agency subject to this section shall—

18 “(A) designate an agent or agents to re-
19 ceive orders and accept service of process in
20 matters relating to child support or alimony;
21 and

22 “(B) annually publish in the Federal Reg-
23 ister the designation of the agent or agents,
24 identified by title or position, mailing address,
25 and telephone number.

1 “(2) RESPONSE TO NOTICE OR PROCESS.—If an
2 agent designated pursuant to paragraph (1) of this
3 subsection receives notice pursuant to State proce-
4 dures in effect pursuant to subsection (a)(1) or (b)
5 of section 466, or is effectively served with any
6 order, process, or interrogatory, with respect to an
7 individual’s child support or alimony payment obli-
8 gations, the agent shall—

9 “(A) as soon as possible (but not later
10 than 15 days) thereafter, send written notice of
11 the notice or service (together with a copy of
12 the notice or service) to the individual at the
13 duty station or last-known home address of the
14 individual;

15 “(B) within 30 days (or such longer period
16 as may be prescribed by applicable State law)
17 after receipt of a notice pursuant to such State
18 procedures, comply with all applicable provi-
19 sions of section 466; and

20 “(C) within 30 days (or such longer period
21 as may be prescribed by applicable State law)
22 after effective service of any other such order,
23 process, or interrogatory, respond to the order,
24 process, or interrogatory.

1 “(d) PRIORITY OF CLAIMS.—If a governmental entity
2 specified in subsection (a) receives notice or is served with
3 process, as provided in this section, concerning amounts
4 owed by an individual to more than 1 person—

5 “(1) support collection under section 466(b)
6 must be given priority over any other process, as
7 provided in section 466(b)(7);

8 “(2) allocation of moneys due or payable to an
9 individual among claimants under section 466(b)
10 shall be governed by section 466(b) and the regula-
11 tions prescribed under such section; and

12 “(3) such moneys as remain after compliance
13 with paragraphs (1) and (2) shall be available to
14 satisfy any other such processes on a first-come,
15 first-served basis, with any such process being satis-
16 fied out of such moneys as remain after the satisfac-
17 tion of all such processes which have been previously
18 served.

19 “(e) NO REQUIREMENT TO VARY PAY CYCLES.—A
20 governmental entity that is affected by legal process
21 served for the enforcement of an individual’s child support
22 or alimony payment obligations shall not be required to
23 vary its normal pay and disbursement cycle in order to
24 comply with the legal process.

25 “(f) RELIEF FROM LIABILITY.—

1 “(1) Neither the United States, nor the govern-
2 ment of the District of Columbia, nor any disbursing
3 officer shall be liable with respect to any payment
4 made from moneys due or payable from the United
5 States to any individual pursuant to legal process
6 regular on its face, if the payment is made in ac-
7 cordance with this section and the regulations issued
8 to carry out this section.

9 “(2) No Federal employee whose duties include
10 taking actions necessary to comply with the require-
11 ments of subsection (a) with regard to any individ-
12 ual shall be subject under any law to any discipli-
13 nary action or civil or criminal liability or penalty
14 for, or on account of, any disclosure of information
15 made by the employee in connection with the carry-
16 ing out of such actions.

17 “(g) REGULATIONS.—Authority to promulgate regu-
18 lations for the implementation of this section shall, insofar
19 as this section applies to moneys due from (or payable
20 by)—

21 “(1) the United States (other than the legisla-
22 tive or judicial branches of the Federal Government)
23 or the government of the District of Columbia, be
24 vested in the President (or the designee of the Presi-
25 dent);

1 “(2) the legislative branch of the Federal Gov-
2 ernment, be vested jointly in the President pro tem-
3 pore of the Senate and the Speaker of the House of
4 Representatives (or their designees), and

5 “(3) the judicial branch of the Federal Govern-
6 ment, be vested in the Chief Justice of the United
7 States (or the designee of the Chief Justice).

8 “(h) MONEYS SUBJECT TO PROCESS.—

9 “(1) IN GENERAL.—Subject to paragraph (2),
10 moneys paid or payable to an individual which are
11 considered to be based upon remuneration for em-
12 ployment, for purposes of this section—

13 “(A) consist of—

14 “(i) compensation paid or payable for
15 personal services of the individual, whether
16 the compensation is denominated as wages,
17 salary, commission, bonus, pay, allowances,
18 or otherwise (including severance pay, sick
19 pay, and incentive pay);

20 “(ii) periodic benefits (including a
21 periodic benefit as defined in section
22 228(h)(3)) or other payments—

23 “(I) under the insurance system
24 established by title II;

- 1 “(II) under any other system or
2 fund established by the United States
3 which provides for the payment of
4 pensions, retirement or retired pay,
5 annuities, dependents’ or survivors’
6 benefits, or similar amounts payable
7 on account of personal services per-
8 formed by the individual or any other
9 individual;
- 10 “(III) as compensation for death
11 under any Federal program;
- 12 “(IV) under any Federal pro-
13 gram established to provide ‘black
14 lung’ benefits; or
- 15 “(V) by the Secretary of Veter-
16 ans Affairs as pension, or as com-
17 pensation for a service-connected dis-
18 ability or death (except any compensa-
19 tion paid by the Secretary to a mem-
20 ber of the Armed Forces who is in re-
21 ceipt of retired or retainer pay if the
22 member has waived a portion of the
23 retired pay of the member in order to
24 receive the compensation); and

1 “(iii) worker’s compensation benefits
2 paid under Federal or State law but

3 “(B) do not include any payment—

4 “(i) by way of reimbursement or oth-
5 erwise, to defray expenses incurred by the
6 individual in carrying out duties associated
7 with the employment of the individual; or

8 “(ii) as allowances for members of the
9 uniformed services payable pursuant to
10 chapter 7 of title 37, United States Code,
11 as prescribed by the Secretaries concerned
12 (defined by section 101(5) of such title) as
13 necessary for the efficient performance of
14 duty.

15 “(2) CERTAIN AMOUNTS EXCLUDED.—In deter-
16 mining the amount of any moneys due from, or pay-
17 able by, the United States to any individual, there
18 shall be excluded amounts which—

19 “(A) are owed by the individual to the
20 United States;

21 “(B) are required by law to be, and are,
22 deducted from the remuneration or other pay-
23 ment involved, including Federal employment
24 taxes, and fines and forfeitures ordered by
25 court-martial;

1 “(C) are properly withheld for Federal,
2 State, or local income tax purposes, if the with-
3 holding of the amounts is authorized or re-
4 quired by law and if amounts withheld are not
5 greater than would be the case if the individual
6 claimed all dependents to which he was entitled
7 (the withholding of additional amounts pursu-
8 ant to section 3402(i) of the Internal Revenue
9 Code of 1986 may be permitted only when the
10 individual presents evidence of a tax obligation
11 which supports the additional withholding);

12 “(D) are deducted as health insurance pre-
13 miums;

14 “(E) are deducted as normal retirement
15 contributions (not including amounts deducted
16 for supplementary coverage); or

17 “(F) are deducted as normal life insurance
18 premiums from salary or other remuneration
19 for employment (not including amounts de-
20 ducted for supplementary coverage).

21 “(i) DEFINITIONS.—As used in this section:

22 “(1) UNITED STATES.—The term ‘United
23 States’ includes any department, agency, or instru-
24 mentality of the legislative, judicial, or executive
25 branch of the Federal Government, the United

1 States Postal Service, the Postal Rate Commission,
2 any Federal corporation created by an Act of Con-
3 gress that is wholly owned by the Federal Govern-
4 ment, and the governments of the territories and
5 possessions of the United States.

6 “(2) CHILD SUPPORT.—The term ‘child sup-
7 port’, when used in reference to the legal obligations
8 of an individual to provide such support, means peri-
9 odic payments of funds for the support and mainte-
10 nance of a child or children with respect to which
11 the individual has such an obligation, and (subject
12 to and in accordance with State law) includes pay-
13 ments to provide for health care, education, recre-
14 ation, clothing, or to meet other specific needs of
15 such a child or children, and includes attorney’s
16 fees, interest, and court costs, when and to the ex-
17 tent that the same are expressly made recoverable as
18 such pursuant to a decree, order, or judgment issued
19 in accordance with applicable State law by a court
20 of competent jurisdiction.

21 “(3) ALIMONY.—The term ‘alimony’, when used
22 in reference to the legal obligations of an individual
23 to provide the same, means periodic payments of
24 funds for the support and maintenance of the spouse
25 (or former spouse) of the individual, and (subject to

1 and in accordance with State law) includes separate
2 maintenance, alimony pendente lite, maintenance,
3 and spousal support, and includes attorney's fees,
4 interest, and court costs when and to the extent that
5 the same are expressly made recoverable as such
6 pursuant to a decree, order, or judgment issued in
7 accordance with applicable State law by a court of
8 competent jurisdiction. Such term does not include
9 any payment or transfer of property or its value by
10 an individual to the spouse or a former spouse of the
11 individual in compliance with any community prop-
12 erty settlement, equitable distribution of property, or
13 other division of property between spouses or former
14 spouses.

15 “(4) PRIVATE PERSON.—The term ‘private per-
16 son’ means a person who does not have sovereign or
17 other special immunity or privilege which causes the
18 person not to be subject to legal process.

19 “(5) LEGAL PROCESS.—The term ‘legal proc-
20 ess’ means any writ, order, summons, or other simi-
21 lar process in the nature of garnishment—

22 “(A) which is issued by—

23 “(i) a court of competent jurisdiction
24 in any State, territory, or possession of the
25 United States;

1 “(ii) a court of competent jurisdiction
2 in any foreign country with which the
3 United States has entered into an agree-
4 ment which requires the United States to
5 honor the process; or

6 “(iii) an authorized official pursuant
7 to an order of such a court of competent
8 jurisdiction or pursuant to State or local
9 law; and

10 “(B) which is directed to, and the purpose
11 of which is to compel, a governmental entity
12 which holds moneys which are otherwise pay-
13 able to an individual to make a payment from
14 the moneys to another party in order to satisfy
15 a legal obligation of the individual to provide
16 child support or make alimony payments.”.

17 (b) CONFORMING AMENDMENTS.—

18 (1) TO PART D OF TITLE IV.—Sections 461 and
19 462 (42 U.S.C. 661 and 662) are repealed.

20 (2) TO TITLE 5, UNITED STATES CODE.—Sec-
21 tion 5520a of title 5, United States Code, is amend-
22 ed, in subsections (h)(2) and (i), by striking “sec-
23 tions 459, 461, and 462 of the Social Security Act
24 (42 U.S.C. 659, 661, and 662)” and inserting “sec-

1 tion 459 of the Social Security Act (42 U.S.C.
2 659)''.

3 (c) MILITARY RETIRED AND RETAINER PAY.—

4 (1) DEFINITION OF COURT.—Section
5 1408(a)(1) of title 10, United States Code, is
6 amended—

7 (A) by striking “and” at the end of sub-
8 paragraph (B);

9 (B) by striking the period at the end of
10 subparagraph (C) and inserting “; and”; and

11 (C) by adding after subparagraph (C) the
12 following:

13 “(D) any administrative or judicial tribu-
14 nal of a State competent to enter orders for
15 support or maintenance (including a State
16 agency administering a program under a State
17 plan approved under part D of title IV of the
18 Social Security Act), and, for purposes of this
19 subparagraph, the term ‘State’ includes the
20 District of Columbia, the Commonwealth of
21 Puerto Rico, the Virgin Islands, Guam, and
22 American Samoa.”.

23 (2) DEFINITION OF COURT ORDER.—Section
24 1408(a)(2) of such title is amended by inserting “or
25 a court order for the payment of child support not

1 included in or accompanied by such a decree or set-
2 tlement,” before “which—”.

3 (3) PUBLIC PAYEE.—Section 1408(d) of such
4 title is amended—

5 (A) in the heading, by inserting “(OR FOR
6 BENEFIT OF)” before “SPOUSE OR”; and

7 (B) in paragraph (1), in the first sentence,
8 by inserting “(or for the benefit of such spouse
9 or former spouse to a State disbursement unit
10 established pursuant to section 454B of the So-
11 cial Security Act or other public payee des-
12 igned by a State, in accordance with part D
13 of title IV of the Social Security Act, as di-
14 rected by court order, or as otherwise directed
15 in accordance with such part D)” before “in an
16 amount sufficient”.

17 (4) RELATIONSHIP TO PART D OF TITLE IV.—

18 Section 1408 of such title is amended by adding at
19 the end the following:

20 “(j) RELATIONSHIP TO OTHER LAWS.—In any case
21 involving an order providing for payment of child support
22 (as defined in section 459(i)(2) of the Social Security Act)
23 by a member who has never been married to the other
24 parent of the child, the provisions of this section shall not

1 apply, and the case shall be subject to the provisions of
2 section 459 of such Act.”.

3 (d) EFFECTIVE DATE.—The amendments made by
4 this section shall become effective 6 months after the date
5 of the enactment of this Act.

6 **SEC. 14763. ENFORCEMENT OF CHILD SUPPORT OBLIGA-**
7 **TIONS OF MEMBERS OF THE ARMED FORCES.**

8 (a) AVAILABILITY OF LOCATOR INFORMATION.—

9 (1) MAINTENANCE OF ADDRESS INFORMA-
10 TION.—The Secretary of Defense shall establish a
11 centralized personnel locator service that includes
12 the address of each member of the Armed Forces
13 under the jurisdiction of the Secretary. Upon re-
14 quest of the Secretary of Transportation, addresses
15 for members of the Coast Guard shall be included in
16 the centralized personnel locator service.

17 (2) TYPE OF ADDRESS.—

18 (A) RESIDENTIAL ADDRESS.—Except as
19 provided in subparagraph (B), the address for
20 a member of the Armed Forces shown in the lo-
21 cator service shall be the residential address of
22 that member.

23 (B) DUTY ADDRESS.—The address for a
24 member of the Armed Forces shown in the loca-

1 tor service shall be the duty address of that
2 member in the case of a member—

3 (i) who is permanently assigned over-
4 seas, to a vessel, or to a routinely
5 deployable unit; or

6 (ii) with respect to whom the Sec-
7 retary concerned makes a determination
8 that the member's residential address
9 should not be disclosed due to national se-
10 curity or safety concerns.

11 (3) UPDATING OF LOCATOR INFORMATION.—

12 Within 30 days after a member listed in the locator
13 service establishes a new residential address (or a
14 new duty address, in the case of a member covered
15 by paragraph (2)(B)), the Secretary concerned shall
16 update the locator service to indicate the new ad-
17 dress of the member.

18 (4) AVAILABILITY OF INFORMATION.—The Sec-
19 retary of Defense shall make information regarding
20 the address of a member of the Armed Forces listed
21 in the locator service available, on request, to the
22 Federal Parent Locator Service established under
23 section 453 of the Social Security Act.

24 (b) FACILITATING GRANTING OF LEAVE FOR AT-
25 TENDANCE AT HEARINGS.—

1 (1) REGULATIONS.—The Secretary of each
2 military department, and the Secretary of Transpor-
3 tation with respect to the Coast Guard when it is
4 not operating as a service in the Navy, shall pre-
5 scribe regulations to facilitate the granting of leave
6 to a member of the Armed Forces under the juris-
7 diction of that Secretary in a case in which—

8 (A) the leave is needed for the member to
9 attend a hearing described in paragraph (2);

10 (B) the member is not serving in or with
11 a unit deployed in a contingency operation (as
12 defined in section 101 of title 10, United States
13 Code); and

14 (C) the exigencies of military service (as
15 determined by the Secretary concerned) do not
16 otherwise require that such leave not be grant-
17 ed.

18 (2) COVERED HEARINGS.—Paragraph (1) ap-
19 plies to a hearing that is conducted by a court or
20 pursuant to an administrative process established
21 under State law, in connection with a civil action—

22 (A) to determine whether a member of the
23 Armed Forces is a natural parent of a child; or

1 (B) to determine an obligation of a mem-
2 ber of the Armed Forces to provide child sup-
3 port.

4 (3) DEFINITIONS.—For purposes of this sub-
5 section:

6 (A) The term “court” has the meaning
7 given that term in section 1408(a) of title 10,
8 United States Code.

9 (B) The term “child support” has the
10 meaning given such term in section 459(i) of
11 the Social Security Act (42 U.S.C. 659(i)).

12 (c) PAYMENT OF MILITARY RETIRED PAY IN COM-
13 PLIANCE WITH CHILD SUPPORT ORDERS.—

14 (1) DATE OF CERTIFICATION OF COURT
15 ORDER.—Section 1408 of title 10, United States
16 Code, as amended by section 14762(c)(4) of this
17 Act, is amended—

18 (A) by redesignating subsections (i) and (j)
19 as subsections (j) and (k), respectively; and

20 (B) by inserting after subsection (h) the
21 following:

22 “(i) CERTIFICATION DATE.—It is not necessary that
23 the date of a certification of the authenticity or complete-
24 ness of a copy of a court order for child support received
25 by the Secretary concerned for the purposes of this section

1 be recent in relation to the date of receipt by the Sec-
2 retary.”.

3 (2) PAYMENTS CONSISTENT WITH ASSIGN-
4 MENTS OF RIGHTS TO STATES.—Section 1408(d)(1)
5 of such title is amended by inserting after the 1st
6 sentence the following: “In the case of a spouse or
7 former spouse who, pursuant to section 405(a)(8) of
8 the Social Security Act (42 U.S.C. 605(a)(8)), as-
9 signs to a State the rights of the spouse or former
10 spouse to receive support, the Secretary concerned
11 may make the child support payments referred to in
12 the preceding sentence to that State in amounts con-
13 sistent with that assignment of rights.”.

14 (3) ARREARAGES OWED BY MEMBERS OF THE
15 UNIFORMED SERVICES.—Section 1408(d) of such
16 title is amended by adding at the end the following:
17 “(6) In the case of a court order for which effective
18 service is made on the Secretary concerned on or after
19 the date of the enactment of this paragraph and which
20 provides for payments from the disposable retired pay of
21 a member to satisfy the amount of child support set forth
22 in the order, the authority provided in paragraph (1) to
23 make payments from the disposable retired pay of a mem-
24 ber to satisfy the amount of child support set forth in a
25 court order shall apply to payment of any amount of child

1 support arrearages set forth in that order as well as to
2 amounts of child support that currently become due.”.

3 (4) PAYROLL DEDUCTIONS.—The Secretary of
4 Defense shall begin payroll deductions within 30
5 days after receiving notice of withholding, or for the
6 first pay period that begins after such 30-day pe-
7 riod.

8 **SEC. 14764. VOIDING OF FRAUDULENT TRANSFERS.**

9 Section 466 (42 U.S.C. 666), as amended by section
10 14721 of this Act, is amended by adding at the end the
11 following:

12 “(g) LAWS VOIDING FRAUDULENT TRANSFERS.—In
13 order to satisfy section 454(20)(A), each State must have
14 in effect—

15 “(1)(A) the Uniform Fraudulent Conveyance
16 Act of 1981;

17 “(B) the Uniform Fraudulent Transfer Act of
18 1984; or

19 “(C) another law, specifying indicia of fraud
20 which create a prima facie case that a debtor trans-
21 ferred income or property to avoid payment to a
22 child support creditor, which the Secretary finds af-
23 fords comparable rights to child support creditors;
24 and

1 “(2) procedures under which, in any case in
2 which the State knows of a transfer by a child sup-
3 port debtor with respect to which such a prima facie
4 case is established, the State must—

5 “(A) seek to void such transfer; or

6 “(B) obtain a settlement in the best inter-
7 ests of the child support creditor.”.

8 **SEC. 14765. SENSE OF THE CONGRESS THAT STATES**
9 **SHOULD SUSPEND DRIVERS’, BUSINESS, AND**
10 **OCCUPATIONAL LICENSES OF PERSONS**
11 **OWING PAST-DUE CHILD SUPPORT.**

12 It is the sense of the Congress that each State should
13 suspend any driver’s license, business license, or occupa-
14 tional license issued to any person who owes past-due child
15 support.

16 **SEC. 14766. WORK REQUIREMENT FOR PERSONS OWING**
17 **PAST-DUE CHILD SUPPORT.**

18 Section 466(a) of the Social Security Act (42 U.S.C.
19 666(a)), as amended by sections 14701(a), 14715,
20 14717(a), and 14723 of this Act, is amended by adding
21 at the end the following:

22 “(16) PROCEDURES TO ENSURE THAT PERSONS
23 OWING PAST-DUE SUPPORT WORK OR HAVE A PLAN
24 FOR PAYMENT OF SUCH SUPPORT.—

1 “(A) Procedures requiring the State, in
2 any case in which an individual owes past-due
3 support with respect to a child receiving assist-
4 ance under a State program funded under part
5 A, to seek a court order that requires the indi-
6 vidual to—

7 “(i) pay such support in accordance
8 with a plan approved by the court; or

9 “(ii) if the individual is subject to
10 such a plan and is not incapacitated, par-
11 ticipate in such work activities (as defined
12 in section 404(b)(1)) as the court deems
13 appropriate.

14 “(B) As used in subparagraph (A), the
15 term ‘past-due support’ means the amount of a
16 delinquency, determined under a court order, or
17 an order of an administrative process estab-
18 lished under State law, for support and mainte-
19 nance of a child, or of a child and the parent
20 with whom the child is living.”.

21 **SEC. 14767. DEFINITION OF SUPPORT ORDER.**

22 Section 453 (42 U.S.C. 653) as amended by sections
23 14716 and 14746(b) of this Act, is amended by adding
24 at the end the following:

1 “(o) SUPPORT ORDER DEFINED.—As used in this
2 part, the term ‘support order’ means an order issued by
3 a court or an administrative process established under
4 State law that requires support and maintenance of a child
5 or of a child and the parent with whom the child is liv-
6 ing.”.

7 **SEC. 14768. LIENS.**

8 Section 466(a)(4) (42 U.S.C. 666(a)(4)) is amended
9 to read as follows:

10 “(4) Procedures under which—

11 “(A) liens arise by operation of law against
12 real and personal property for amounts of over-
13 due support owed by an absent parent who re-
14 sides or owns property in the State; and

15 “(B) the State accords full faith and credit
16 to liens described in subparagraph (A) arising
17 in another State, without registration of the un-
18 derlying order.”.

19 **SEC. 14769. STATE LAW AUTHORIZING SUSPENSION OF LI-**
20 **CENSES.**

21 Section 466(a) (42 U.S.C. 666(a)), as amended by
22 sections 14715, 14717(a), and 14723 of this Act, is
23 amended by adding at the end the following:

24 “(15) AUTHORITY TO WITHHOLD OR SUSPEND
25 LICENSES.—Procedures under which the State has

1 (and uses in appropriate cases) authority to withhold
2 or suspend, or to restrict the use of driver’s licenses,
3 professional and occupational licenses, and rec-
4 reational licenses of individuals owing overdue sup-
5 port or failing, after receiving appropriate notice, to
6 comply with subpoenas or warrants relating to pa-
7 ternity or child support proceedings.”.

8 **CHAPTER 8—MEDICAL SUPPORT**

9 **SEC. 14771. TECHNICAL CORRECTION TO ERISA DEFINI-** 10 **TION OF MEDICAL CHILD SUPPORT ORDER.**

11 (a) IN GENERAL.—Section 609(a)(2)(B) of the Em-
12 ployee Retirement Income Security Act of 1974 (29
13 U.S.C. 1169(a)(2)(B)) is amended—

14 (1) by striking “issued by a court of competent
15 jurisdiction”;

16 (2) by striking the period at the end of clause
17 (ii) and inserting a comma; and

18 (3) by adding, after and below clause (ii), the
19 following:

20 “if such judgment, decree, or order (I) is issued
21 by a court of competent jurisdiction or (II) is
22 issued through an administrative process estab-
23 lished under State law and has the force and ef-
24 fect of law under applicable State law.”.

25 (b) EFFECTIVE DATE.—

1 (1) IN GENERAL.—The amendments made by
2 this section shall take effect on the date of the en-
3 actment of this Act.

4 (2) PLAN AMENDMENTS NOT REQUIRED UNTIL
5 JANUARY 1, 1996.—Any amendment to a plan re-
6 quired to be made by an amendment made by this
7 section shall not be required to be made before the
8 first plan year beginning on or after January 1,
9 1996, if—

10 (A) during the period after the date before
11 the date of the enactment of this Act and be-
12 fore such first plan year, the plan is operated
13 in accordance with the requirements of the
14 amendments made by this section; and

15 (B) such plan amendment applies retro-
16 actively to the period after the date before the
17 date of the enactment of this Act and before
18 such first plan year.

19 A plan shall not be treated as failing to be operated
20 in accordance with the provisions of the plan merely
21 because it operates in accordance with this para-
22 graph.

1 **CHAPTER 9—ENHANCING RESPONSIBIL-**
2 **ITY AND OPPORTUNITY FOR NON-**
3 **RESIDENTIAL PARENTS**

4 **SEC. 14781. GRANTS TO STATES FOR ACCESS AND VISITA-**
5 **TION PROGRAMS.**

6 Part D of title IV (42 U.S.C. 651–669) is amended
7 by adding at the end the following:

8 **“SEC. 469A. GRANTS TO STATES FOR ACCESS AND VISITA-**
9 **TION PROGRAMS.**

10 “(a) **IN GENERAL.**—The Administration for Children
11 and Families shall make grants under this section to en-
12 able States to establish and administer programs to sup-
13 port and facilitate absent parents’ access to and visitation
14 of their children, by means of activities including medi-
15 ation (both voluntary and mandatory), counseling, edu-
16 cation, development of parenting plans, visitation enforce-
17 ment (including monitoring, supervision and neutral drop-
18 off and pickup), and development of guidelines for visita-
19 tion and alternative custody arrangements.

20 “(b) **AMOUNT OF GRANT.**—The amount of the grant
21 to be made to a State under this section for a fiscal year
22 shall be an amount equal to the lesser of—

23 “(1) 90 percent of State expenditures during
24 the fiscal year for activities described in subsection
25 (a); or

1 “(2) the allotment of the State under sub-
2 section (c) for the fiscal year.

3 “(c) ALLOTMENTS TO STATES.—

4 “(1) IN GENERAL.—The allotment of a State
5 for a fiscal year is the amount that bears the same
6 ratio to the amount appropriated for grants under
7 this section for the fiscal year as the number of chil-
8 dren in the State living with only 1 biological parent
9 bears to the total number of such children in all
10 States.

11 “(2) MINIMUM ALLOTMENT.—The Administra-
12 tion for Children and Families shall adjust allot-
13 ments to States under paragraph (1) as necessary to
14 ensure that no State is allotted less than—

15 “(A) \$50,000 for fiscal year 1996 or 1997;

16 or

17 “(B) \$100,000 for any succeeding fiscal
18 year.

19 “(d) NO SUPPLANTATION OF STATE EXPENDITURES
20 FOR SIMILAR ACTIVITIES.—A State to which a grant is
21 made under this section may not use the grant to supplant
22 expenditures by the State for activities specified in sub-
23 section (a), but shall use the grant to supplement such
24 expenditures at a level at least equal to the level of such
25 expenditures for fiscal year 1995.

1 “(e) STATE ADMINISTRATION.—Each State to which
2 a grant is made under this section—

3 “(1) may administer State programs funded
4 with the grant, directly or through grants to or con-
5 tracts with courts, local public agencies, or non-prof-
6 it private entities;

7 “(2) shall not be required to operate such pro-
8 grams on a statewide basis; and

9 “(3) shall monitor, evaluate, and report on such
10 programs in accordance with regulations prescribed
11 by the Secretary.”.

12 **CHAPTER 10—EFFECT OF ENACTMENT**

13 **SEC. 14791. EFFECTIVE DATES.**

14 (a) IN GENERAL.—Except as otherwise specifically
15 provided (but subject to subsections (b) and (c))—

16 (1) the provisions of this subtitle requiring the
17 enactment or amendment of State laws under sec-
18 tion 466 of the Social Security Act, or revision of
19 State plans under section 454 of such Act, shall be
20 effective with respect to periods beginning on and
21 after October 1, 1996; and

22 (2) all other provisions of this subtitle shall be-
23 come effective upon enactment.

1 (b) GRACE PERIOD FOR STATE LAW CHANGES.—The
2 provisions of this subtitle shall become effective with re-
3 spect to a State on the later of—

4 (1) the date specified in this subtitle, or

5 (2) the effective date of laws enacted by the leg-
6 islature of such State implementing such provisions,
7 but in no event later than the first day of the first cal-
8 endar quarter beginning after the close of the first regular
9 session of the State legislature that begins after the date
10 of the enactment of this Act. For purposes of the previous
11 sentence, in the case of a State that has a 2-year legisla-
12 tive session, each year of such session shall be deemed to
13 be a separate regular session of the State legislature.

14 (c) GRACE PERIOD FOR STATE CONSTITUTIONAL
15 AMENDMENT.—A State shall not be found out of compli-
16 ance with any requirement enacted by this subtitle if the
17 State is unable to so comply without amending the State
18 constitution until the earlier of—

19 (1) 1 year after the effective date of the nec-
20 essary State constitutional amendment; or

21 (2) 5 years after the date of the enactment of
22 this subtitle.

1 **CHAPTER 11—MISCELLANEOUS**
2 **PROVISIONS**

3 **SEC. 14801. SCORING.**

4 Section 251(b)(2) of the Balanced Budget and Emer-
5 gency Deficit Control Act of 1985 is amended by adding
6 at the end the following new subparagraph:

7 “(H) SPECIAL ALLOWANCE FOR WELFARE RE-
8 FORM.—For any fiscal year, the adjustments shall
9 be appropriations for discretionary programs result-
10 ing from the Personal Responsibility Act of 1995 (as
11 described in the joint explanatory statement accom-
12 panying a conference report on that Act) in discre-
13 tionary accounts and the outlays flowing in all years
14 from such appropriations (but not to exceed
15 amounts authorized for those programs by that Act
16 for that fiscal year) minus appropriations for com-
17 parable discretionary programs for fiscal year 1995
18 (as described in the joint explanatory statement ac-
19 companying a conference report on that Act.”.

20 **SEC. 14802. PROVISIONS TO ENCOURAGE ELECTRONIC BEN-**
21 **EFIT TRANSFER SYSTEMS.**

22 Section 904 of the Electronic Fund Transfer Act (15
23 U.S.C. 1693b) is amended—

24 (1) by striking “(d) In the event” and inserting
25 “(d) APPLICABILITY TO SERVICE PROVIDERS

1 OTHER THAN CERTAIN FINANCIAL INSTITU-
2 TIONS.—

3 “(1) IN GENERAL.—In the event”; and

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

6 “(2) STATE AND LOCAL GOVERNMENT ELEC-
7 TRONIC BENEFIT TRANSFER PROGRAMS.—

8 “(A) EXEMPTION GENERALLY.—The dis-
9 closures, protections, responsibilities, and rem-
10 edies established under this title, and any regu-
11 lation prescribed or order issued by the Board
12 in accordance with this title, shall not apply to
13 any electronic benefit transfer program estab-
14 lished under State or local law or administered
15 by a State or local government.

16 “(B) EXCEPTION FOR DIRECT DEPOSIT
17 INTO RECIPIENT’S ACCOUNT.—Subparagraph
18 (A) shall not apply with respect to any elec-
19 tronic funds transfer under an electronic benefit
20 transfer program for deposits directly into a
21 consumer account held by the recipient of the
22 benefit.

23 “(C) RULE OF CONSTRUCTION.—No provi-
24 sion of this paragraph may be construed as—

1 “(i) affecting or altering the protec-
2 tions otherwise applicable with respect to
3 benefits established by Federal, State, or
4 local law; or

5 “(ii) otherwise superseding the appli-
6 cation of any State or local law.

7 “(D) ELECTRONIC BENEFIT TRANSFER
8 PROGRAM DEFINED.—For purposes of this
9 paragraph, the term ‘electronic benefit transfer
10 program’—

11 “(i) means a program under which a
12 government agency distributes needs-tested
13 benefits by establishing accounts to be
14 accessed by recipients electronically, such
15 as through automated teller machines, or
16 point-of-sale terminals; and

17 “(ii) does not include employment-re-
18 lated payments, including salaries and pen-
19 sion, retirement, or unemployment benefits
20 established by Federal, State, or local gov-
21 ernments.”.

1 **TITLE XV—VETERANS’ BENEFITS**
2 **AND SERVICES**
3 **Subtitle A—Administrative**
4 **Reforms**

5 **SEC. 15001. REDUCTION IN OVERHEAD EXPENSES OF DE-**
6 **PARTMENT OF VETERANS AFFAIRS.**

7 (a) IN GENERAL.—The amount obligated by the De-
8 partment of Veterans Affairs during fiscal year 1996 for
9 overhead expenses shall not exceed an amount sufficient
10 to reduce outlays for such expenses during such fiscal year
11 (as compared to such outlays during fiscal year 1995) by
12 \$424,000,000.

13 (b) OVERHEAD EXPENSES.—For purposes of this
14 section, the term “overhead expenses” means expenses
15 within the following object classifications established by
16 the Director of the Office of Management and Budget:

- 17 (1) 21.0 (travel and transportation of persons).
18 (2) 22.0 (transportation of things).
19 (3) 23.1 (rental payments to GSA).
20 (4) 23.3 (communications, utilities, and mis-
21 cellaneous charges).
22 (5) 24.0 (printing and reproduction).
23 (6) 25.1 (consulting services).
24 (7) 25.2 (other services).
25 (8) 25.5 (research and development contracts).

1 (9) 26.0 (supplies and materials).

2 (10) 31 (equipment).

3 **Subtitle B—Extension of Certain**
4 **Veterans Programs**

5 **SEC. 15011. PERMANENT EXTENSION OF AUTHORITY FOR**
6 **COPAYMENT CHARGE FOR MEDICATIONS.**

7 Section 1722A of title 38, United States Code, is
8 amended by striking subsection (c).

9 **SEC. 15012. PERMANENT EXTENSION OF AUTHORITY FOR**
10 **MEDICAL CARE COST RECOVERY.**

11 Section 1729(a)(2)(E) of title 38, United States
12 Code, is amended by striking “before October 1, 1998,”.

13 **SEC. 15013. PERMANENT EXTENSION OF AUTHORITY FOR**
14 **INCOME VERIFICATION PROCEDURES.**

15 Section 5317 of title 38, United States Code, is
16 amended by striking subsection (g).

17 **SEC. 15014. PERMANENT EXTENSION OF AUTHORITY FOR**
18 **PROCEDURES APPLICABLE TO LIQUIDATION**

19 **SALES ON DEFAULTED HOME LOANS.**

20 Section 3732(c) of title 38, United States Code, is
21 amended by striking paragraph (11).

1 **Subtitle C—Home Loan Guarantee**
2 **Program Reforms**

3 **SEC. 15021. RESTRICTION ON USE OF MULTIPLE VA HOUS-**
4 **ING LOAN GUARANTY BENEFITS.**

5 (a) REPEAL OF CIRCUMSTANCES EXCLUDED FROM
6 COMPUTATION OF AGGREGATE AMOUNT OF GUARANTY
7 AVAILABLE.—Section 3702 of title 38, United States
8 Code, is amended by striking out subsection (b).

9 (b) CONFORMING AMENDMENTS.—(1) Section
10 3703(a)(1)(B) of such title is amended by striking out
11 “and not restored as a result of the exclusion in section
12 3702(b) of this title”.

13 (2) Section 3710(e)(2) of such title is amended by
14 striking out the last sentence thereof.

15 (3) Section 3712 of such title is amended—

16 (A) in subsection (a), by striking out the last
17 sentence of paragraphs (4)(B) and (5)(B); and

18 (B) in subsection (b)—

19 (i) by striking out “(1)” after “(b)” and
20 inserting in lieu thereof “(b)”; and

21 (ii) by striking out paragraph (2).

22 (c) EFFECTIVE DATE.—The amendments made by
23 subsections (a) and (b) applies with respect to loans guar-
24 anteed, insured, or made after September 30, 1996.

1 **SEC. 15022. EXTENSIONS OF CERTAIN AUTHORITIES RELAT-**
2 **ING TO HOUSING LOANS.**

3 (a) LOAN ORIGINATION FEE.—Paragraph (4) of sec-
4 tion 3729(a) of such title is amended by striking out “Oc-
5 tober 1, 1998” and inserting in lieu thereof “October 1,
6 2000”.

7 (b) MULTIPLE HOME LOAN FEES.—Paragraph
8 (5)(C) of such section is amended by striking out “October
9 1, 1998” and inserting in lieu thereof “October 1, 2000”.

10 **Subtitle D—Medical Program**
11 **Reforms**

12 **SEC. 15031. MORE EFFICIENT MANAGEMENT AND DELIV-**
13 **ERY OF VETERANS HEALTH CARE.**

14 (a) REQUIRED SAVINGS.—The Secretary of Veterans
15 Affairs shall manage the medical care system of the De-
16 partment of Veterans Affairs so as to achieve savings of
17 \$3,200,000,000 by the end of fiscal year 2000 compared
18 to the costs of that system through that fiscal year as-
19 sumed in the Budget of the President for fiscal year 1995.

20 (b) PROSPECTIVE PAYMENT SYSTEM.—In order to
21 achieve the savings required by subsection (a), the Sec-
22 retary shall establish a system known as a Prospective
23 Payment System for the allocation of resources for hos-
24 pital care within the Department of Veterans Affairs. In
25 establishing such a system, the Secretary shall consult
26 with the Secretary of Health and Human Services and

1 shall establish Diagnosis-Related Groups (DRGs) to re-
2 flect the average cost of efficient care for different groups
3 of patients.

4 (c) ADMINISTRATIVE FLEXIBILITY.—In order to im-
5 plement the system required by subsection (b) and to
6 achieve the savings required by subsection (a), the Sec-
7 retary shall have discretion to control the nature and loca-
8 tion of Department facilities, the total number of health
9 care beds of the Department, and the total staffing level
10 of health-related workers in the Department.

11 **SEC. 15032. CLOSURE AND CONVERSION OF INEFFICIENT**
12 **OR UNDERUSED FACILITIES IN VETERANS'**
13 **HOSPITALS.**

14 (a) IN GENERAL.—In order to achieve greater effi-
15 ciency in the operation of the Department of Veterans Af-
16 fairs, the Secretary of Veterans Affairs shall reduce the
17 number of surgical and other acute care facilities of the
18 Department that have low rates of use or occupancy. The
19 Secretary shall carry out the preceding sentence by closing
20 small hospitals or underused units within hospitals or by
21 converting such hospitals or underused units into facilities
22 offering other services which are less costly and for which
23 there is greater demand.

24 (b) CRITERIA.—In considering a facility for closure
25 or conversion under subsection (b), the Secretary shall

1 take into consideration whether there are adequate alter-
2 native sources of care and whether the number of veterans
3 using the facility is below average for Department of Vet-
4 erans Affairs facilities.

5 **SEC. 15033. REDUCTION IN EXPENDITURES FOR MAJOR**
6 **CONSTRUCTION.**

7 (a) LIMITATION ON MAJOR CONSTRUCTION
8 PROJECTS.—During fiscal years 1996 through 2000, the
9 Secretary of Veterans Affairs may carry out a major con-
10 struction project only in a geographic area that does not
11 contain underutilized non-Department of Veterans Affairs
12 facilities through which the Secretary could obtain by con-
13 tract the health care capacity that would otherwise be ob-
14 tained through the major construction project.

15 (b) COST SAVINGS TO BE ACHIEVED.—In order to
16 carry out subsection (a), the Secretary shall revise pro-
17 jected expenditures for major construction projects for the
18 fiscal years covered by subsection (a) in order to reduce
19 those projected expenditures by 10 percent.

20 **Subtitle E—Other Veterans**
21 **Programs Reforms**

22 **SEC. 15041. ELIMINATION OF CERTAIN SUNSET DATES.**

23 The following provisions of law are repealed:

24 (1) Section 8013(e) of the Omnibus Budget
25 Reconciliation Act of 1990 (38 U.S.C. 1710 note).

1 (2) Section 5503(f)(7) of title 38, United States
2 Code.

3 **SEC. 15042. THIRD-PARTY REIMBURSEMENT.**

4 Section 1729(a)(2)(E) is amended by striking out
5 “October 1, 1998” and inserting in lieu thereof “October
6 1, 1999”.

7 **TITLE XVI—ADMINISTRATION OF**
8 **JUSTICE**

9 **Subtitle A—Authorization of**
10 **Appropriations**

11 **CHAPTER 1—DEPARTMENT OF JUSTICE**

12 **SEC. 16001. AUTHORIZATION OF APPROPRIATIONS FOR**
13 **THE DEPARTMENT OF JUSTICE.**

14 There is authorized to be appropriated for each of
15 the fiscal years 1996, 1997, 1998, 1999, and 2000,
16 \$9,517,139,750 to carry out the activities of the Depart-
17 ment of Justice (including any bureau, office, board, divi-
18 sion, commission, or subdivision thereof) which shall in-
19 clude the following sums authorized to be appropriated—

20 (1) for General Administration, Salaries and
21 Expenses: \$73,229,000;

22 (2) for the Office of Inspector General:
23 \$30,500,000; which shall include—

24 (A) not to exceed \$10,000 to meet unfore-
25 seen emergencies of a confidential character, to

1 be expended under the direction of the Attorney
2 General, and to be accounted for solely on the
3 certificate of the Attorney General; and

4 (B) funds for the acquisition, lease, main-
5 tenance and operation of motor vehicles without
6 regard to the general purchase price limitation;

7 (3) for the United States Parole Commission:
8 \$6,781,000;

9 (4) for General Legal Activities: \$407,234,000;
10 which shall include—

11 (A) not to exceed \$20,000 for expenses
12 necessary in the collection of evidence, to be ex-
13 pended under the direction of the Attorney
14 General and accounted for solely on the certifi-
15 cate of the Attorney General;

16 (B) funds for the rent of private or Gov-
17 ernment owned space in the District of Colum-
18 bia; and

19 (C) not to exceed \$2,762,000 for the Office
20 of Legal Counsel:

21 except that notwithstanding any other provision of
22 law, not to exceed \$2,000,000 for expenses of the
23 Department of Justice associated with processing
24 cases under the National Childhood Vaccine Injury
25 Act of 1986 shall be reimbursed from the Special

1 fund established to pay judgments awarded under
2 the Act;

3 (5) for the Antitrust Division: \$67,658,750;

4 (6) for the United States Attorneys:
5 \$817,757,000;

6 (7) for the United States Marshals Service:
7 \$341,471,000; which shall include—

8 (A) funds for the acquisition, lease, main-
9 tenance, and operation of vehicles and aircraft;
10 and

11 (B) funds for the purchase of passenger
12 motor vehicles for police-type use without re-
13 gard to the general purchase price limitation for
14 the current fiscal year:

15 except that notwithstanding the provisions of section
16 3302 of title 31, United States Code, for fiscal year
17 1992 and hereafter the Director of the United
18 States Marshals Service may collect fees and ex-
19 penses for the service authorized by section 1921 of
20 title 28, United States Code, and credit not to ex-
21 ceed \$1,000,000 of such fees to this appropriation to
22 be used for salaries and other expenses incurred in
23 providing these services;

24 (8) For the Support of United States Prisoners
25 in the custody of the United States Marshals Service

1 and as authorized in section 4013 of title 18, United
2 States Code, but not including expenses otherwise
3 provided for in appropriations available to the Attor-
4 ney General, \$268,481,000, to remain available until
5 expended; of which not to exceed \$15,000,000 shall
6 be available under the Cooperative Agreement Pro-
7 gram;

8 (9) For Fees and Expenses of Witnesses:
9 \$78,000,000; which shall remain available until ex-
10 pended; and which shall include—

11 (A) funds for expenses, mileage, compensa-
12 tion, and per diem of witnesses, for private
13 counsel expenses, and for per diem in lieu of
14 subsistence, as authorized by law, including ad-
15 vances; and

16 (B) not to exceed \$2,000,000 for planning,
17 construction, renovation, maintenance, remodel-
18 ing, and repair of buildings and the purchase of
19 equipment incident thereto for protected wit-
20 ness safesites;

21 (10) For the Community Relations Service:
22 \$20,379,000;

23 (11) For the United States Trustee System
24 Fund: \$100,216,000; to remain available until ex-
25 pended and to be derived from the Fund, except that

1 deposits to the Fund are available in such amounts
2 as may be necessary to pay refunds due depositors;

3 (12) For the Assets Forfeiture Fund:
4 \$439,000,000; to be derived from the Fund, as may
5 be necessary for the payment of expenses as author-
6 ized by subparagraphs (A)(ii), (B), (C), (F), and (G)
7 of section 524(c)(1) of title 28, United States Code;

8 (13) For Organized Crime Drug Enforcement:
9 \$500,000,000; for expenses, not otherwise provided
10 for, for the investigation and prosecution of individ-
11 uals involved in organized crime drug trafficking, ex-
12 cept that any amounts obligated from appropriations
13 under this heading may be used under authorities
14 available to the organizations reimbursed from this
15 appropriation;

16 (14) For the Federal Bureau of Investigation:
17 \$2,062,576,000; which shall include—

18 (A) funds for the purchase for police-type
19 use of passenger motor vehicles without regard
20 to the general purchase price limitation for the
21 current fiscal year, and for the hire of pas-
22 senger motor vehicles;

23 (B) funds for the acquisition, lease, main-
24 tenance and operation of aircraft;

1 (C) not to exceed \$70,000 to meet unfore-
2 seen emergencies of a confidential character to
3 be expended under the direction of the Attorney
4 General and to be accounted for solely on the
5 certificate of the Attorney General; and

6 (D) not to exceed \$30,000 for official re-
7 ception and representation expenses;

8 (15) For the Drug Enforcement Administra-
9 tion: \$1,000,000,000; which shall include—

10 (A) funds for the purchase for police-type
11 use of passenger motor vehicles, without regard
12 to the general purchase price limitation for the
13 current fiscal year, and for the hire of pas-
14 senger motor vehicles;

15 (B) funds for the acquisition, lease, main-
16 tenance and operation of aircraft;

17 (C) funds for conducting drug education
18 programs, including travel and related expenses
19 for participants in such programs and the dis-
20 tribution of items of token value that promote
21 the goals of such programs; and

22 (D) not to exceed \$70,000 to meet unfore-
23 seen emergencies of a confidential character to
24 be expended under the direction of the Attorney

1 General and to be accounted for solely on the
2 certificate of the Attorney General;

3 (16) For the Immigration and Naturalization
4 Service: \$1,056,826,000; which shall include—

5 (A) funds for the purchase for police-type
6 use of passenger motor vehicles, without regard
7 to the general purchase price limitation for the
8 current fiscal year, and for the hire of pas-
9 senger motor vehicles;

10 (B) funds for the acquisition, lease, main-
11 tenance and operation of aircraft;

12 (C) funds for the purchase of uniforms
13 without regard to the general purchase price
14 limitation for the current fiscal year; and

15 (D) not to exceed \$50,000 to meet unfore-
16 seen emergencies of a confidential character to
17 be expended under the direction of the Attorney
18 General and to be accounted for solely on the
19 certificate of the Attorney General;

20 (17) For the Federal Prison System:
21 \$2,246,031,000; including \$11,055,000 for the Na-
22 tional Institute of Corrections and \$339,225,000 for
23 buildings and facilities; and

24 (18) The Federal Prison Industries, Incor-
25 porated is authorized to make expenditures, within

1 the limits of funds and borrowing authority avail-
2 able, and in accord with the law, and to make such
3 contracts and commitments, without regard to fiscal
4 year limitations as provided by section 104 of the
5 Government Corporation Control Act as may be nec-
6 essary in carrying out the program set forth in the
7 budget for the current fiscal year for such corpora-
8 tion, including purchases of and hire of passenger
9 motor vehicles.

10 **SEC. 16002. REDUCTION IN OVERHEAD EXPENSES OF DE-**
11 **PARTMENT OF JUSTICE.**

12 (a) IN GENERAL.—The amount obligated by the De-
13 partment of Justice during fiscal year 1996 for overhead
14 expenses shall not exceed an amount sufficient to reduce
15 outlays for such expenses during such fiscal year (as com-
16 pared to such outlays during fiscal year 1995) by
17 \$401,000,000.

18 (b) OVERHEAD EXPENSES.—For purposes of this
19 section, the term “overhead expenses” means expenses
20 within the following object classifications established by
21 the Director of the Office of Management and Budget:

- 22 (1) 21.0 (travel and transportation of persons).
23 (2) 22.0 (transportation of things).
24 (3) 23.1 (rental payments to GSA).

1 (4) 23.3 (communications, utilities, and mis-
2 cellaneous charges).

3 (5) 24.0 (printing and reproduction).

4 (6) 25.1 (consulting services).

5 (7) 25.2 (other services).

6 (8) 25.5 (research and development contracts).

7 (9) 26.0 (supplies and materials).

8 (10) 31 (equipment).

9 **CHAPTER 2—OTHER LAW ENFORCEMENT**

10 **ENTITIES**

11 **SEC. 16011. AUTHORIZATION OF APPROPRIATIONS FOR**

12 **THE UNITED STATES CUSTOMS SERVICE.**

13 There is authorized to be appropriated for each of
14 the fiscal years 1996, 1997, 1998, 1999, and 2000,
15 \$1,360,665,000 for salaries and expenses of the United
16 States Customs Service.

17 **SEC. 16012. AUTHORIZATION OF APPROPRIATIONS FOR**

18 **THE UNITED STATES SECRET SERVICE.**

19 There is authorized to be appropriated for each of
20 the fiscal years 1996, 1997, 1998, 1999, and 2000,
21 \$461,992,000 for salaries and expenses of the United
22 States Secret Service.

1 **SEC. 16013. AUTHORIZATION OF APPROPRIATIONS FOR**
2 **THE BUREAU OF ALCOHOL, TOBACCO, AND**
3 **FIREARMS.**

4 There is authorized to be appropriated for each of
5 the fiscal years 1996, 1997, 1998, 1999, and 2000,
6 \$188,000,000 for salaries and expenses of the Bureau of
7 Alcohol, Tobacco, and Firearms.

8 **SEC. 16014. AUTHORIZATION OF APPROPRIATIONS FOR DE-**
9 **FENDER SERVICES.**

10 There is authorized to be appropriated for each of
11 the fiscal years 1996, 1997, 1998, 1999, and 2000,
12 \$250,000,000 for defender services authorized under sec-
13 tion 3006A of title 18 of the United States Code.

14 **CHAPTER 3—ADMINISTRATIVE REFORMS**

15 **SEC. 16021. IMPROVEMENT OF U.S. MARSHALS SERVICE.**

16 (a) PHASING OUT OF POLITICAL APPOINTEES.—

17 (1) UNCONFIRMED APPOINTEES.—Any individ-
18 ual serving as a United States marshal to whose ap-
19 pointment to such office the Senate has not given its
20 advice and consent as of the date of the enactment
21 of this Act, may no longer serve in such position on
22 or after such date of enactment, except pursuant to
23 appointment by the Attorney General under the
24 amendments made by this section. The Attorney
25 General shall, before appointing any other individual
26 to such vacated position, offer such vacated position

1 to the individual then serving as deputy marshal in
2 that office of United States marshal. The individual
3 appointed to fill such vacated position shall be ap-
4 pointed for the remainder of the unexpired term of
5 his or her predecessor.

6 (2) CONFIRMED APPOINTEES.—Any individual
7 who, on the date of the enactment of this Act, is a
8 United States marshal to whose appointment the
9 Senate has given its advice and consent, may not
10 serve in such position on or after December 31,
11 1995, except pursuant to appointment by the Attor-
12 ney General under the amendments made by this
13 section. The Attorney General shall, before appoint-
14 ing any other individual to such vacated position,
15 offer such vacated position to the individual then
16 serving as deputy marshal in that office of United
17 States marshal. The individual appointed to fill such
18 vacated position shall be appointed for the remain-
19 der of the unexpired term of his or her predecessor.

20 (b) APPOINTMENT OF UNITED STATES MAR-
21 SHALS.—Section 561 of title 28, United States Code, is
22 amended—

23 (1) in subsection (c) by striking “The President
24 shall appoint, by and with the advice and consent of

1 the Senate,” and inserting “The Attorney General
2 shall appoint”; and

3 (2) in subsection (d) by striking “President”
4 and inserting “Attorney General”.

5 (c) OVERALL REDUCTION IN NUMBER OF POSI-
6 TIONS.—

7 (1) ELIMINATION OF POSITIONS OF DEPUTY
8 MARSHAL.—The position of deputy marshal in the
9 70 judicial districts having the least population of all
10 judicial districts shall be abolished, as of—

11 (A) the date of the enactment of this Act,
12 in a case in which subsection (a)(1) applies; or

13 (B) the date on which the United States
14 marshal leaves office under the first sentence of
15 subsection (a)(2), in a case in which such sub-
16 section applies;

17 and no equivalent position in such districts shall
18 thereafter be created.

19 (2) OVERALL REDUCTION.—The number of
20 full-time equivalent positions in the United States
21 Marshals Service as of January 1, 1996, may not
22 exceed the number of full-time equivalent positions
23 in the United States Marshals Service on the date
24 of the enactment of this Act, minus 70.

1 (d) CONFORMING AMENDMENTS.—(1) Section 562 of
2 title 28, United States Code, and the item relating to such
3 section in the table of sections at the beginning of chapter
4 37 of such title, are repealed.

5 (2) Section 569 of such title is amended—

6 (A) by striking “(a)”; and

7 (B) by striking subsection (b).

8 **Subtitle B—Prison Reforms**

9 **SEC. 16201. PRIVATIZATION OF CORRECTIONAL INSTITU-** 10 **TIONS.**

11 (a) IN GENERAL.—Chapter 301 of title 18, United
12 States Code, is amended by adding at the end the follow-
13 ing:

14 **“§ 4014. Privatization of correctional institutions**

15 “The Attorney General shall, not later than 5 years
16 after the date of the enactment of this section and subject
17 to the availability of sums appropriated for this purpose,
18 contract with private persons for the imprisonment, sub-
19 sistence, care, and proper employment of all persons held
20 in Federal medium to maximum security mainstream pris-
21 ons known as Federal correctional institutions under the
22 authority of an enactment of Congress. The Attorney Gen-
23 eral shall phase in the contracts required under this sec-
24 tion so that contracts cover approximately an additional
25 20 percent of prisoners in such institutions each of the

1 5 years beginning on the date of the enactment of this
2 section.”

3 (b) CLERICAL AMENDMENT.—The table of sections
4 at the beginning of chapter 301 of title 18, United States
5 Code, is amended by adding at the end the following new
6 item:

“4014. Privatization of correctional institutions.”.

7 **SEC. 16202. PAYMENT OF PUBLIC SAFETY OFFICERS.**

8 Section 1201(b) of the Omnibus Crime Control and
9 Safe Streets Act of 1968 (42 U.S.C. 3796(b)) is amend-
10 ed—

11 (1) in the first sentence by striking “appropria-
12 tions are provided” and inserting “funds are avail-
13 able under the Victims of Crime Act of 1984 (42
14 U.S.C. 10601 et seq.)”; and

15 (2) in the second sentence by striking “there
16 are authorized” and all that follows and inserting
17 “the Attorney General, acting through the Director
18 of the Office of Victims of Crime, shall assign a pri-
19 ority for payments to public safety officers under the
20 Victims’s of Crime Fund and payment from such
21 fund to public safety officers shall be reduced by a
22 proportionate share to the extent that sufficient
23 funds are not available.

1 **Subtitle C—Justice Assistance**
2 **Program Reforms**

3 **SEC. 16301. LEGAL SERVICES CORPORATION.**

4 The Legal Services Corporation Act is repealed, the
5 Legal Services Corporation is terminated, and its officers
6 and employees are terminated.

7 **SEC. 16302. SURCHARGE ON DEBTS COLLECTED BY THE**
8 **UNITED STATES.**

9 Section 3011(a) of title 28, United States Code, is
10 amended by striking “10 percent” and inserting “15 per-
11 cent”.

12 **SEC. 16303. TERMINATE BUREAU OF JUSTICE ASSISTANCE.**

13 (a) **IN GENERAL.**—Part D of title I of the Omnibus
14 Crime Control and Safe Streets Act of 1968 (42 U.S.C.
15 3741 et seq.) is repealed.

16 (b) **BUREAU PHASE OUT.**—The Attorney General
17 may provide for the orderly phase out of the Bureau of
18 Justice Assistance.

19 **SEC. 16304. TERMINATE STATE JUSTICE INSTITUTE.**

20 (a) **IN GENERAL.**—The State Justice Institute Act
21 of 1984 (42 U.S.C. 10701 et seq.) is repealed.

22 (b) **INSTITUTE PHASE OUT.**— The Attorney General
23 may provide for the orderly phase out of the State Justice
24 Institute.

1 **Subtitle D—Federal Bureau of**
2 **Investigation Reforms**

3 **SEC. 16401. RESCISSION OF FUNDS FOR FBI FINGERPRINT**
4 **LABORATORY IN WEST VIRGINIA.**

5 Of the funds made available under the heading “Fed-
6 eral Bureau of Investigation—Salaries and Expenses” in
7 chapter 2 of title II of Public Law 103–211, the unobli-
8 gated balance on the date of the enactment of this Act
9 is rescinded.

10 **Subtitle E—Other Justice Program**
11 **Reforms**

12 **SEC. 16501. AUTHORIZATION OF APPROPRIATIONS FOR**
13 **THE EQUAL EMPLOYMENT OPPORTUNITY**
14 **COMMISSION.**

15 Section 705 of the Civil Rights Act of 1964 (42
16 U.S.C. 2000e–4) is amended by adding at the end the
17 following:

18 “(l) There is authorized to be appropriated to carry
19 out this title (excluding subsections (j) and (k) of this sec-
20 tion) \$230,000,000 for each of the fiscal years 1996,
21 1997, 1998, 1999, and 2000.”.

22 **SEC. 16502. HARBOR MAINTENANCE FEES.**

23 Section 9505(c) of the Internal Revenue Code of
24 1986 (26 U.S.C. 9505(c)) is amended—

1 (1) in paragraph (2) by striking “and” at the
2 end;

3 (2) in paragraph (3) by striking the period at
4 the end and inserting “, and”; and

5 (3) by adding at the end the following:

6 “(4) in addition to amounts made available
7 under paragraph (3), for payment of expenses in-
8 curred by the Department of the Treasury, in fiscal
9 years 1996 through 1999, to ensure that the fees
10 imposed under section 4461 are paid, but not in ex-
11 cess of \$5,000,000 for any such fiscal year.”.

12 **TITLE XVII—GENERAL**

13 **GOVERNMENT**

14 **Subtitle A—Administrative**

15 **Reforms**

16 **SEC. 17001. REDUCTION IN OVERHEAD EXPENSES OF CER-** 17 **TAIN FOREIGN OPERATIONS ACTIVITIES.**

18 (a) IN GENERAL.—The aggregate amount obligated
19 during fiscal year 1996 for overhead expenses for activities
20 for which funds are appropriated under the heading
21 “Funds Appropriated to the President” in the Foreign
22 Operations, Export Financing, and Related Programs Ap-
23 propriations Act shall not exceed an amount sufficient to
24 reduce outlays for such expenses during such fiscal year

1 (as compared to such outlays during fiscal year 1995) by
2 \$461,000,000.

3 (b) OVERHEAD EXPENSES.—For purposes of this
4 section, the term “overhead expenses” means expenses
5 within the following object classifications established by
6 the Director of the Office of Management and Budget:

7 (1) 21.0 (travel and transportation of persons).

8 (2) 22.0 (transportation of things).

9 (3) 23.1 (rental payments to GSA).

10 (4) 23.3 (communications, utilities, and mis-
11 cellaneous charges).

12 (5) 24.0 (printing and reproduction).

13 (6) 25.1 (consulting services).

14 (7) 25.2 (other services).

15 (8) 25.5 (research and development contracts).

16 (9) 26.0 (supplies and materials).

17 (10) 31 (equipment).

18 **SEC. 17002. REDUCTION IN OVERHEAD EXPENSES OF DE-**

19 **PARTMENT OF THE TREASURY.**

20 (a) IN GENERAL.—The amount obligated by the De-
21 partment of the Treasury during fiscal year 1996 for over-
22 head expenses shall not exceed an amount sufficient to re-
23 duce outlays for such expenses during such fiscal year (as
24 compared to such outlays during fiscal year 1995) by
25 \$209,000,000.

1 (b) OVERHEAD EXPENSES.—For purposes of this
2 section, the term “overhead expenses” means expenses
3 within the following object classifications established by
4 the Director of the Office of Management and Budget:

5 (1) 21.0 (travel and transportation of persons).

6 (2) 22.0 (transportation of things).

7 (3) 23.1 (rental payments to GSA).

8 (4) 23.3 (communications, utilities, and mis-
9 cellaneous charges).

10 (5) 24.0 (printing and reproduction).

11 (6) 25.1 (consulting services).

12 (7) 25.2 (other services).

13 (8) 25.5 (research and development contracts).

14 (9) 26.0 (supplies and materials).

15 (10) 31 (equipment).

16 **SEC. 17003. REDUCTION IN OVERHEAD EXPENSES OF OF-**
17 ****FICE OF PERSONNEL MANAGEMENT.****

18 (a) IN GENERAL.—The amount obligated by the Of-
19 fice of Personnel Management during fiscal year 1996 for
20 overhead expenses shall not exceed an amount sufficient
21 to reduce outlays for such expenses during such fiscal year
22 (as compared to such outlays during fiscal year 1995) by
23 \$12,000,000.

24 (b) OVERHEAD EXPENSES.—For purposes of this
25 section, the term “overhead expenses” means expenses

1 within the following object classifications established by
2 the Director of the Office of Management and Budget:

3 (1) 21.0 (travel and transportation of persons).

4 (2) 22.0 (transportation of things).

5 (3) 23.1 (rental payments to GSA).

6 (4) 23.3 (communications, utilities, and mis-
7 cellaneous charges).

8 (5) 24.0 (printing and reproduction).

9 (6) 25.1 (consulting services).

10 (7) 25.2 (other services).

11 (8) 25.5 (research and development contracts).

12 (9) 26.0 (supplies and materials).

13 (10) 31 (equipment).

14 **SEC. 17004. REDUCTION IN OVERHEAD EXPENSES OF**
15 **OTHER INDEPENDENT AGENCIES.**

16 (a) IN GENERAL.—The aggregate amount obligated
17 by the independent agencies of the Federal Government
18 during fiscal year 1996 for overhead expenses shall not
19 exceed an amount sufficient to reduce outlays for such ex-
20 penses during such fiscal year (as compared to such out-
21 lays during fiscal year 1995) by \$347,000,000. The Direc-
22 tor of the Office of Management and Budget shall estab-
23 lish obligation limits for each such agency in order to carry
24 out this section.

1 (b) OVERHEAD EXPENSES.—For purposes of this
2 section, the term “overhead expenses” means expenses
3 within the following object classifications established by
4 the Director of the Office of Management and Budget:

5 (1) 21.0 (travel and transportation of persons).

6 (2) 22.0 (transportation of things).

7 (3) 23.1 (rental payments to GSA).

8 (4) 23.3 (communications, utilities, and mis-
9 cellaneous charges).

10 (5) 24.0 (printing and reproduction).

11 (6) 25.1 (consulting services).

12 (7) 25.2 (other services).

13 (8) 25.5 (research and development contracts).

14 (9) 26.0 (supplies and materials).

15 (10) 31 (equipment).

16 **SEC. 17005. TERMINATION OF ADVISORY COMMISSION ON**
17 **INTERGOVERNMENTAL RELATIONS.**

18 (a) REPEAL.—The Act entitled “An Act to establish
19 an Advisory Commission on Intergovernmental Relations”
20 (42 U.S.C. 4271 et seq.), approved September 24, 1959,
21 which established the Advisory Commission on Intergov-
22 ernmental Relations, is repealed.

23 (b) SAVINGS PROVISIONS.—

24 (1) CONTINUATION OF AGREEMENTS, GRANTS,
25 CONTRACTS, PRIVILEGES, AND OTHER ADMINISTRA-

1 TIVE ACTIONS.—All agreements, grants, contracts,
2 privileges, and other administrative actions—

3 (A) which have been issued, made, grant-
4 ed, or allowed to become effective by the Advi-
5 sory Commission on Intergovernmental Rela-
6 tions in the performance of its functions or by
7 a court of competent jurisdiction with respect to
8 those functions, and

9 (B) which are in effect on the date of the
10 enactment of this Act, or were final before that
11 date of enactment and are to become effective
12 on or after that date of enactment,

13 shall continue in effect according to their terms until
14 modified, terminated, superseded, set aside, or re-
15 voked in accordance with law by the President, any
16 other authorized official, a court of competent juris-
17 diction, or operation of law.

18 (2) SUITS NOT AFFECTED.—The provisions of
19 this section shall not affect suits commenced before
20 the date of the enactment of this Act, and in all
21 such suits, proceedings shall be had, appeals taken,
22 and judgments rendered in the same manner and
23 with the same effect as if this section had not been
24 enacted.

1 (3) SUITS INVOLVING COUNCIL OR OFFICE.—
2 No suit, action, or other proceeding commenced by
3 or against the Advisory Commission on Intergovern-
4 mental Relations, or by or against any individual in
5 the official capacity of such individual as an officer
6 or employee of such commission, shall abate by rea-
7 son of the enactment of this section.

8 **SEC. 17006. ADMINISTRATIVE CONFERENCE OF THE UNIT-**
9 **ED STATES.**

10 Subchapter V of chapter 5 of title 5, United States
11 Code, is repealed, the Administrative Conference of the
12 United States is terminated, and the officers and employ-
13 ees of the Conference are terminated.

14 **SEC. 17007. TERMINATION OF MISCELLANEOUS ADVISORY**
15 **COMMITTEES.**

16 (a) DEPARTMENT OF AGRICULTURE.—

17 (1) SWINE HEALTH ADVISORY COMMITTEE.—
18 Section 11 of the Swine Health Protection Act (7
19 U.S.C. 3810), which required the Secretary of Agri-
20 culture to appoint a swine health advisory committee
21 or committees, is repealed.

22 (2) CASCADE HEAD SCENIC-RESEARCH AREA
23 ADVISORY COUNCIL.—Section 8 of the Act of De-
24 cember 22, 1974 (16 U.S.C. 541g), which required
25 the Secretary of Agriculture to establish a Cascade

1 Head Scenic-Research Area advisory council, is re-
2 pealed.

3 (3) GLOBAL CLIMATE CHANGE TECHNICAL AD-
4 VISORY COMMITTEE.—Section 2404 of the Food, Ag-
5 riculture, Conservation, and Trade Act of 1990 (7
6 U.S.C. 6703), which required the Secretary of Agri-
7 culture to establish a technical advisory committee
8 concerning global climate change, is repealed.

9 (4) MONO BASIN NATIONAL FOREST SCENIC
10 AREA ADVISORY BOARD.—Section 306 of the Califor-
11 nia Wilderness Act of 1984 (16 U.S.C. 543e), which
12 established the Mono Basin National Forest Scenic
13 Area Advisory Board, is repealed.

14 (5) NEZ PERCE NATIONAL HISTORIC TRAIL AD-
15 VISORY COUNCIL.—Section 5(d) of the National
16 Trails System Act (16 U.S.C. 1244(d)), which re-
17 quired the Secretary of Agriculture to appoint a Nez
18 Perce National Historic Trail Advisory Council, is
19 amended in the first sentence by striking “establis-
20 ment.” the first place it appears, and by inserting
21 before the period at the end of the first sentence, as
22 amended, the following: “and the Advisory Council
23 established for the Nez Perce National Historic
24 Trail shall terminate on the effective date of the Re-
25 structuring a Limited Government Act”.

1 (b) DEPARTMENT OF DEFENSE.—Section 3306 of
2 the National Defense Authorization Act for Fiscal Year
3 1993 (50 U.S.C. 98h–1 note), which authorized the Gov-
4 ernment-Industry Advisory Committee on the Operation
5 and Modernization of the National Defense Stockpile, is
6 repealed.

7 (c) DEPARTMENT OF ENERGY.—

8 (1) TECHNICAL ADVISORY COMMITTEE ON VER-
9 IFICATION OF FISSILE MATERIAL AND NUCLEAR
10 WARHEAD CONTROLS.—Section 3151(c) of the Na-
11 tional Defense Authorization Act for Fiscal Year
12 1991 (Public Law 101–510; 104 Stat. 1839), which
13 authorized the Technical Advisory Committee on
14 Verification of Fissile Material and Nuclear War-
15 head Controls, is repealed.

16 (2) TECHNICAL PANEL ON MAGNETIC FU-
17 SION.—Section 7 of the Magnetic Fusion Energy
18 Engineering Act of 1980 (42 U.S.C. 9306), which
19 authorized the Technical Panel on Magnetic Fusion,
20 is repealed.

21 (d) DEPARTMENT OF HEALTH AND HUMAN SERV-
22 ICES.—

23 (1) ADVISORY COUNCIL ON HAZARDOUS SUB-
24 STANCES RESEARCH AND TRAINING.—

1 (A) REPEAL.—Section 311(a)(5) of the
2 Comprehensive Environmental Response, Com-
3 pensation, and Liability Act of 1980 (42 U.S.C.
4 9660(a)(5)), which authorized the Advisory
5 Council on Hazardous Substances Research and
6 Training, is repealed.

7 (B) CONFORMING AMENDMENT.—Section
8 2702(a) of title 10, United States Code, is
9 amended in the first sentence by striking “and
10 the advisory council established under section
11 311(a)(5) of CERCLA”.

12 (2) ADVISORY COUNCIL ON TRAUMA CARE SYS-
13 TEMS.—Section 601(b) of the Preventative Health
14 Amendments of 1993 (107 Stat. 2238), which
15 sought to terminate the Advisory Council on Trauma
16 Care Systems, is amended by striking “Section
17 1201” and inserting “Title XII”.

18 (3) JOB OPPORTUNITIES AND BASIC SKILLS
19 TRAINING PROGRAM ADVISORY PANEL.—Section
20 203(c)(4) of the Family Support Act of 1988 (42
21 U.S.C. 681 note), which authorized the Advisory
22 Panel for the Evaluation of the Job Opportunities
23 and Basic Skills Training (JOBS) Program, is re-
24 pealed.

25 (4) BOARD OF TEA EXPERTS.—

1 (A) REPEAL.—Section 4 of the Tea Importation Act (21 U.S.C. 42), which authorized the
2 Board of Tea Experts, is repealed.
3

4 (B) CONFORMING AMENDMENTS.—Section
5 3 of the Tea Importation Act (21 U.S.C. 43) is
6 amended in the first sentence by striking “,
7 upon the recommendation of the said board,”.

8 (5) DEVICE GOOD MANUFACTURING ADVISORY
9 COMMITTEE.—Section 520(f)(3) of the Federal
10 Food, Drug, and Cosmetic Act (21 U.S.C.
11 360j(f)(3)), which authorized the Device Good Man-
12 ufacturing Practice Advisory Committee, is repealed.

13 (6) END STAGE RENAL DISEASE DATA ADVI-
14 SORY COMMITTEE.—The second sentence of section
15 1881(c)(7) of the Social Security Act (42 U.S.C.
16 1395rr(c)(7)), which authorized the End-Stage
17 Renal Disease Data Advisory Committee, is amend-
18 ed by striking everything after “purpose of such”
19 and inserting “registry and shall determine the ap-
20 propriate location of the registry.”.

21 (7) FEDERAL HOSPITAL COUNCIL.—Section
22 641 of the Public Health Service Act (42 U.S.C.
23 291k), which authorized the Federal Hospital Coun-
24 cil, is repealed.

1 (8) NATIONAL ARTHRITIS AND MUSCULO-
2 SKELETAL AND SKIN DISEASES ADVISORY BOARD.—
3 Section 442 of the Public Health Service Act (42
4 U.S.C. 285d-7), which authorized the National Ar-
5 thritis and Musculoskeletal and Skin Diseases Advi-
6 sory Board, is repealed.

7 (9) NATIONAL COMMISSION ON ALCOHOLISM
8 AND OTHER ALCOHOL-RELATED PROBLEMS.—Sec-
9 tion 18 of the Comprehensive Alcohol Abuse and Al-
10 coholism Prevention, Treatment, and Rehabilitation
11 Act Amendments of 1979 (42 U.S.C. 4541 note),
12 which established the National Commission on Alco-
13 holism and Other Alcohol-Related Problems, is re-
14 pealed.

15 (10) NATIONAL DEAFNESS AND OTHER COMMU-
16 NICATION DISORDERS ADVISORY BOARD.—Section
17 464D of the Public Health Service Act (42 U.S.C.
18 285m-4), which authorized the National Deafness
19 and Other Communication Disorders Advisory
20 Board, is repealed.

21 (11) NATIONAL DIABETES ADVISORY BOARD,
22 NATIONAL DIGESTIVE DISEASES ADVISORY BOARD,
23 AND NATIONAL KIDNEY AND UROLOGIC DISEASES
24 ADVISORY BOARD.—

1 (A) REPEAL.—Section 430 of the Public
2 Health Service Act (42 U.S.C. 285c-4), which
3 authorized the National Diabetes Advisory
4 Board, the National Digestive Diseases Advi-
5 sory Board, and the National Kidney and Uro-
6 logic Diseases Advisory Board, is repealed.

7 (B) CONFORMING AMENDMENTS.—Section
8 429(c) of the Public Health Service Act (42
9 U.S.C. 485c-3(c)) is amended—

10 (i) in paragraph (1) by adding “and”
11 after the semicolon;

12 (ii) in paragraph (2) by striking
13 “and” after the semicolon; and

14 (iii) by striking paragraph (3).

15 (12) TASK FORCE ON AGING RESEARCH.—Title
16 III of the Home Health Care and Alzheimer’s Dis-
17 ease Amendments of 1990 (42 U.S.C. 242q through
18 242q-5), which authorized the Task Force on Aging
19 Research, is repealed.

20 (e) DEPARTMENT OF THE INTERIOR.—

21 (1) CHATTAHOOCHEE RIVER NATIONAL RECRE-
22 ATION AREA ADVISORY COMMISSION.—Section 106
23 of the Act entitled “An Act to authorize the estab-
24 lishment of the Chattahoochee River National Recre-
25 ation Area in the State of Georgia, and for other

1 purposes” (16 U.S.C. 460ii-5), approved October
2 30, 1984, which established the Chattahoochee River
3 National Recreation Area Advisory Commission, is
4 repealed.

5 (2) GULF ISLANDS NATIONAL SEASHORE ADVI-
6 SORY COMMISSION.—Section 10 of the Act entitled
7 “An Act to provide for the establishment of the Gulf
8 Islands National Seashore, in the States of Florida
9 and Mississippi, for the recognition of certain his-
10 toric values at Fort San Carlos, Fort Redoubt, Fort
11 Barrancas, and Fort Pickens in Florida, and Fort
12 Massachusetts in Mississippi, and for other pur-
13 poses” (16 U.S.C. 459h-9), approved January 8,
14 1971, which established the Gulf Islands National
15 Seashore Advisory Commission, is repealed.

16 (3) JEFFERSON NATIONAL EXPANSION MEMO-
17 RIAL COMMISSION.—Section 7 of the Act entitled
18 “An Act to provide for the construction of the Jef-
19 ferson National Expansion Memorial at the site of
20 Old Saint Louis, Missouri, in general accordance
21 with the plan approved by the United States Terri-
22 torial Expansion Memorial Commission, and for
23 other purposes” (16 U.S.C. 450jj-6), approved Au-
24 gust 24, 1984, which established the Jefferson Na-
25 tional Expansion Memorial Commission, is repealed.

1 (4) POTOMAC HERITAGE NATIONAL SCENIC
2 TRAIL ADVISORY COUNCIL.—The first sentence of
3 section 5(d) of the National Trails System Act (16
4 U.S.C. 1244(d)), as amended by subsection (a)(5) of
5 this Act, which authorized the Potomac Heritage
6 National Scenic Trail Advisory Council, is further
7 amended by striking “The Secretary” and inserting
8 “Except for the Potomac Heritage National Scenic
9 Trail, the Secretary”.

10 (f) DEPARTMENT OF JUSTICE.—

11 (1) REPEAL.—Section 5002 of title 18, United
12 States Code, which created the Advisory Corrections
13 Council, is repealed.

14 (2) CONFORMING AMENDMENTS.—Chapter 401
15 of title 18, United States Code, is amended—

16 (A) by redesignating section 5003 as sec-
17 tion 5002; and

18 (B) in the table of sections at the begin-
19 ning of the chapter by striking the items related
20 to sections 5002 and 5003 and inserting the
21 following:

“5002. Custody of State offenders.”.

22 (g) DEPARTMENT OF TRANSPORTATION.—

23 (1) COMMERCIAL MOTOR VEHICLE SAFETY REG-
24 ULATORY REVIEW PANEL.—

1 (A) REPEAL.—Section 31134 of title 49,
2 United States Code, which authorized the Com-
3 mercial Motor Vehicle Safety Regulatory Re-
4 view Panel, is repealed.

5 (B) CLERICAL AMENDMENT.—The table of
6 sections at the beginning of chapter 311 of title
7 49, United States Code, is amended by striking
8 the item relating to section 31134.

9 (2) NATIONAL DRIVER REGISTER ADVISORY
10 COMMITTEE.—Section 209 of the National Driver
11 Register Act of 1982 (23 U.S.C. 401 note), which
12 established the National Driver Register Advisory
13 Committee, is repealed.

14 (3) NATIONAL HIGHWAY SAFETY ADVISORY
15 COMMITTEE.—Section 404 of title 23, United States
16 Code, which established the National Highway Safe-
17 ty Advisory Committee, is repealed.

18 (h) SAVINGS PROVISIONS.—

19 (1) CONTINUATION OF AGREEMENTS, GRANTS,
20 CONTRACTS, PRIVILEGES, AND OTHER ADMINISTRA-
21 TIVE ACTIONS.—All agreements, grants, contracts,
22 privileges, and other administrative actions—

23 (A) which have been issued, made, grant-
24 ed, or allowed to become effective by an entity
25 terminated pursuant to an amendment or re-

1 peal made by this section, in the performance of
2 its functions or by a court of competent juris-
3 diction with respect to those functions, and

4 (B) which are in effect on the date of the
5 enactment of this Act, or were final before that
6 date of enactment and are to become effective
7 on or after that date of enactment,

8 shall continue in effect according to their terms until
9 modified, terminated, superseded, set aside, or re-
10 voked in accordance with law by the President, any
11 other authorized official, a court of competent juris-
12 diction, or operation of law.

13 (2) SUITS NOT AFFECTED.—The provisions of
14 this section shall not affect suits commenced before
15 the date of the enactment of this Act, and in all
16 such suits, proceedings shall be had, appeals taken,
17 and judgments rendered in the same manner and
18 with the same effect as if this section had not been
19 enacted.

20 (3) SUITS INVOLVING COUNCIL OR OFFICE.—
21 No suit, action, or other proceeding commenced by
22 or against an entity terminated pursuant to an
23 amendment or repeal made by this section, or by or
24 against any individual in the official capacity of such
25 individual as an officer or employee of such an en-

1 tity, shall abate by reason of the enactment of this
2 section.

3 **SEC. 17008. TERMINATION OF FEDERAL INFORMATION CEN-**
4 **TERS.**

5 (a) **REPEAL.**—Section 112 of the Federal Property
6 and Administrative Services Act of 1949 (40 U.S.C. 760),
7 which authorized the establishment of a network of Fed-
8 eral information centers, is repealed.

9 (b) **CLERICAL AMENDMENT.**—The table of contents
10 in the first section of the Federal Property and Adminis-
11 trative Services Act of 1949 (40 U.S.C. 471 et seq.) is
12 amended by striking the item relating to section 112.

13 **Subtitle B—Legislative Branch**
14 **Reductions**

15 **SEC. 17101. REDUCTION IN OVERHEAD EXPENSES OF EXEC-**
16 **UTIVE OFFICE OF THE PRESIDENT.**

17 (a) **IN GENERAL.**—The amount obligated by each of-
18 fice in the Executive Office of the President during fiscal
19 year 1996 for overhead expenses shall not exceed an
20 amount sufficient to reduce outlays for such expenses dur-
21 ing such fiscal year (as compared to such outlays during
22 fiscal year 1995) by 25 percent.

23 (b) **OVERHEAD EXPENSES.**—For purposes of this
24 section, the term “overhead expenses” means expenses

1 within the following object classifications established by
2 the Director of the Office of Management and Budget:

3 (1) 21.0 (travel and transportation of persons).

4 (2) 22.0 (transportation of things).

5 (3) 23.1 (rental payments to GSA).

6 (4) 23.3 (communications, utilities, and mis-
7 cellaneous charges).

8 (5) 24.0 (printing and reproduction).

9 (6) 25.1 (consulting services).

10 (7) 25.2 (other services).

11 (8) 25.5 (research and development contracts).

12 (9) 26.0 (supplies and materials).

13 (10) 31 (equipment).

14 **SEC. 17102. FORMULA FOR DETERMINING OFFICIAL MAIL**
15 **ALLOWANCE.**

16 (a) IN GENERAL.—Section 311(e)(2)(B)(i) of the
17 Legislative Branch Appropriations Act, 1991 (2 U.S.C.
18 59e(e)(2)(B)(i)) is amended by striking “3” and inserting
19 “1.5”.

20 (b) EFFECTIVE DATE.—The amendment made by
21 this section shall apply with respect to sessions of Con-
22 gress beginning with the first session of the One Hundred
23 Fourth Congress.

1 **SEC. 17103. TRANSFER OF CERTAIN FUNDS PROHIBITED.**

2 Section 101(c)(2) of the Legislative Branch Appro-
3 priations Act, 1993 (2 U.S.C. 95b(c)(2)), is amended by
4 striking “Official Mail Costs”,,”.

5 **SEC. 17104. TEMPORARY SUSPENSION OF AUTOMATIC PAY**
6 **ADJUSTMENTS FOR MEMBERS OF CONGRESS.**

7 (a) IN GENERAL.—Section 601(a) of the Legislative
8 Reorganization Act of 1946 (2 U.S.C. 31) is amended by
9 adding at the end the following:

10 “(3) No rate of pay shall be adjusted to reflect any
11 adjustment which, but for this paragraph, would take ef-
12 fect under paragraph (2) on or after January 1, 1997,
13 and before January 1, 2002.”.

14 (b) TECHNICAL AMENDMENT.—Paragraph (2)(A) of
15 section 601(a) of such Act is amended by striking “Sub-
16 ject to subparagraph (B),” and inserting “Subject to sub-
17 paragraph (B) and paragraph (3),”.

18 **Subtitle C—Executive Branch**
19 **Reductions**

20 **SEC. 17201. REDUCTION IN OVERHEAD EXPENSES OF EXEC-**
21 **UTIVE OFFICE OF THE PRESIDENT.**

22 (a) IN GENERAL.—The amount obligated by each of-
23 fice in the Executive Office of the President during fiscal
24 year 1996 for overhead expenses shall not exceed an
25 amount sufficient to reduce outlays for such expenses dur-

1 ing such fiscal year (as compared to such outlays during
2 fiscal year 1995) by 25 percent.

3 (b) OVERHEAD EXPENSES.—For purposes of this
4 section, the term “overhead expenses” means expenses
5 within the following object classifications established by
6 the Director of the Office of Management and Budget:

7 (1) 21.0 (travel and transportation of persons).

8 (2) 22.0 (transportation of things).

9 (3) 23.1 (rental payments to GSA).

10 (4) 23.3 (communications, utilities, and mis-
11 cellaneous charges).

12 (5) 24.0 (printing and reproduction).

13 (6) 25.1 (consulting services).

14 (7) 25.2 (other services).

15 (8) 25.5 (research and development contracts).

16 (9) 26.0 (supplies and materials).

17 (10) 31 (equipment).

18 **SEC. 17202. SES ANNUAL LEAVE ACCUMULATION.**

19 (a) REPEAL.—

20 (1) IN GENERAL.—Section 6304(f) of title 5,
21 United States Code, is repealed, effective as of the
22 last day of the last applicable pay period beginning
23 in the calendar year in which this Act is enacted.

24 (2) CONFORMING AMENDMENT.—Section
25 6304(a) of title 5, United States Code, is amended

1 by striking “(e), (f), and (g)” and inserting “(e) and
2 (g)”, effective as of the date on which the amend-
3 ment made by paragraph (1) takes effect.

4 (b) SAVINGS PROVISION.—Annual leave in excess of
5 the amount allowable under subsection (a) or (b) of sec-
6 tion 6304 of title 5, United States Code, which was accu-
7 mulated under section 6304(f) of such title by an employee
8 who becomes subject to such subsection (a) or (b) as a
9 result of this section shall remain to the credit of the em-
10 ployee and be subject to reduction in the same manner
11 as provided in section 6304(c) of such title.

12 **SEC. 17203. LIMITATION RELATING TO POLITICAL AP-**
13 **POINTEES.**

14 (a) IN GENERAL.—The average total number of polit-
15 ical appointees in the executive branch during 1997, and
16 each subsequent calendar year, may not exceed 2,000 (de-
17 termined on a full-time equivalent basis).

18 (b) BASIS FOR DETERMINING COMPLIANCE.—For
19 purposes of applying the limitation under subsection (a),
20 the average total number of political appointees in the ex-
21 ecutive branch during any calendar year shall be deter-
22 mined on the basis of the numbers of such appointees,
23 as set forth in the budget for the United States Govern-
24 ment submitted by the President to the Congress for the
25 first fiscal year beginning after such calendar year.

1 (c) RESTRICTION.—Nothing in this section shall be
2 considered to permit or require—

3 (1) the termination of an individual’s appoint-
4 ment to a position established by law; or

5 (2) that any position referred to in paragraph
6 (1) remain unfilled.

7 (d) DEFINITIONS.—For purposes of this section—

8 (1) the term “political appointee in the execu-
9 tive branch” means a political appointee serving in
10 or under an Executive agency;

11 (2) the term “political appointee” means—

12 (A) an employee whose appointment is
13 made by and with the advice and consent of the
14 Senate;

15 (B) an employee whose position is excepted
16 from the competitive service by reason of its
17 confidential, policy-determining, policy-making,
18 or policy-advocating character; and

19 (C) a noncareer appointee in the Senior
20 Executive Service (as defined in section
21 3132(b)(7) of title 5, United States Code) or in
22 any other senior executive service;

23 (3) the term “employee” has the meaning given
24 such term by section 2105 of title 5, United States
25 Code;

1 (4) the term “competitive service” has the
2 meaning given such term by section 2102 of title 5,
3 United States Code; and

4 (5) the term “Executive agency” has the mean-
5 ing given such term in section 105 of title 5, United
6 States Code, but does not include the General Ac-
7 counting Office.

8 **Subtitle D—Specific Program** 9 **Reforms**

10 **SEC. 17301. DECREASE IN PRESIDENTIAL ELECTION CAM-** 11 **PAIGN FUND CHECK-OFF.**

12 (a) IN GENERAL.—Section 6096(a) of the Internal
13 Revenue Code of 1986 (relating to designation by individ-
14 uals) is amended—

15 (1) by striking “\$3” each place it appears and
16 inserting “\$1”, and

17 (2) by striking “\$6” and inserting “\$2”.

18 (b) EFFECTIVE DATE.—The amendments made by
19 subsection (a) shall apply with respect to tax returns re-
20 quired to be filed after December 31, 1995.

21 **SEC. 17302. MORATORIUM ON CONSTRUCTION AND ACQUI-** 22 **SITION OF NEW FEDERAL BUILDINGS.**

23 (a) GENERAL RULE.—After the date of the enact-
24 ment of this Act and before October 1, 1998, the Adminis-
25 trator of General Services may not obligate any funds for

1 construction or acquisition of any public building under
2 the authority of the Public Buildings Act of 1959 or any
3 other provision of law (other than a public building under
4 construction or under contract for acquisition on such date
5 of enactment).

6 (b) PUBLIC BUILDING DEFINED.—In this section,
7 the term “public building” has the meaning such term has
8 under the Public Buildings Act of 1959.

9 **SEC. 17303. TERMINATION OF ANNUAL DIRECT ASSISTANCE**
10 **TO NORTHERN MARIANA ISLANDS.**

11 (a) IN GENERAL.—No annual payment may be made
12 under section 701, 702, or 704 of the Covenant to Estab-
13 lish a Commonwealth of the Northern Mariana Islands in
14 Political Union with the United States of America (48
15 U.S.C. 1681 note), for any fiscal year beginning after Sep-
16 tember 30, 1995.

17 (b) ELIMINATION OF 7-YEAR EXTENSIONS.—

18 (1) IN GENERAL.—The Act of March 24, 1976
19 (90 Stat. 263; 16 U.S.C. 1681 note) is amended by
20 striking sections 3 and 4.

21 (2) CONFORMING CHANGES.—Section 5 of the
22 Act of March 24, 1976 (90 Stat. 263; 16 U.S.C.
23 1681 note) is amended—

24 (A) by redesignating the section as section
25 3;

1 (B) by striking “agreement identified in
2 section 3 of this Act” and inserting “Agreement
3 of the Special Representatives on Future
4 United States Financial Assistance for the Gov-
5 ernment of the Northern Mariana Islands, exe-
6 cuted June 10, 1985, between the special rep-
7 resentative of the President of the United
8 States and the special representatives of the
9 Governor of the Northern Mariana Islands”;
10 and

11 (C) by striking “Interior and Insular Af-
12 fairs” and inserting “Resources”.

13 **SEC. 17304. GOVERNMENT INFORMATION DISSEMINATION**
14 **AND PRINTING IMPROVEMENT.**

15 (a) TRANSFER OF FUNCTIONS.—

16 (1) PUBLIC PRINTER.—The position of Public
17 Printer and all functions of the position of Public
18 Printer (other than functions of the Superintendent
19 of Documents) under title 44, United States Code,
20 or any other provision of law are transferred from
21 the legislative branch of the Government to the exec-
22 utive branch of the Government.

23 (2) SUPERINTENDENT OF DOCUMENTS.—The
24 position of Superintendent of Documents and all
25 functions of the position of Superintendent of Docu-

1 ments under title 44, United States Code, or any
2 other provision of law are transferred to the Library
3 of Congress and shall be carried out by the Super-
4 intendent of Documents under the direction of the
5 Librarian of Congress. The Superintendent of Docu-
6 ments shall be appointed by, and serve at the pleas-
7 ure of, the Librarian of Congress.

8 (3) REVOCATION OF CHARTERS.—All printing
9 plant charters authorized under section 501 of title
10 44, United States Code, are revoked.

11 (4) EFFECTIVE DATE.—The transfer under
12 paragraph (1) and the revocation under paragraph
13 (3) shall each take effect 2 years after the date of
14 the enactment of this Act. The transfer under para-
15 graph (2) shall take effect one year after the date
16 of the enactment of this Act.

17 (b) GOVERNMENT PUBLICATIONS TO BE AVAILABLE
18 THROUGHOUT THE GOVERNMENT.—All Government pub-
19 lications shall be available throughout the Government to
20 any department, agency, or entity of the Government for
21 use or dissemination.

22 (c) INVENTORY AND FURNISHING OF GOVERNMENT
23 PUBLICATIONS.—Each department, agency, and other en-
24 tity of the Government shall—

1 (1) establish and maintain a comprehensive in-
2 ventory of its Government publications;

3 (2) make such inventory available through the
4 electronic directory under chapter 41 of title 44,
5 United States Code; and

6 (3) in the form and manner prescribed by the
7 Superintendent of Documents, furnish its Govern-
8 ment publications to the Superintendent of Docu-
9 ments.

10 (d) ADDITIONAL RESPONSIBILITIES OF THE PUBLIC
11 PRINTER.—

12 (1) IN GENERAL.—The Public Printer shall,
13 with respect to the executive branch of the Govern-
14 ment and the judicial branch of the Government—

15 (A) use all necessary measures to remedy
16 neglect, delay, duplication, and waste in the
17 public printing and binding of Government pub-
18 lications, including the reduction and elimi-
19 nation of internal printing and high-speed du-
20 plicating capacities of departments, agencies,
21 and entities;

22 (B) prescribe Government publishing
23 standards, which, to the greatest extent prac-
24 ticable, shall be consistent with the United

1 States Government Printing Office Style Man-
2 ual;

3 (C) prescribe Government procurement
4 and manufacturing requirements for printing
5 paper and writing paper, which, to the greatest
6 extent practicable, shall be consistent with Gov-
7 ernment Paper Specification Standards;

8 (D) authorize the acquisition and transfer
9 of equipment requisitioned by publishing facili-
10 ties authorized under section 501 of title 44,
11 United States Code;

12 (E) authorize the disposal of such equip-
13 ment pursuant to section 312 of title 44,
14 United States Code; and

15 (F) establish policy for the acquisition of
16 printing, which, to the greatest extent prac-
17 ticable, shall be consistent with (i) Printing
18 Procurement Regulation (GPO Publication
19 305.3), (ii) Government Printing and Binding
20 Regulations (JCP No. 26), and (ii) Printing
21 Procurement Department Instruction
22 (PP304.1B).

23 (2) POLICY STANDARDS.—The policy referred
24 to in paragraph (1)(F) shall be formulated to maxi-
25 mize competitive procurement from the private sec-

1 tor. Government in-house printing and duplicating
2 operations authorized under section 501 of title 44,
3 United States Code, or otherwise authorized by law,
4 may be used if they provide printing at the lowest
5 cost to the Government, taking into consideration
6 the total expense of production, materials, labor,
7 equipment, and general and administrative expense,
8 including all levels of overhead.

9 (e) ADDITIONAL RESPONSIBILITIES OF THE SUPER-
10 INTENDENT OF DOCUMENTS.—

11 (1) GOVERNMENT PUBLICATIONS TO BE FUR-
12 NISHED TO THE SUPERINTENDENT OF DOCU-
13 MENTS.—If a department, agency, or other entity of
14 the Government publishes a Government publication,
15 the head of the department, agency, or entity shall
16 furnish the Government publication to the Super-
17 intendent of Documents not later than the date of
18 release of the material to the public.

19 (2) DISSEMINATION OR REPUBLICATION.—In
20 addition to any other dissemination provided for by
21 law, the Superintendent of Documents shall dissemi-
22 nate or republish Government publications, if, as de-
23 termined by the Superintendent, the dissemination
24 by the department, agency, or entity of the Govern-
25 ment is inadequate. The Superintendent shall have

1 authority to carry out the preceding sentence by ap-
2 propriate means, including the dissemination and re-
3 publication of Government publications furnished
4 under paragraph (1), with the cost of dissemination
5 and republication to be borne by the department,
6 agency, or entity involved.

7 (3) COST.—The cost charged to the public by
8 the superintendent of documents under paragraph
9 (2) for any government publication (whether such
10 government publication is made available to the pub-
11 lic by a department, agency, or entity of the govern-
12 ment, or by the superintendent of documents) may
13 include the incremental cost of dissemination, but
14 may not include any profit.

15 (f) DEPOSITORY LIBRARIES.—In addition to any
16 other distribution provided for by law, the Superintendent
17 of Documents shall make Government publications avail-
18 able to designated depository libraries and State libraries.
19 The Superintendent shall have authority to carry out the
20 preceding sentence by appropriate means, including the
21 dissemination and republication of Government publica-
22 tions furnished under subsection (e)(1), with the cost of
23 dissemination and republication to be borne by the depart-
24 ment, agency, or entity involved.

25 (g) DEFINITIONS.—As used in this section—

1 (1) the term “Government publication” means
 2 any informational matter that is published at Gov-
 3 ernment expense, or as required by law; and

4 (2) the term “publish” means, with respect to
 5 informational matter, make available for dissemina-
 6 tion.

7 **SEC. 17305. REPEAL OF TRANSITIONAL APPROPRIATIONS**

8 **AUTHORIZATION FOR THE POST OFFICE**

9 (a) IN GENERAL.—Section 2004 of title 39, United
 10 States Code, is repealed.

11 (b) CONFORMING AMENDMENT.—Section 2003(e)(2)
 12 of such title is amended by striking out “sections 2401
 13 and 2004” both places it appears and inserting in lieu
 14 thereof “section 2401”.

15 (c) CLERICAL AMENDMENT.—The table of sections
 16 at the beginning of chapter 12 of such title is amended
 17 by striking out the item relating to section 2004.

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