

110TH CONGRESS  
1ST SESSION

# H. R. 1591

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IN THE HOUSE OF REPRESENTATIVES

MARCH 29, 2007

Ordered to be printed with the amendment of the Senate  
[Strike out all after the enacting clause and insert the part printed in italic]

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## AN ACT

Making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*  
3 ~~That the following sums are appropriated, out of any~~  
4 ~~money in the Treasury not otherwise appropriated, for the~~  
5 ~~fiscal year ending September 30, 2007, and for other pur-~~  
6 ~~poses, namely:~~

1 TITLE I—SUPPLEMENTAL APPROPRIATIONS  
2 FOR THE GLOBAL WAR ON TERROR

3 CHAPTER 1

4 DEPARTMENT OF AGRICULTURE

5 FOREIGN AGRICULTURAL SERVICE

6 PUBLIC LAW 480 TITLE II GRANTS

7 For an additional amount for “Public Law 480 Title  
8 II Grants”, during the current fiscal year, not otherwise  
9 recoverable, and unrecovered prior years’ costs, including  
10 interest thereon, under the Agricultural Trade Develop-  
11 ment and Assistance Act of 1954, for commodities sup-  
12 plied in connection with dispositions abroad under title II  
13 of said Act, \$450,000,000, to remain available until ex-  
14 pended: *Provided*, That the amount provided under this  
15 heading is designated as making appropriations for contin-  
16 gency operations directly related to the global war on ter-  
17 rorism, and other unanticipated defense-related oper-  
18 ations, pursuant to section 402 of H. Con. Res. 376  
19 (109th Congress), as made applicable to the House of  
20 Representatives by section 511(a)(4) of H. Res. 6 (110th  
21 Congress).

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CHAPTER 2

DEPARTMENT OF JUSTICE

LEGAL ACTIVITIES

SALARIES AND EXPENSES, GENERAL LEGAL ACTIVITIES

For an additional amount for “Salaries and Expenses, General Legal Activities”, \$1,648,000, to remain available until September 30, 2008: *Provided*, That the amount provided under this heading is designated as making appropriations for contingency operations directly related to the global war on terrorism, and other unanticipated defense-related operations, pursuant to section 402 of H. Con. Res. 376 (109th Congress), as made applicable to the House of Representatives by section 511(a)(4) of H. Res. 6 (110th Congress).

SALARIES AND EXPENSES, UNITED STATES ATTORNEYS

For an additional amount for “Salaries and Expenses, United States Attorneys”, \$5,000,000, to remain available until September 30, 2008: *Provided*, That the amount provided under this heading is designated as making appropriations for contingency operations directly related to the global war on terrorism, and other unanticipated defense-related operations, pursuant to section 402 of H. Con. Res. 376 (109th Congress), as made applicable to the House of Representatives by section 511(a)(4) of H. Res. 6 (110th Congress).

1                    UNITED STATES MARSHALS SERVICE  
2                    SALARIES AND EXPENSES

3            For an additional amount for “Salaries and Ex-  
4 penses”, \$2,750,000, to remain available until September  
5 30, 2008: *Provided*, That the amount provided under this  
6 heading is designated as making appropriations for contin-  
7 gency operations directly related to the global war on ter-  
8 rorism, and other unanticipated defense-related oper-  
9 ations, pursuant to section 402 of H. Con. Res. 376  
10 (109th Congress), as made applicable to the House of  
11 Representatives by section 511(a)(4) of H. Res. 6 (110th  
12 Congress).

13                    NATIONAL SECURITY DIVISION  
14                    SALARIES AND EXPENSES

15            For an additional amount for “Salaries and Ex-  
16 penses”, \$1,736,000, to remain available until September  
17 30, 2008: *Provided*, That the amount provided under this  
18 heading is designated as making appropriations for contin-  
19 gency operations directly related to the global war on ter-  
20 rorism, and other unanticipated defense-related oper-  
21 ations, pursuant to section 402 of H. Con. Res. 376  
22 (109th Congress), as made applicable to the House of  
23 Representatives by section 511(a)(4) of H. Res. 6 (110th  
24 Congress).

1                   FEDERAL BUREAU OF INVESTIGATION  
2                   SALARIES AND EXPENSES

3           For an additional amount for “Salaries and Ex-  
4 penses”, \$118,260,000, to remain available until Sep-  
5 tember 30, 2008: *Provided*, That the amount provided  
6 under this heading is designated as making appropriations  
7 for contingency operations directly related to the global  
8 war on terrorism, and other unanticipated defense-related  
9 operations, pursuant to section 402 of H. Con. Res. 376  
10 (109th Congress), as made applicable to the House of  
11 Representatives by section 511(a)(4) of H. Res. 6 (110th  
12 Congress).

13                   DRUG ENFORCEMENT ADMINISTRATION  
14                   SALARIES AND EXPENSES

15           For an additional amount for “Salaries and Ex-  
16 penses”, \$8,468,000, to remain available until September  
17 30, 2008: *Provided*, That the amount provided under this  
18 heading is designated as making appropriations for contin-  
19 gency operations directly related to the global war on ter-  
20 rorism, and other unanticipated defense-related oper-  
21 ations, pursuant to section 402 of H. Con. Res. 376  
22 (109th Congress), as made applicable to the House of  
23 Representatives by section 511(a)(4) of H. Res. 6 (110th  
24 Congress).

1 BUREAU OF ALCOHOL, TOBACCO, FIREARMS AND  
2 EXPLOSIVES  
3 SALARIES AND EXPENSES

4 For an additional amount for “Salaries and Ex-  
5 penses”, \$4,000,000, to remain available until September  
6 30, 2008: *Provided*, That the amount provided under this  
7 heading is designated as making appropriations for contin-  
8 gency operations directly related to the global war on ter-  
9 rorism, and other unanticipated defense-related oper-  
10 ations, pursuant to section 402 of H. Con. Res. 376  
11 (109th Congress), as made applicable to the House of  
12 Representatives by section 511(a)(4) of H. Res. 6 (110th  
13 Congress).

14 FEDERAL PRISON SYSTEM  
15 SALARIES AND EXPENSES

16 For an additional amount for “Salaries and Ex-  
17 penses”, \$17,000,000, to remain available until September  
18 30, 2008: *Provided*, That the amount provided under this  
19 heading is designated as making appropriations for contin-  
20 gency operations directly related to the global war on ter-  
21 rorism, and other unanticipated defense-related oper-  
22 ations, pursuant to section 402 of H. Con. Res. 376  
23 (109th Congress), as made applicable to the House of  
24 Representatives by section 511(a)(4) of H. Res. 6 (110th  
25 Congress).

## CHAPTER 3

## DEPARTMENT OF DEFENSE—MILITARY

## MILITARY PERSONNEL

## MILITARY PERSONNEL, ARMY

For an additional amount for “Military Personnel, Army”, \$8,878,899,000: *Provided*, That the amount provided under this heading is designated as making appropriations for contingency operations directly related to the global war on terrorism, and other unanticipated defense-related operations, pursuant to section 402 of H. Con. Res. 376 (109th Congress), as made applicable to the House of Representatives by section 511(a)(4) of H. Res. 6 (110th Congress).

## MILITARY PERSONNEL, NAVY

For an additional amount for “Military Personnel, Navy”, \$1,100,410,000: *Provided*, That the amount provided under this heading is designated as making appropriations for contingency operations directly related to the global war on terrorism, and other unanticipated defense-related operations, pursuant to section 402 of H. Con. Res. 376 (109th Congress), as made applicable to the House of Representatives by section 511(a)(4) of H. Res. 6 (110th Congress).

## 1           MILITARY PERSONNEL, MARINE CORPS

2           For an additional amount for “Military Personnel,  
3 Marine Corps”, \$1,495,828,000: *Provided*, That the  
4 amount provided under this heading is designated as mak-  
5 ing appropriations for contingency operations directly re-  
6 lated to the global war on terrorism, and other unantici-  
7 pated defense-related operations, pursuant to section 402  
8 of H. Con. Res. 376 (109th Congress), as made applicable  
9 to the House of Representatives by section 511(a)(4) of  
10 H. Res. 6 (110th Congress).

## 11           MILITARY PERSONNEL, AIR FORCE

12          For an additional amount for “Military Personnel,  
13 Air Force”, \$1,229,334,000: *Provided*, That the amount  
14 provided under this heading is designated as making ap-  
15 propriations for contingency operations directly related to  
16 the global war on terrorism, and other unanticipated de-  
17 fense-related operations, pursuant to section 402 of H.  
18 Con. Res. 376 (109th Congress), as made applicable to  
19 the House of Representatives by section 511(a)(4) of H.  
20 Res. 6 (110th Congress).

## 21           RESERVE PERSONNEL, ARMY

22          For an additional amount for “Reserve Personnel,  
23 Army”, \$173,244,000: *Provided*, That the amount pro-  
24 vided under this heading is designated as making appro-  
25 priations for contingency operations directly related to the



1 global war on terrorism, and other unanticipated defense-  
2 related operations, pursuant to section 402 of H. Con.  
3 Res. 376 (109th Congress), as made applicable to the  
4 House of Representatives by section 511(a)(4) of H. Res.  
5 6 (110th Congress).

6 RESERVE PERSONNEL, NAVY

7 For an additional amount for “Reserve Personnel,  
8 Navy”, \$82,800,000: *Provided*, That the amount provided  
9 under this heading is designated as making appropriations  
10 for contingency operations directly related to the global  
11 war on terrorism, and other unanticipated defense-related  
12 operations, pursuant to section 402 of H. Con. Res. 376  
13 (109th Congress), as made applicable to the House of  
14 Representatives by section 511(a)(4) of H. Res. 6 (110th  
15 Congress).

16 RESERVE PERSONNEL, MARINE CORPS

17 For an additional amount for “Reserve Personnel,  
18 Marine Corps”, \$15,000,000: *Provided*, That the amount  
19 provided under this heading is designated as making ap-  
20 propriations for contingency operations directly related to  
21 the global war on terrorism, and other unanticipated de-  
22 fense-related operations, pursuant to section 402 of H.  
23 Con. Res. 376 (109th Congress), as made applicable to  
24 the House of Representatives by section 511(a)(4) of H.  
25 Res. 6 (110th Congress).

## 1                   RESERVE PERSONNEL, AIR FORCE

2           For an additional amount for “Reserve Personnel,  
3 Air Force”, \$14,100,000: *Provided*, That the amount pro-  
4 vided under this heading is designated as making appro-  
5 priations for contingency operations directly related to the  
6 global war on terrorism, and other unanticipated defense-  
7 related operations, pursuant to section 402 of H. Con-  
8 Res. 376 (109th Congress), as made applicable to the  
9 House of Representatives by section 511(a)(4) of H. Res.  
10 6 (110th Congress).

## 11                   NATIONAL GUARD PERSONNEL, ARMY

12           For an additional amount for “National Guard Per-  
13 sonnel, Army”, \$552,725,000: *Provided*, That the amount  
14 provided under this heading is designated as making ap-  
15 propriations for contingency operations directly related to  
16 the global war on terrorism, and other unanticipated de-  
17 fense-related operations, pursuant to section 402 of H.  
18 Con. Res. 376 (109th Congress), as made applicable to  
19 the House of Representatives by section 511(a)(4) of H.  
20 Res. 6 (110th Congress).

## 21                   NATIONAL GUARD PERSONNEL, AIR FORCE

22           For an additional amount for “National Guard Per-  
23 sonnel, Air Force”, \$24,600,000: *Provided*, That the  
24 amount provided under this heading is designated as mak-  
25 ing appropriations for contingency operations directly re-

1 lated to the global war on terrorism, and other unantici-  
 2 pated defense-related operations, pursuant to section 402  
 3 of H. Con. Res. 376 (109th Congress), as made applicable  
 4 to the House of Representatives by section 511(a)(4) of  
 5 H. Res. 6 (110th Congress).

6           OPERATION AND MAINTENANCE

7           OPERATION AND MAINTENANCE, ARMY

8           For an additional amount for “Operation and Main-  
 9 tenance, Army”, \$20,897,672,000: *Provided*, That the  
 10 amount provided under this heading is designated as mak-  
 11 ing appropriations for contingency operations directly re-  
 12 lated to the global war on terrorism, and other unantici-  
 13 pated defense-related operations, pursuant to section 402  
 14 of H. Con. Res. 376 (109th Congress), as made applicable  
 15 to the House of Representatives by section 511(a)(4) of  
 16 H. Res. 6 (110th Congress).

17           OPERATION AND MAINTENANCE, NAVY

18           (INCLUDING TRANSFER OF FUNDS)

19           For an additional amount for “Operation and Main-  
 20 tenance, Navy”, \$5,115,397,000, of which up to  
 21 \$120,293,000 may be transferred to Coast Guard “Oper-  
 22 ating Expenses”, for reimbursement for activities which  
 23 support activities requested by the Navy: *Provided*, That  
 24 the amount provided under this heading is designated as  
 25 making appropriations for contingency operations directly

1 related to the global war on terrorism, and other unantici-  
2 pated defense-related operations, pursuant to section 402  
3 of H. Con. Res. 376 (109th Congress), as made applicable  
4 to the House of Representatives by section 511(a)(4) of  
5 H. Res. 6 (110th Congress).

6 OPERATION AND MAINTENANCE, MARINE CORPS

7 For an additional amount for “Operation and Main-  
8 tenance, Marine Corps”, \$1,503,694,000: *Provided*, That  
9 the amount provided under this heading is designated as  
10 making appropriations for contingency operations directly  
11 related to the global war on terrorism, and other unantici-  
12 pated defense-related operations, pursuant to section 402  
13 of H. Con. Res. 376 (109th Congress), as made applicable  
14 to the House of Representatives by section 511(a)(4) of  
15 H. Res. 6 (110th Congress).

16 OPERATION AND MAINTENANCE, AIR FORCE

17 For an additional amount for “Operation and Main-  
18 tenance, Air Force”, \$6,909,259,000: *Provided*, That the  
19 amount provided under this heading is designated as mak-  
20 ing appropriations for contingency operations directly re-  
21 lated to the global war on terrorism, and other unantici-  
22 pated defense-related operations, pursuant to section 402  
23 of H. Con. Res. 376 (109th Congress), as made applicable  
24 to the House of Representatives by section 511(a)(4) of  
25 H. Res. 6 (110th Congress).

## 1        OPERATION AND MAINTENANCE, DEFENSE-WIDE

2        For an additional amount for “Operation and Main-  
3        tenance, Defense-Wide”, \$2,855,993,000, of which not to  
4        exceed \$300,000,000, to remain available until expended,  
5        may be used for payments to reimburse Pakistan, Jordan,  
6        and other key cooperating nations, for logistical, military,  
7        and other support provided, or to be provided, to United  
8        States military operations, notwithstanding any other pro-  
9        vision of law: *Provided*, That such payments may be made  
10       in such amounts as the Secretary of Defense, with the con-  
11       currence of the Secretary of State, and in consultation  
12       with the Director of the Office of Management and Budg-  
13       et, may determine, in his discretion, based on documenta-  
14       tion determined by the Secretary of Defense to adequately  
15       account for the support provided, and such determination  
16       is final and conclusive upon the accounting officers of the  
17       United States, and 15 days following notification to the  
18       appropriate congressional committees: *Provided further*,  
19       That the Secretary of Defense shall provide quarterly re-  
20       ports to the congressional defense committees on the use  
21       of funds provided in this paragraph: *Provided further*,  
22       That the amount provided under this heading is des-  
23       ignated as making appropriations for contingency oper-  
24       ations directly related to the global war on terrorism, and  
25       other unanticipated defense-related operations, pursuant

1 to section 402 of H. Con. Res. 376 (109th Congress), as  
2 made applicable to the House of Representatives by sec-  
3 tion 511(a)(4) of H. Res. 6 (110th Congress).

4 OPERATION AND MAINTENANCE, ARMY RESERVE

5 For an additional amount for “Operation and Main-  
6 tenance, Army Reserve”, \$74,049,000: *Provided*, That the  
7 amount provided under this heading is designated as mak-  
8 ing appropriations for contingency operations directly re-  
9 lated to the global war on terrorism, and other unantici-  
10 pated defense-related operations, pursuant to section 402  
11 of H. Con. Res. 376 (109th Congress), as made applicable  
12 to the House of Representatives by section 511(a)(4) of  
13 H. Res. 6 (110th Congress).

14 OPERATION AND MAINTENANCE, NAVY RESERVE

15 For an additional amount for “Operation and Main-  
16 tenance, Navy Reserve”, \$111,066,000: *Provided*, That  
17 the amount provided under this heading is designated as  
18 making appropriations for contingency operations directly  
19 related to the global war on terrorism, and other unantici-  
20 pated defense-related operations, pursuant to section 402  
21 of H. Con. Res. 376 (109th Congress), as made applicable  
22 to the House of Representatives by section 511(a)(4) of  
23 H. Res. 6 (110th Congress).

1        OPERATION AND MAINTENANCE, MARINE CORPS  
2                                        RESERVE

3        For an additional amount for “Operation and Main-  
4 tenance, Marine Corps Reserve”, \$13,591,000: *Provided*,  
5 That the amount provided under this heading is des-  
6 ignated as making appropriations for contingency oper-  
7 ations directly related to the global war on terrorism, and  
8 other unanticipated defense-related operations, pursuant  
9 to section 402 of H. Con. Res. 376 (109th Congress), as  
10 made applicable to the House of Representatives by sec-  
11 tion 511(a)(4) of H. Res. 6 (110th Congress).

12        OPERATION AND MAINTENANCE, AIR FORCE RESERVE

13        For an additional amount for “Operation and Main-  
14 tenance, Air Force Reserve”, \$10,160,000: *Provided*, That  
15 the amount provided under this heading is designated as  
16 making appropriations for contingency operations directly  
17 related to the global war on terrorism, and other unantici-  
18 pated defense-related operations, pursuant to section 402  
19 of H. Con. Res. 376 (109th Congress), as made applicable  
20 to the House of Representatives by section 511(a)(4) of  
21 H. Res. 6 (110th Congress).

22        OPERATION AND MAINTENANCE, ARMY NATIONAL  
23                                        GUARD

24        For an additional amount for “Operation and Main-  
25 tenance, Army National Guard”, \$133,569,000: *Provided*,

1 That the amount provided under this heading is des-  
2 ignated as making appropriations for contingency oper-  
3 ations directly related to the global war on terrorism, and  
4 other unanticipated defense-related operations, pursuant  
5 to section 402 of H. Con. Res. 376 (109th Congress), as  
6 made applicable to the House of Representatives by sec-  
7 tion 511(a)(4) of H. Res. 6 (110th Congress).

8 OPERATION AND MAINTENANCE, AIR NATIONAL GUARD

9 For an additional amount for “Operation and Main-  
10 tenance, Air National Guard”, \$38,429,000: *Provided*,  
11 That the amount provided under this heading is des-  
12 ignated as making appropriations for contingency oper-  
13 ations directly related to the global war on terrorism, and  
14 other unanticipated defense-related operations, pursuant  
15 to section 402 of H. Con. Res. 376 (109th Congress), as  
16 made applicable to the House of Representatives by sec-  
17 tion 511(a)(4) of H. Res. 6 (110th Congress).

18 AFGHANISTAN SECURITY FORCES FUND

19 For an additional amount for “Afghanistan Security  
20 Forces Fund”, \$5,906,400,000, to remain available until  
21 September 30, 2008: *Provided*, That the amount provided  
22 under this heading is designated as making appropriations  
23 for contingency operations directly related to the global  
24 war on terrorism, and other unanticipated defense-related  
25 operations, pursuant to section 402 of H. Con. Res. 376



1 (109th Congress), as made applicable to the House of  
2 Representatives by section 511(a)(4) of H. Res. 6 (110th  
3 Congress).

#### 4 IRAQ SECURITY FORCES FUND

5 For an additional amount for “Iraq Security Forces  
6 Fund”, \$3,842,300,000, to remain available until Sep-  
7 tember 30, 2008: *Provided*, That the amount provided  
8 under this heading is designated as making appropriations  
9 for contingency operations directly related to the global  
10 war on terrorism, and other unanticipated defense-related  
11 operations, pursuant to section 402 of H. Con. Res. 376  
12 (109th Congress), as made applicable to the House of  
13 Representatives by section 511(a)(4) of H. Res. 6 (110th  
14 Congress).

#### 15 IRAQ FREEDOM FUND

16 (INCLUDING TRANSFER OF FUNDS)

17 For an additional amount for “Iraq Freedom Fund”,  
18 \$155,600,000, to remain available for transfer until Sep-  
19 tember 30, 2008: *Provided*, That the amount provided  
20 under this heading is designated as making appropriations  
21 for contingency operations directly related to the global  
22 war on terrorism, and other unanticipated defense-related  
23 operations, pursuant to section 402 of H. Con. Res. 376  
24 (109th Congress), as made applicable to the House of

1 Representatives by section 511(a)(4) of H. Res. 6 (110th  
2 Congress).

3 JOINT IMPROVISED EXPLOSIVE DEVICE DEFEAT FUND

4 For an additional amount for “Joint Improvised Ex-  
5 plosive Device Defeat Fund”, \$2,432,800,000, to remain  
6 available until September 30, 2009: *Provided*, That the  
7 amount provided under this heading is designated as mak-  
8 ing appropriations for contingency operations directly re-  
9 lated to the global war on terrorism, and other unantici-  
10 pated defense-related operations, pursuant to section 402  
11 of H. Con. Res. 376 (109th Congress), as made applicable  
12 to the House of Representatives by section 511(a)(4) of  
13 H. Res. 6 (110th Congress).

14 STRATEGIC RESERVE READINESS FUND

15 (INCLUDING TRANSFER OF FUNDS)

16 In addition to amounts provided in this or any other  
17 Act, for training, operations, repair of equipment, pur-  
18 chases of equipment, and other expenses related to im-  
19 proving the readiness of non-deployed United States mili-  
20 tary forces, \$2,500,000,000, to remain available until ex-  
21 pended: *Provided*, That the Secretary of Defense may  
22 transfer funds provided herein only to appropriations for  
23 military personnel, operation and maintenance, procure-  
24 ment, and defense working capital funds to accomplish the  
25 purposes provided herein: *Provided further*, That the funds

1 transferred shall be merged with and shall be available for  
2 the same purposes and for the same time period as the  
3 appropriation to which transferred: *Provided further*, That  
4 the Secretary of Defense shall, not fewer than five days  
5 prior to making transfers under this authority, notify the  
6 congressional defense committees in writing of the details  
7 of any such transfers made pursuant to this authority:  
8 *Provided further*, That funds shall be transferred to the  
9 appropriation accounts not later than 120 days after the  
10 enactment of this Act: *Provided further*, That the transfer  
11 authority provided in this paragraph is in addition to any  
12 other transfer authority available to the Department of  
13 Defense: *Provided further*, That upon a determination that  
14 all or part of the funds transferred from this appropriation  
15 are not necessary for the purposes provided herein, such  
16 amounts may be transferred back to this appropriation:  
17 *Provided further*, That the amount provided under this  
18 heading is designated as making appropriations for contin-  
19 gency operations directly related to the global war on ter-  
20 rorism, and other unanticipated defense-related oper-  
21 ations, pursuant to section 402 of H. Con. Res. 376  
22 (109th Congress), as made applicable to the House of  
23 Representatives by section 511(a)(4) of H. Res. 6 (110th  
24 Congress).

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## PROCUREMENT

### AIRCRAFT PROCUREMENT, ARMY

For an additional amount for “Aircraft Procurement, Army”, \$461,850,000, to remain available until September 30, 2009: *Provided*, That the amount provided under this heading is designated as making appropriations for contingency operations directly related to the global war on terrorism, and other unanticipated defense-related operations, pursuant to section 402 of H. Con. Res. 376 (109th Congress), as made applicable to the House of Representatives by section 511(a)(4) of H. Res. 6 (110th Congress).

### MISSILE PROCUREMENT, ARMY

For an additional amount for “Missile Procurement, Army”, \$160,173,000, to remain available until September 30, 2009: *Provided*, That the amount provided under this heading is designated as making appropriations for contingency operations directly related to the global war on terrorism, and other unanticipated defense-related operations, pursuant to section 402 of H. Con. Res. 376 (109th Congress), as made applicable to the House of Representatives by section 511(a)(4) of H. Res. 6 (110th Congress).

1       PROCUREMENT OF WEAPONS AND TRACKED COMBAT  
 2                               VEHICLES, ARMY

3       For an additional amount for “Procurement of Weap-  
 4 ons and Tracked Combat Vehicles, Army”,  
 5 \$3,474,389,000, to remain available until September 30,  
 6 2009: *Provided*, That the amount provided under this  
 7 heading is designated as making appropriations for contin-  
 8 gency operations directly related to the global war on ter-  
 9 rorism, and other unanticipated defense-related oper-  
 10 ations, pursuant to section 402 of H. Con. Res. 376  
 11 (109th Congress), as made applicable to the House of  
 12 Representatives by section 511(a)(4) of H. Res. 6 (110th  
 13 Congress).

14                       PROCUREMENT OF AMMUNITION, ARMY

15       For an additional amount for “Procurement of Am-  
 16 munition, Army”, \$681,500,000, to remain available until  
 17 September 30, 2009: *Provided*, That the amount provided  
 18 under this heading is designated as making appropriations  
 19 for contingency operations directly related to the global  
 20 war on terrorism, and other unanticipated defense-related  
 21 operations, pursuant to section 402 of H. Con. Res. 376  
 22 (109th Congress), as made applicable to the House of  
 23 Representatives by section 511(a)(4) of H. Res. 6 (110th  
 24 Congress).

## 1                   OTHER PROCUREMENT, ARMY

2           For an additional amount for “Other Procurement,  
3 Army”, \$10,197,399,000, to remain available until Sep-  
4 tember 30, 2009: *Provided*, That the amount provided  
5 under this heading is designated as making appropriations  
6 for contingency operations directly related to the global  
7 war on terrorism, and other unanticipated defense-related  
8 operations, pursuant to section 402 of H. Con. Res. 376  
9 (109th Congress), as made applicable to the House of  
10 Representatives by section 511(a)(4) of H. Res. 6 (110th  
11 Congress).

## 12                   AIRCRAFT PROCUREMENT, NAVY

13           For an additional amount for “Aircraft Procurement,  
14 Navy”, \$995,797,000, to remain available until September  
15 30, 2009: *Provided*, That the amount provided under this  
16 heading is designated as making appropriations for contin-  
17 gency operations directly related to the global war on ter-  
18 rorism, and other unanticipated defense-related oper-  
19 ations, pursuant to section 402 of H. Con. Res. 376  
20 (109th Congress), as made applicable to the House of  
21 Representatives by section 511(a)(4) of H. Res. 6 (110th  
22 Congress).

## 23                   WEAPONS PROCUREMENT, NAVY

24           For an additional amount for “Weapons Procure-  
25 ment, Navy”, \$171,813,000, to remain available until

1 September 30, 2009: *Provided*, That the amount provided  
2 under this heading is designated as making appropriations  
3 for contingency operations directly related to the global  
4 war on terrorism, and other unanticipated defense-related  
5 operations, pursuant to section 402 of H. Con. Res. 376  
6 (109th Congress), as made applicable to the House of  
7 Representatives by section 511(a)(4) of H. Res. 6 (110th  
8 Congress).

9 PROCUREMENT OF AMMUNITION, NAVY AND MARINE  
10 CORPS

11 For an additional amount for “Procurement of Am-  
12 munition, Navy and Marine Corps”, \$159,833,000, to re-  
13 main available until September 30, 2009: *Provided*, That  
14 the amount provided under this heading is designated as  
15 making appropriations for contingency operations directly  
16 related to the global war on terrorism, and other unantici-  
17 pated defense-related operations, pursuant to section 402  
18 of H. Con. Res. 376 (109th Congress), as made applicable  
19 to the House of Representatives by section 511(a)(4) of  
20 H. Res. 6 (110th Congress).

21 OTHER PROCUREMENT, NAVY

22 For an additional amount for “Other Procurement,  
23 Navy”, \$937,407,000, to remain available until September  
24 30, 2009: *Provided*, That the amount provided under this  
25 heading is designated as making appropriations for contin-

1 gency operations directly related to the global war on ter-  
2 rorism, and other unanticipated defense-related oper-  
3 ations, pursuant to section 402 of H. Con. Res. 376  
4 (109th Congress), as made applicable to the House of  
5 Representatives by section 511(a)(4) of H. Res. 6 (110th  
6 Congress).

7                   PROCUREMENT, MARINE CORPS

8           For an additional amount for “Procurement, Marine  
9 Corps”, \$1,885,383,000, to remain available until Sep-  
10 tember 30, 2009: *Provided*, That the amount provided  
11 under this heading is designated as making appropriations  
12 for contingency operations directly related to the global  
13 war on terrorism, and other unanticipated defense-related  
14 operations, pursuant to section 402 of H. Con. Res. 376  
15 (109th Congress), as made applicable to the House of  
16 Representatives by section 511(a)(4) of H. Res. 6 (110th  
17 Congress).

18                   AIRCRAFT PROCUREMENT, AIR FORCE

19           For an additional amount for “Aircraft Procurement,  
20 Air Force”, \$2,474,916,000, to remain available until  
21 September 30, 2009: *Provided*, That the amount provided  
22 under this heading is designated as making appropriations  
23 for contingency operations directly related to the global  
24 war on terrorism, and other unanticipated defense-related  
25 operations, pursuant to section 402 of H. Con. Res. 376



1 (109th Congress), as made applicable to the House of  
2 Representatives by section 511(a)(4) of H. Res. 6 (110th  
3 Congress).

4           MISSILE PROCUREMENT, AIR FORCE

5           For an additional amount for “Missile Procurement,  
6 Air Force”, \$140,300,000, to remain available until Sep-  
7 tember 30, 2009: *Provided*, That the amount provided  
8 under this heading is designated as making appropriations  
9 for contingency operations directly related to the global  
10 war on terrorism, and other unanticipated defense-related  
11 operations, pursuant to section 402 of H. Con. Res. 376  
12 (109th Congress), as made applicable to the House of  
13 Representatives by section 511(a)(4) of H. Res. 6 (110th  
14 Congress).

15           PROCUREMENT OF AMMUNITION, AIR FORCE

16           For an additional amount for “Procurement of Am-  
17 muniton, Air Force”, \$95,800,000, to remain available  
18 until September 30, 2009: *Provided*, That the amount pro-  
19 vided under this heading is designated as making appro-  
20 priations for contingency operations directly related to the  
21 global war on terrorism, and other unanticipated defense-  
22 related operations, pursuant to section 402 of H. Con.  
23 Res. 376 (109th Congress), as made applicable to the  
24 House of Representatives by section 511(a)(4) of H. Res.  
25 6 (110th Congress).

## 1                   OTHER PROCUREMENT, AIR FORCE

2           For an additional amount for “Other Procurement,  
3 Air Force”, \$2,042,183,000, to remain available until  
4 September 30, 2009: *Provided*, That the amount provided  
5 under this heading is designated as making appropriations  
6 for contingency operations directly related to the global  
7 war on terrorism, and other unanticipated defense-related  
8 operations, pursuant to section 402 of H. Con. Res. 376  
9 (109th Congress), as made applicable to the House of  
10 Representatives by section 511(a)(4) of H. Res. 6 (110th  
11 Congress).

## 12                   PROCUREMENT, DEFENSE-WIDE

13           For an additional amount for “Procurement, De-  
14 fense-Wide”, \$934,930,000, to remain available until Sep-  
15 tember 30, 2009: *Provided*, That the amount provided  
16 under this heading is designated as making appropriations  
17 for contingency operations directly related to the global  
18 war on terrorism, and other unanticipated defense-related  
19 operations, pursuant to section 402 of H. Con. Res. 376  
20 (109th Congress), as made applicable to the House of  
21 Representatives by section 511(a)(4) of H. Res. 6 (110th  
22 Congress).

1           RESEARCH, DEVELOPMENT, TEST AND  
2                                   EVALUATION

3       RESEARCH, DEVELOPMENT, TEST AND EVALUATION,  
4                                   ARMY

5           For an additional amount for “Research, Develop-  
6 ment, Test and Evaluation, Army”, \$60,781,000, to re-  
7 main available until September 30, 2008: *Provided*, That  
8 the amount provided under this heading is designated as  
9 making appropriations for contingency operations directly  
10 related to the global war on terrorism, and other unantici-  
11 pated defense-related operations, pursuant to section 402  
12 of H. Con. Res. 376 (109th Congress), as made applicable  
13 to the House of Representatives by section 511(a)(4) of  
14 H. Res. 6 (110th Congress).

15       RESEARCH, DEVELOPMENT, TEST AND EVALUATION,  
16                                   NAVY

17           For an additional amount for “Research, Develop-  
18 ment, Test and Evaluation, Navy”, \$295,737,000, to re-  
19 main available until September 30, 2008: *Provided*, That  
20 the amount provided under this heading is designated as  
21 making appropriations for contingency operations directly  
22 related to the global war on terrorism, and other unantici-  
23 pated defense-related operations, pursuant to section 402  
24 of H. Con. Res. 376 (109th Congress), as made applicable

1 to the House of Representatives by section 511(a)(4) of  
2 H. Res. 6 (110th Congress).

3 RESEARCH, DEVELOPMENT, TEST AND EVALUATION,  
4 AIR FORCE

5 For an additional amount for “Research, Develop-  
6 ment, Test and Evaluation, Air Force”, \$132,928,000, to  
7 remain available until September 30, 2008: *Provided*,  
8 That the amount provided under this heading is des-  
9 ignated as making appropriations for contingency oper-  
10 ations directly related to the global war on terrorism, and  
11 other unanticipated defense-related operations, pursuant  
12 to section 402 of H. Con. Res. 376 (109th Congress), as  
13 made applicable to the House of Representatives by sec-  
14 tion 511(a)(4) of H. Res. 6 (110th Congress).

15 RESEARCH, DEVELOPMENT, TEST AND EVALUATION,  
16 DEFENSE-WIDE

17 For an additional amount for “Research, Develop-  
18 ment, Test and Evaluation, Defense-Wide”,  
19 \$545,904,000, to remain available until September 30,  
20 2008: *Provided*, That the amount provided under this  
21 heading is designated as making appropriations for contin-  
22 gency operations directly related to the global war on ter-  
23 rorism, and other unanticipated defense-related oper-  
24 ations, pursuant to section 402 of H. Con. Res. 376  
25 (109th Congress), as made applicable to the House of

1 Representatives by section 511(a)(4) of H. Res. 6 (110th  
2 Congress).

3           REVOLVING AND MANAGEMENT FUNDS

4                   DEFENSE WORKING CAPITAL FUNDS

5           For an additional amount for “Defense Working  
6 Capital Funds”, \$1,315,526,000: *Provided*, That the  
7 amount provided under this heading is designated as mak-  
8 ing appropriations for contingency operations directly re-  
9 lated to the global war on terrorism, and other unantici-  
10 pated defense-related operations, pursuant to section 402  
11 of H. Con. Res. 376 (109th Congress), as made applicable  
12 to the House of Representatives by section 511(a)(4) of  
13 H. Res. 6 (110th Congress).

14                   NATIONAL DEFENSE SEALIFT FUND

15           For an additional amount for “National Defense Sea-  
16 lift Fund”, \$5,000,000: *Provided*, That the amount pro-  
17 vided under this heading is designated as making appro-  
18 priations for contingency operations directly related to the  
19 global war on terrorism, and other unanticipated defense-  
20 related operations, pursuant to section 402 of H. Con.  
21 Res. 376 (109th Congress), as made applicable to the  
22 House of Representatives by section 511(a)(4) of H. Res.  
23 6 (110th Congress).

1 OTHER DEPARTMENT OF DEFENSE PROGRAMS  
2 DEFENSE HEALTH PROGRAM

3 For an additional amount for “Defense Health Pro-  
4 gram”, \$2,789,703,000; of which \$2,289,703,000 shall be  
5 for operation and maintenance, which shall remain avail-  
6 able until September 30, 2008; and of which  
7 \$500,000,000 shall be for research, development, test and  
8 evaluation, which shall remain available until September  
9 30, 2009: *Provided*, That the amount provided under this  
10 heading is designated as making appropriations for contin-  
11 gency operations directly related to the global war on ter-  
12 rorism, and other unanticipated defense-related oper-  
13 ations, pursuant to section 402 of H. Con. Res. 376  
14 (109th Congress), as made applicable to the House of  
15 Representatives by section 511(a)(4) of H. Res. 6 (110th  
16 Congress).

17 DRUG INTERDICTION AND COUNTER-DRUG ACTIVITIES,  
18 DEFENSE

19 For an additional amount for “Drug Interdiction and  
20 Counter-Drug Activities, Defense”, \$259,115,000, to re-  
21 main available until expended: *Provided*, That the amount  
22 provided under this heading is designated as making ap-  
23 propriations for contingency operations directly related to  
24 the global war on terrorism, and other unanticipated de-  
25 fense-related operations, pursuant to section 402 of H.

1 Con. Res. 376 (109th Congress), as made applicable to  
 2 the House of Representatives by section 511(a)(4) of H.  
 3 Res. 6 (110th Congress).

#### 4 RELATED AGENCIES

##### 5 INTELLIGENCE COMMUNITY MANAGEMENT ACCOUNT

6 For an additional amount for “Intelligence Commu-  
 7 nity Management Account”, \$57,426,000: *Provided*, That  
 8 the amount provided under this heading is designated as  
 9 making appropriations for contingency operations directly  
 10 related to the global war on terrorism, and other unantici-  
 11 pated defense-related operations, pursuant to section 402  
 12 of H. Con. Res. 376 (109th Congress), as made applicable  
 13 to the House of Representatives by section 511(a)(4) of  
 14 H. Res. 6 (110th Congress).

##### 15 GENERAL PROVISIONS—THIS CHAPTER

16 SEC. 1301. Appropriations provided in this chapter  
 17 are available for obligation until September 30, 2007, un-  
 18 less otherwise provided in this chapter.

##### 19 (TRANSFER OF FUNDS)

20 SEC. 1302. Upon his determination that such action  
 21 is necessary in the national interest, the Secretary of De-  
 22 fense may transfer between appropriations up to  
 23 \$3,500,000,000 of the funds made available to the De-  
 24 partment of Defense in this chapter: *Provided*, That the  
 25 Secretary shall notify the Congress promptly of each  
 26 transfer made pursuant to the authority in this section:

1 *Provided further*, That the authority provided in this sec-  
2 tion is in addition to any other transfer authority available  
3 to the Department of Defense and is subject to the same  
4 terms and conditions as the authority provided in section  
5 8005 of the Department of Defense Appropriations Act,  
6 2007 (Public Law 109-289; 120 Stat. 1257), except for  
7 the fourth proviso.

8         ~~SEC. 1303.~~ Funds appropriated in this chapter, or  
9 made available by the transfer of funds in or pursuant  
10 to this chapter, for intelligence activities are deemed to  
11 be specifically authorized by the Congress for purposes of  
12 section 504(a)(1) of the National Security Act of 1947  
13 (50 U.S.C. 414(a)(1)).

14         ~~SEC. 1304.~~ None of the funds provided in this chap-  
15 ter may be used to finance programs or activities denied  
16 by Congress in fiscal years 2006 or 2007 appropriations  
17 to the Department of Defense or to initiate a procurement  
18 or research, development, test and evaluation new start  
19 program without prior written notification to the congres-  
20 sional defense committees.

21                                     (TRANSFER OF FUNDS)

22         ~~SEC. 1305.~~ During fiscal year 2007, the Secretary  
23 of Defense may transfer amounts in or credited to the De-  
24 fense Cooperation Account, pursuant to 10 U.S.C. 2608,  
25 to such appropriations or funds of the Department of De-  
26 fense as he shall determine for use consistent with the pur-



1 poses for which such funds were contributed and accepted:  
2 *Provided*, That such amounts shall be available for the  
3 same time period as the appropriation to which trans-  
4 ferred: *Provided further*, That the Secretary shall report  
5 to the Congress all transfers made pursuant to this au-  
6 thority: *Provided further*, That funds made available pur-  
7 suant to this section are designated as making appropria-  
8 tions for contingency operations directly related to the  
9 global war on terrorism, and other unanticipated defense-  
10 related operations, pursuant to section 402 of H. Con.  
11 Res. 376 (109th Congress), as made applicable to the  
12 House of Representatives by section 511(a)(4) of H. Res.  
13 6 (110th Congress).

14       SEC. 1306. (a) AUTHORITY TO PROVIDE SUP-  
15 PORT.—Of the amount appropriated by this chapter under  
16 the heading, “Drug Interdiction and Counter-Drug Activi-  
17 ties, Defense”, not to exceed \$100,000,000 may be used  
18 for support for counter-drug activities of the Governments  
19 of Afghanistan and Pakistan: *Provided*, That such support  
20 shall be in addition to support provided for the counter-  
21 drug activities of such Governments under any other pro-  
22 vision of the law.

23       (b) TYPES OF SUPPORT.—

24               (1) Except as specified in subsection (b)(2) of  
25 this section, the support that may be provided under

1 the authority in this section shall be limited to the  
2 types of support specified in section 1033(e)(1) of  
3 the National Defense Authorization Act for Fiscal  
4 Year 1998 (Public Law 105-85, as amended by  
5 Public Laws 106-398, 108-136, and 109-364) and  
6 conditions on the provision of support as contained  
7 in section 1033 shall apply for fiscal year 2007.

8 (2) The Secretary of Defense may transfer ve-  
9 hicles, aircraft, and detection, interception, moni-  
10 toring and testing equipment to said Governments  
11 for counter-drug activities.

12 SEC. 1307. (a) From funds made available for oper-  
13 ation and maintenance in this chapter to the Department  
14 of Defense, not to exceed \$456,000,000 may be used, not-  
15 withstanding any other provision of law, to fund the Com-  
16 mander's Emergency Response Program, for the purpose  
17 of enabling military commanders in Iraq and Afghanistan  
18 to respond to urgent humanitarian relief and reconstruc-  
19 tion requirements within their areas of responsibility by  
20 carrying out programs that will immediately assist the  
21 Iraqi and Afghan people.

22 (b) QUARTERLY REPORTS.—Not later than 15 days  
23 after the end of each fiscal year quarter, the Secretary  
24 of Defense shall submit to the congressional defense com-  
25 mittees a report regarding the source of funds and the

1 allocation and use of funds during that quarter that were  
2 made available pursuant to the authority provided in this  
3 section or under any other provision of law for the pur-  
4 poses of the programs under subsection (a).

5       SEC. 1308. Supervision and administration costs as-  
6 sociated with a construction project funded with appro-  
7 priations available for operation and maintenance, and ex-  
8 ecuted in direct support of the Global War on Terrorism  
9 only in Iraq and Afghanistan, may be obligated at the time  
10 a construction contract is awarded: *Provided*, That for the  
11 purpose of this section, supervision and administration  
12 costs include all in-house Government costs.

13       SEC. 1309. Section 9010 of division A of Public Law  
14 109–289 is amended by striking “2007” each place it ap-  
15 pears and inserting “2008”.

16       SEC. 1310. Section 1005(c)(2) of the National De-  
17 fense Authorization Act, FY 2007 (Public Law 109–364)  
18 is amended by striking “\$310,277,000” and inserting  
19 “\$376,446,000”.

20       SEC. 1311. None of the funds appropriated or other-  
21 wise made available by this or any other Act shall be obli-  
22 gated or expended by the United States Government for  
23 a purpose as follows:

1           (1) To establish any military installation or  
2           base for the purpose of providing for the permanent  
3           stationing of United States Armed Forces in Iraq.

4           (2) To exercise United States control over any  
5           oil resource of Iraq.

6                               (TRANSFER OF FUNDS)

7           SEC. 1312. (a) Of the funds appropriated or made  
8           available in this chapter under the heading “Operation  
9           and Maintenance, Defense-Wide”, up to \$100,000,000  
10          may be made available for transfer to the Department of  
11          State “Economic Support Fund” account to support pro-  
12          vincial reconstruction teams in Iraq and Afghanistan: *Pro-*  
13          *vided,* That these funds may be transferred by the Sec-  
14          retary of Defense only if he determines such amounts are  
15          required to assist in reconstruction efforts in Iraq and Af-  
16          ghanistan.

17          (b) The transfer authority in this section is in addi-  
18          tion to any other transfer authority available to the De-  
19          partment of Defense.

20          (c) The Secretary shall, not fewer than five days prior  
21          to making transfers under this authority, notify the con-  
22          gressional defense committees in writing of the details of  
23          such transfer.

24          SEC. 1313. None of the funds made available in this  
25          Act may be used in contravention of the following laws  
26          enacted or regulations promulgated to implement the

1 United Nations Convention Against Torture and Other  
2 Cruel, Inhuman or Degrading Treatment or Punishment  
3 (done at New York on December 10, 1984):

4 (1) Section 2340A of title 18, United States  
5 Code;

6 (2) Section 2242 of the Foreign Affairs Reform  
7 and Restructuring Act of 1998 (division G of Public  
8 Law 105-277; 112 Stat. 2681-822; 8 U.S.C. 1231  
9 note) and regulations prescribed thereto, including  
10 regulations under part 208 of title 8, Code of Fed-  
11 eral Regulations, and part 95 of title 22, Code of  
12 Federal Regulations;

13 (3) Sections 1002 and 1003 of the Department  
14 of Defense, Emergency Supplemental Appropriations  
15 to Address Hurricanes in the Gulf of Mexico, and  
16 Pandemic Influenza Act, 2006 (Public Law 109-  
17 148); and

18 (4) The limitation included in this section also  
19 applies to renditions.

20 SEC. 1314. (a) Not more than 50 percent of the  
21 amount of the funds appropriated by this Act under each  
22 of the headings “Iraq Security Forces Fund” and “Af-  
23 ghanistan Security Forces Fund” shall be available for ob-  
24 ligation or expenditure until the Secretary of Defense sub-  
25 mits the initial report required by subsection (b) and the

1 Director of the Office of Management and Budget submits  
2 the initial report required by subsection (e).

3 (b) REPORT BY SECRETARY OF DEFENSE.—

4 (1) The Secretary of Defense shall submit to  
5 the congressional defense committees a report that  
6 contains individual transition readiness assessments  
7 by unit of Iraq and Afghan security forces. The Sec-  
8 retary of Defense shall submit to the congressional  
9 defense committees updates of the report required  
10 by this subsection on a monthly basis until October  
11 1, 2008. The report and updates of the report re-  
12 quired by this subsection shall be submitted in clas-  
13 sified form.

14 (2) In this subsection, the term “congressional  
15 defense committees” means the Committees on Ap-  
16 propriations and Armed Services of the House of  
17 Representatives and the Committees on Appropria-  
18 tions and Armed Services of the Senate.

19 (c) REPORT BY OMB.—

20 (1) The Director of the Office of Management  
21 and Budget, in consultation with the Secretary of  
22 Defense; the Commander, Multi-National Security  
23 Transition Command—Iraq; the Commander, Com-  
24 bined Security Transition Command—Afghanistan;  
25 and the Committees on Appropriations of the House

1 of Representatives and the Senate, shall submit to  
2 the Committees on Appropriations not later than 60  
3 days after the date of the enactment of this Act and  
4 every 90 days thereafter a report on the proposed  
5 use of all funds under each of the headings “Iraq  
6 Security Forces Fund” and “Afghanistan Security  
7 Forces Fund” on a project-by-project basis, for  
8 which the obligation of funds is anticipated during  
9 the three month period from such date, including es-  
10 timates by the commanders referred to in this para-  
11 graph of the costs required to complete each such  
12 project.

13 (2) The report required by this subsection shall  
14 include the following:

15 (A) The use of all funds on a project-by-  
16 project basis for which funds appropriated  
17 under the headings referred to in paragraph (1)  
18 were obligated prior to the submission of the re-  
19 port, including estimates by the commanders  
20 referred to in paragraph (1) of the costs to  
21 complete each project.

22 (B) The use of all funds on a project-by-  
23 project basis for which funds were appropriated  
24 under the headings referred to in paragraph (1)  
25 in prior appropriations Acts, or for which funds

1           were made available by transfer, reprogram-  
2           ming, or allocation from other headings in prior  
3           appropriations Acts, including estimates by the  
4           commanders referred to in paragraph (1) of the  
5           costs to complete each project.

6           (C) An estimated total cost to train and  
7           equip the Iraq and Afghan security forces,  
8           disaggregated by major program and sub-ele-  
9           ments by force, arrayed by fiscal year.

10          (d) NOTIFICATION.—The Secretary of Defense shall  
11         notify the Committees on Appropriations of the House of  
12         Representatives and the Senate of any proposed new  
13         projects or transfers of funds between sub-activity groups  
14         in excess of \$15,000,000 using funds appropriated by this  
15         Act under the headings “Iraq Security Forces Fund” and  
16         “Afghanistan Security Forces Fund”.

17          SEC. 1315. None of the funds appropriated or other-  
18         wise made available by this chapter may be obligated or  
19         expended to provide award fees to any defense contractor  
20         contrary to the provisions of section 814 of the National  
21         Defense Authorization Act, FY 2007 (Public Law 109–  
22         364).

23          SEC. 1316. (a) Not more than 90 percent of the  
24         funds appropriated in this chapter for operation and main-  
25         tenance shall be available for obligation unless and until



1 the Secretary of Defense submits to the congressional de-  
2 fense committees a report detailing the use of contracted  
3 services in support of United States military and recon-  
4 struction activities in Iraq and Afghanistan: *Provided*;  
5 That the Secretary of Defense shall prepare the report in  
6 consultation with the Director of the Office of Manage-  
7 ment and Budget and the Secretary of State: *Provided*  
8 *further*; That the report shall provide detailed information  
9 specifying the number of contracts, private contractors,  
10 and contractor personnel used to provide services in fiscal  
11 year 2006, with sub-allocations by major service cat-  
12 egories: *Provided further*; That the report also shall in-  
13 clude estimates of the number of contracts to be executed  
14 in fiscal year 2007 with the associated number of contrac-  
15 tors and contractor personnel; and provide information re-  
16 garding the Federal department(s) or agency(s) respon-  
17 sible for executing these contracts: *Provided further*; That  
18 the report shall be submitted to the congressional defense  
19 committees not later than 90 days after enactment of this  
20 Act.

21 (b) Amounts appropriated for operation and mainte-  
22 nance in this chapter are hereby reduced by \$815,000,000  
23 to reflect savings attributable to efficiencies and manage-  
24 ment improvements in the funding of contracts in the mili-  
25 tary departments: *Provided*; That the Secretary of Defense

1 shall allocate this reduction proportionally to each oper-  
2 ation and maintenance account contained in this chapter:  
3 *Provided further*, That the Secretary of Defense shall, not  
4 fewer than five days prior to making such reductions, no-  
5 tify the congressional defense committees in writing of the  
6 details of such reductions.

7       SEC. 1317. Section 1477 of title 10, United States  
8 Code, is amended—

9           (1) in subsection (a), by striking “A death gra-  
10 tuity” and inserting “Subject to subsection (d), a  
11 death gratuity”;

12           (2) by redesignating subsection (d) as sub-  
13 section (e) and, in such subsection, by striking “If  
14 an eligible survivor dies before he” and inserting “If  
15 a person entitled to all or a portion of a death gra-  
16 tuity under subsection (a) or (d) dies before the per-  
17 son”; and

18           (3) by inserting after subsection (e) the fol-  
19 lowing new subsection (d):

20       “(d) During the period beginning on the date of the  
21 enactment of this subsection and ending on September 30,  
22 2007, a person covered by section 1475 or 1476 of this  
23 title may designate another person to receive not more  
24 than 50 percent of the amount payable under section 1478  
25 of this title. The designation shall indicate the percentage

1 of the amount, to be specified only in 10 percent incre-  
2 ments up to the maximum of 50 percent, that the des-  
3 ignated person may receive. The balance of the amount  
4 of the death gratuity shall be paid to or for the living sur-  
5 vivors of the person concerned in accordance with para-  
6 graphs ~~(1)~~ through ~~(5)~~ of subsection (a).”.

7       ~~SEC. 1318.~~ Section 9007 of division A of Public Law  
8 ~~109–289~~ is amended by striking “20” and inserting  
9 “170”.

10       ~~SEC. 1319.~~ Section ~~1403(a)~~ of the Floyd D. Spence  
11 National Defense Authorization Act for Fiscal Year 2001  
12 (as enacted into law by Public Law ~~106–398~~), as amended  
13 by section ~~1052~~ of the National Defense Authorization Act  
14 for Fiscal Year 2006 (Public Law ~~109–163~~) and section  
15 ~~1073~~ of the John Warner National Defense Authorization  
16 Act for Fiscal Year 2007 (Public Law ~~109–364~~), is  
17 amended by striking “September 30, 2007” and inserting  
18 “June 30, 2008”.

19       ~~SEC. 1320.~~ There is appropriated to the Secretary of  
20 Defense such sums as may be necessary to implement the  
21 recommendations of the Army Inspector General with re-  
22 gard to trained military attorneys dedicated to rep-  
23 resenting soldiers who are pursuing claims before physical  
24 evaluation boards and earlier in the Army disability eval-  
25 uation system process.

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## CHAPTER 4

### DEPARTMENT OF ENERGY

#### ATOMIC ENERGY DEFENSE ACTIVITIES

#### NATIONAL NUCLEAR SECURITY ADMINISTRATION

#### DEFENSE NUCLEAR NONPROLIFERATION

For an additional amount for “Defense Nuclear Non-proliferation”, \$150,000,000, to remain available until expended: *Provided*, That the amount provided under this heading is designated as making appropriations for contingency operations directly related to the global war on terrorism, and other unanticipated defense-related operations, pursuant to section 402 of H. Con. Res. 376 (109th Congress), as made applicable to the House of Representatives by section 511(a)(4) of H. Res. 6 (110th Congress).

## CHAPTER 5

### DEPARTMENT OF HOMELAND SECURITY

#### DEPARTMENTAL MANAGEMENT AND OPERATIONS

#### ANALYSIS AND OPERATIONS

For an additional amount for “Analysis and Operations”, \$35,000,000, to remain available until September 30, 2008, to be used for expansion of the State and Local Fusion Center program: *Provided*, That the amount provided under this heading is designated as making appropriations for contingency operations directly related to the

1 global war on terrorism, and other unanticipated defense-  
2 related operations, pursuant to section 402 of H. Con-  
3 Res. 376 (109th Congress), as made applicable to the  
4 House of Representatives by section 511(a)(4) of H. Res.  
5 6 (110th Congress).

6 CUSTOMS AND BORDER PROTECTION

7 SALARIES AND EXPENSES

8 (INCLUDING TRANSFER OF FUNDS)

9 For an additional amount for “Salaries and Ex-  
10 penses”, \$100,000,000, to remain available until Sep-  
11 tember 30, 2008, to be used to increase the number of  
12 inspectors, intelligence analysts and support staff respon-  
13 sible for container security inspections, and for other ef-  
14 forts to improve supply chain security: *Provided*, That up  
15 to \$1,000,000 shall be transferred to “Salaries and Ex-  
16 penses, Federal Law Enforcement Training Center” for  
17 basic training costs: *Provided further*, That the amount  
18 provided under this heading is designated as making ap-  
19 propriations for contingency operations directly related to  
20 the global war on terrorism, and other unanticipated de-  
21 fense-related operations, pursuant to section 402 of H.  
22 Con. Res. 376 (109th Congress), as made applicable to  
23 the House of Representatives by section 511(a)(4) of H.  
24 Res. 6 (110th Congress).

1 AIR AND MARINE INTERDICTION, OPERATIONS,  
2 MAINTENANCE, AND PROCUREMENT

3 For an additional amount for “Air and Marine Inter-  
4 diction, Operations, Maintenance, and Procurement”,  
5 \$150,000,000, to remain available until September 30,  
6 2008, to be used to complete and expand airwings on the  
7 Northern Border: *Provided*, That the amount provided  
8 under this heading is designated as making appropriations  
9 for contingency operations directly related to the global  
10 war on terrorism, and other unanticipated defense-related  
11 operations, pursuant to section 402 of H. Con. Res. 376  
12 (109th Congress), as made applicable to the House of  
13 Representatives by section 511(a)(4) of H. Res. 6 (110th  
14 Congress).

15 TRANSPORTATION SECURITY ADMINISTRATION

16 AVIATION SECURITY

17 For an additional amount for “Aviation Security”,  
18 \$1,250,000,000, to remain available until expended: *Pro-*  
19 *vided*, That of the total amount provided under this head-  
20 ing, \$1,000,000,000 shall be for explosive detection pro-  
21 curement and installation, \$90,000,000 shall be for expan-  
22 sion of checkpoint explosive detection pilot systems, and  
23 \$160,000,000 shall be for screening of cargo carried on  
24 passenger aircraft: *Provided further*, That the amount pro-  
25 vided under this heading is designated as making appro-  
26 priations for contingency operations directly related to the

1 global war on terrorism, and other unanticipated defense-  
2 related operations, pursuant to section 402 of H. Con-  
3 Res. 376 (109th Congress), as made applicable to the  
4 House of Representatives by section 511(a)(4) of H. Res.  
5 6 (110th Congress).

6 NATIONAL PROTECTION AND PROGRAMS

7 INFRASTRUCTURE PROTECTION AND INFORMATION

8 SECURITY

9 For an additional amount for “Infrastructure Protec-  
10 tion and Information Security”, \$25,000,000, to remain  
11 available until September 30, 2008, to be used for develop-  
12 ment of State and local interoperability plans in conjunc-  
13 tion with the SAFECOM program office: *Provided*, That  
14 the amount provided under this heading is designated as  
15 making appropriations for contingency operations directly  
16 related to the global war on terrorism, and other unantici-  
17 pated defense-related operations, pursuant to section 402  
18 of H. Con. Res. 376 (109th Congress), as made applicable  
19 to the House of Representatives by section 511(a)(4) of  
20 H. Res. 6 (110th Congress).

21 FEDERAL EMERGENCY MANAGEMENT AGENCY

22 SALARIES AND EXPENSES

23 For salaries and expenses of the Federal Emergency  
24 Management Agency, \$25,000,000, to remain available  
25 until September 30, 2008, for regional disaster commu-

1 nications capability and support for mutual aid agree-  
2 ments: *Provided*, That the amount provided under this  
3 heading is designated as making appropriations for contin-  
4 gency operations directly related to the global war on ter-  
5 rorism, and other unanticipated defense-related oper-  
6 ations, pursuant to section 402 of H. Con. Res. 376  
7 (109th Congress), as made applicable to the House of  
8 Representatives by section 511(a)(4) of H. Res. 6 (110th  
9 Congress).

10 STATE AND LOCAL PROGRAMS

11 For an additional amount for “State and Local Pro-  
12 grams”, \$415,000,000, of which \$190,000,000 shall be for  
13 port security grants and \$225,000,000 shall be for inter-  
14 city rail passenger transportation, freight rail, and transit  
15 security grants: *Provided*, That the amount provided  
16 under this heading is designated as making appropriations  
17 for contingency operations directly related to the global  
18 war on terrorism, and other unanticipated defense-related  
19 operations, pursuant to section 402 of H. Con. Res. 376  
20 (109th Congress), as made applicable to the House of  
21 Representatives by section 511(a)(4) of H. Res. 6 (110th  
22 Congress).

23 EMERGENCY MANAGEMENT PERFORMANCE GRANTS

24 For an additional amount for “Emergency Manage-  
25 ment Performance Grants”, \$100,000,000: *Provided*,  
26 That the amount provided under this heading is des-



1 ignated as making appropriations for contingency oper-  
 2 ations directly related to the global war on terrorism, and  
 3 other unanticipated defense-related operations, pursuant  
 4 to section 402 of H. Con. Res. 376 (109th Congress), as  
 5 made applicable to the House of Representatives by sec-  
 6 tion 511(a)(4) of H. Res. 6 (110th Congress).

7           DOMESTIC NUCLEAR DETECTION OFFICE

8                           SYSTEMS ACQUISITION

9           For an additional amount for “Systems Acquisition”,  
 10 \$400,000,000, to remain available until expended: *Pro-*  
 11 *vided,* That the amount provided under this heading is  
 12 designated as making appropriations for contingency oper-  
 13 ations directly related to the global war on terrorism, and  
 14 other unanticipated defense-related operations, pursuant  
 15 to section 402 of H. Con. Res. 376 (109th Congress), as  
 16 made applicable to the House of Representatives by sec-  
 17 tion 511(a)(4) of H. Res. 6 (110th Congress).

18           GENERAL PROVISIONS—THIS CHAPTER

19           SEC. 1501. (a) LIMITATION ON USE OF FUNDS.—

20                   (1) IN GENERAL.—None of the funds made  
 21 available in this or any other Act shall be used by  
 22 the Secretary of Homeland Security to approve a  
 23 site security plan for a chemical facility, unless the  
 24 facility meets or exceeds security standards or re-  
 25 quirements established for such a facility by the

1 State or local government for the area where the fa-  
2 cility is located.

3 (2) DEFINITIONS.—In this subsection, each of  
4 the terms “site security plan” and “chemical facil-  
5 ity” has the meaning that the term has in section  
6 550 of the Department of Homeland Security Ap-  
7 propriations Act, 2007 (Public Law 109–295; 120  
8 Stat. 1388).

9 (b) AMENDMENTS.—Section 550 of the Department  
10 of Homeland Security Appropriations Act, 2007 (Public  
11 Law 109–295; 120 Stat. 1388) is amended—

12 (1) in subsection (a), by striking “the Secretary  
13 may not disapprove a site security plan submitted  
14 under this section based on the presence or absence  
15 of a particular security measure, but”;

16 (2) in subsection (c), by striking “consistent  
17 with similar” and inserting “identical to the protec-  
18 tions given”;

19 (3) in subsection (e), by striking “, site security  
20 plans, and other information submitted to or ob-  
21 tained by the Secretary under this section, and re-  
22 lated vulnerability or security information, shall be  
23 treated as if the information were classified mate-  
24 rial” and inserting “and site security plans shall be  
25 treated as sensitive security information (as that

1 term is used in section 1520.5 of title 49, Code of  
 2 Federal Regulations)”; and

3 (4) in subsection (d), by striking “: *Provided*,  
 4 That nothing in this section confers upon any person  
 5 except the Secretary a right of action against an  
 6 owner or operator of a chemical facility to enforce  
 7 any provision of this section”.

## 8 CHAPTER 6

### 9 LEGISLATIVE BRANCH

#### 10 HOUSE OF REPRESENTATIVES

##### 11 SALARIES AND EXPENSES

12 For an additional amount for “Salaries and Ex-  
 13 penses”, \$6,437,000, as follows:

##### 14 ALLOWANCES AND EXPENSES

15 For an additional amount for allowances and ex-  
 16 penses as authorized by House resolution or law,  
 17 \$6,437,000 for business continuity and disaster recovery,  
 18 to remain available until expended: *Provided*, That the  
 19 amount provided under this heading is designated as mak-  
 20 ing appropriations for contingency operations directly re-  
 21 lated to the global war on terrorism, and other unantici-  
 22 pated defense-related operations, pursuant to section 402  
 23 of H. Con. Res. 376 (109th Congress), as made applicable  
 24 to the House of Representatives by section 511(a)(4) of  
 25 H. Res. 6 (110th Congress).

## CHAPTER 7

## DEPARTMENT OF DEFENSE

## MILITARY CONSTRUCTION, ARMY

1  
2  
3  
4 For an additional amount for “Military Construction,  
5 Army”, \$1,329,240,000, to remain available until Sep-  
6 tember 30, 2008: *Provided*, That notwithstanding any  
7 other provision of law, such funds may be obligated and  
8 expended to carry out planning and design and military  
9 construction projects not otherwise authorized by law:  
10 *Provided further*, That of the funds provided under this  
11 heading, not to exceed \$168,200,000 shall be available for  
12 study, planning, design, and architect and engineer serv-  
13 ices: *Provided further*, That of the funds provided under  
14 this heading, \$25,600,000 shall not be obligated or ex-  
15 pended until the Secretary of Defense submits an updated  
16 1391 form that addresses the actual housing requirement  
17 for the Consolidated Compound in Kabul, Afghanistan, to  
18 the Committees on Appropriations of the House of Rep-  
19 resentatives and Senate and an approval is issued: *Pro-*  
20 *vided further*, That of the funds made available under this  
21 heading, \$369,690,000 shall not be obligated or expended  
22 until the Secretary of Defense submits a detailed report  
23 explaining how military road construction is coordinated  
24 with NATO and coalition nations: *Provided further*, That  
25 of the funds made available under this heading,

1 \$401,700,000 shall not be obligated or expended until the  
2 Secretary of Defense submits a detailed spending plan, in-  
3 cluding a 1391 form for each project, to support Army  
4 end-strength growth to the Committees on Appropriations  
5 of the House of Representatives and Senate and an ap-  
6 proval is issued: *Provided further*, That the amount pro-  
7 vided under this heading is designated as making appro-  
8 priations for contingency operations directly related to the  
9 global war on terrorism, and other unanticipated defense-  
10 related operations, pursuant to section 402 of H. Con.  
11 Res. 376 (109th Congress), as made applicable to the  
12 House of Representatives by section 511(a)(4) of H. Res.  
13 6 (110th Congress).

14 MILITARY CONSTRUCTION, NAVY AND MARINE CORPS

15 For an additional amount for “Military Construction,  
16 Navy and Marine Corps”, \$389,300,000, to remain avail-  
17 able until September 30, 2008: *Provided*, That notwith-  
18 standing any other provision of law, such funds may be  
19 obligated and expended to carry out planning and design  
20 and military construction projects not otherwise author-  
21 ized by law: *Provided further*, That of the funds provided  
22 under this heading, not to exceed \$49,600,000 shall be  
23 available for study, planning, design, and architect and en-  
24 gineer services: *Provided further*, That of the funds made  
25 available under this heading, \$200,000,000 shall not be

1 obligated or expended until the Secretary of Defense sub-  
2 mits a detailed spending plan, including a 1391 form, for  
3 each project to support Marine Corps end-strength growth  
4 to the Committees on Appropriations of the House of Rep-  
5 resentatives and Senate and an approval is issued: *Pro-*  
6 *vided further,* That the amount provided under this head-  
7 ing is designated as making appropriations for contin-  
8 gency operations directly related to the global war on ter-  
9 rorism, and other unanticipated defense-related oper-  
10 ations, pursuant to section 402 of H. Con. Res. 376  
11 (109th Congress), as made applicable to the House of  
12 Representatives by section 511(a)(4) of H. Res. 6 (110th  
13 Congress).

14           MILITARY CONSTRUCTION, AIR FORCE

15           For an additional amount for “Military Construction,  
16 Air Force”, \$60,200,000, to remain available until Sep-  
17 tember 30, 2008: *Provided,* That notwithstanding any  
18 other provision of law, such funds may be obligated and  
19 expended to carry out planning and design and military  
20 construction projects not otherwise authorized by law:  
21 *Provided further,* That of the funds provided under this  
22 heading, not to exceed \$3,900,000 shall be available for  
23 study, planning, design, and architect and engineer serv-  
24 ices: *Provided further,* That the amount provided under  
25 this heading is designated as making appropriations for

1 contingency operations directly related to the global war  
2 on terrorism, and other unanticipated defense-related op-  
3 erations, pursuant to section 402 of H. Con. Res. 376  
4 (109th Congress), as made applicable to the House of  
5 Representatives by section 511(a)(4) of H. Res. 6 (110th  
6 Congress).

7 DEPARTMENT OF DEFENSE BASE CLOSURE ACCOUNT

8 2005

9 For deposit into the Department of Defense Base  
10 Closure Account 2005, established by section 2906A(a)(1)  
11 of the Defense Base Closure and Realignment Act of 1990  
12 (10 U.S.C. 2687 note), \$3,136,802,000, to remain avail-  
13 able until expended: *Provided*, That within 30 days of the  
14 enactment of this Act, the Secretary of Defense shall sub-  
15 mit a detailed spending plan to the Committees on Appro-  
16 priations of the House of Representatives and Senate:  
17 *Provided further*, That the amount provided under this  
18 heading is designated as making appropriations for contin-  
19 gency operations directly related to the global war on ter-  
20 rorism, and other unanticipated defense-related oper-  
21 ations, pursuant to section 402 of H. Con. Res. 376  
22 (109th Congress), as made applicable to the House of  
23 Representatives by section 511(a)(4) of H. Res. 6 (110th  
24 Congress).

## 1 DEPARTMENT OF VETERANS AFFAIRS

## 2 VETERANS BENEFITS ADMINISTRATION

## 3 COMPENSATION AND PENSIONS

4 For an additional amount for “Compensation and  
5 Pensions”, \$20,000,000, to remain available until ex-  
6 pended, for a pilot program for disability examinations as  
7 authorized by law (38 U.S.C. 5101 note).

## 8 VETERANS HEALTH ADMINISTRATION

## 9 MEDICAL SERVICES

10 For an additional amount for “Medical Services”,  
11 \$414,982,000, to remain available until expended, of  
12 which \$30,000,000 shall be for a new Level I comprehen-  
13 sive polytrauma center; \$56,000,000 shall be for pros-  
14 thetics; \$100,000,000 shall be for contract mental health  
15 care when appointment waiting times exceed 30 days; and  
16 \$228,982,000 shall be for treatment of veterans of the  
17 global war on terror: *Provided*, That the amount provided  
18 under this heading is designated as making appropriations  
19 for contingency operations directly related to the global  
20 war on terrorism, and other unanticipated defense-related  
21 operations, pursuant to section 402 of H. Con. Res. 376  
22 (109th Congress), as made applicable to the House of  
23 Representatives by section 511(a)(4) of H. Res. 6 (110th  
24 Congress).



## MEDICAL ADMINISTRATION

1  
2 For an additional amount for “Medical Administra-  
3 tion”, \$256,300,000, to remain available until expended,  
4 of which \$6,300,000 shall be used for polytrauma support  
5 clinic teams for case management: *Provided*, That the  
6 amount provided under this heading is designated as mak-  
7 ing appropriations for contingency operations directly re-  
8 lated to the global war on terrorism, and other unantici-  
9 pated defense-related operations, pursuant to section 402  
10 of H. Con. Res. 376 (109th Congress), as made applicable  
11 to the House of Representatives by section 511(a)(4) of  
12 H. Res. 6 (110th Congress).

## MEDICAL FACILITIES

13  
14 For an additional amount for “Medical Facilities”,  
15 \$595,000,000, to remain available until expended, of  
16 which \$45,000,000 shall be used for upgrades to  
17 polytrauma care centers; and \$550,000,000 shall be for  
18 non-recurring maintenance as identified in the Depart-  
19 ment of Veterans Affairs Facility Condition Assessment  
20 report: *Provided*, That the amount provided under this  
21 heading is designated as making appropriations for contin-  
22 gency operations directly related to the global war on ter-  
23 rorism, and other unanticipated defense-related oper-  
24 ations, pursuant to section 402 of H. Con. Res. 376  
25 (109th Congress), as made applicable to the House of

1 Representatives by section 511(a)(4) of H. Res. 6 (110th  
2 Congress).

3 MEDICAL AND PROSTHETIC RESEARCH

4 For an additional amount for “Medical and Pros-  
5 thetic Research”, \$35,000,000, to remain available until  
6 expended, which shall be used for research initiatives re-  
7 lated to Operation Iraqi Freedom/Operation Enduring  
8 Freedom survivors: *Provided*, That the amount provided  
9 under this heading is designated as making appropriations  
10 for contingency operations directly related to the global  
11 war on terrorism, and other unanticipated defense-related  
12 operations, pursuant to section 402 of H. Con. Res. 376  
13 (109th Congress), as made applicable to the House of  
14 Representatives by section 511(a)(4) of H. Res. 6 (110th  
15 Congress).

16 DEPARTMENTAL ADMINISTRATION

17 GENERAL OPERATING EXPENSES

18 For an additional amount for “General Operating  
19 Expenses”, \$62,000,000, to remain available until ex-  
20 pended, of which \$1,250,000 shall be for digitization of  
21 records and \$60,750,000 shall be for expenses related to  
22 hiring and training new claims processing personnel: *Pro-*  
23 *vided*, That the amount provided under this heading is  
24 designated as making appropriations for contingency oper-  
25 ations directly related to the global war on terrorism, and  
26 other unanticipated defense-related operations, pursuant

1 to section 402 of H. Con. Res. 376 (109th Congress), as  
2 made applicable to the House of Representatives by sec-  
3 tion 511(a)(4) of H. Res. 6 (110th Congress).

#### 4 INFORMATION TECHNOLOGY SYSTEMS

5 For an additional amount for “Information Tech-  
6 nology Systems”, \$35,000,000, to remain available until  
7 expended, for system development upgrades to address  
8 global war on terror requirements: *Provided*, That the  
9 amount provided under this heading is designated as mak-  
10 ing appropriations for contingency operations directly re-  
11 lated to the global war on terrorism, and other unantici-  
12 pated defense-related operations, pursuant to section 402  
13 of H. Con. Res. 376 (109th Congress), as made applicable  
14 to the House of Representatives by section 511(a)(4) of  
15 H. Res. 6 (110th Congress).

#### 16 CONSTRUCTION, MAJOR PROJECTS

17 For an additional amount for “Construction, Major  
18 Projects”, \$23,800,000, to remain available until ex-  
19 pended, which shall be for the authorized completion of  
20 a spinal cord injury center: *Provided*, That the amount  
21 provided under this heading is designated as making ap-  
22 propriations for contingency operations directly related to  
23 the global war on terrorism, and other unanticipated de-  
24 fense-related operations, pursuant to section 402 of H.  
25 Con. Res. 376 (109th Congress), as made applicable to

1 the House of Representatives by section 511(a)(4) of H.  
2 Res. 6 (110th Congress).

3 CONSTRUCTION, MINOR PROJECTS

4 For an additional amount for “Construction, Minor  
5 Projects”, \$260,000,000, to remain available until ex-  
6 pended: *Provided*, That the amount provided under this  
7 heading is designated as making appropriations for contin-  
8 gency operations directly related to the global war on ter-  
9 rorism, and other unanticipated defense-related oper-  
10 ations, pursuant to section 402 of H. Con. Res. 376  
11 (109th Congress), as made applicable to the House of  
12 Representatives by section 511(a)(4) of H. Res. 6 (110th  
13 Congress).

14 CHAPTER 8

15 DEPARTMENT OF STATE

16 ADMINISTRATION OF FOREIGN AFFAIRS

17 DIPLOMATIC AND CONSULAR PROGRAMS

18 (INCLUDING TRANSFER OF FUNDS)

19 For an additional amount for “Diplomatic and Con-  
20 sular Programs”, \$966,954,000, to remain available until  
21 September 30, 2008, of which \$102,155,000 for World  
22 Wide Security Upgrades is available until expended: *Pro-*  
23 *vided*, That of the amount available under this heading,  
24 \$258,000 shall be transferred to, and merged with, funds  
25 available in fiscal year 2007 for expenses for the United  
26 States Commission on International Religious Freedom:

1 *Provided further*, That \$395,000,000 of the amount avail-  
2 able for Iraq operations shall not be obligated until the  
3 Committee on Appropriations of the House of Representa-  
4 tives receives and approves a detailed plan for expenditure,  
5 prepared by the Secretary of State, and submitted within  
6 60 days after the date of enactment of this Act: *Provided*  
7 *further*, That up to \$50,000,000 may be made available  
8 to establish and maintain a civilian reserve corps: *Provided*  
9 *further*, That none of the funds for a civilian reserve corps  
10 may be obligated without specific authorization in a subse-  
11 quent Act of Congress: *Provided further*, That the amount  
12 provided under this heading is designated as making ap-  
13 propriations for contingency operations directly related to  
14 the global war on terrorism, and other unanticipated de-  
15 fense-related operations, pursuant to section 402 of H.  
16 Con. Res. 376 (109th Congress), as made applicable to  
17 the House of Representatives by section 511(a)(4) of H.  
18 Res. 6 (110th Congress).

19 OFFICE OF THE INSPECTOR GENERAL

20 (INCLUDING TRANSFER OF FUNDS)

21 For an additional amount for “Office of Inspector  
22 General”, \$46,800,000, to remain available until Decem-  
23 ber 31, 2008: *Provided*, That \$45,500,000 shall be trans-  
24 ferred to the Special Inspector General for Iraq Recon-  
25 struction for reconstruction oversight: *Provided further*,  
26 That the amount provided under this heading is des-

1 ignated as making appropriations for contingency oper-  
2 ations directly related to the global war on terrorism, and  
3 other unanticipated defense-related operations, pursuant  
4 to section 402 of H. Con. Res. 376 (109th Congress), as  
5 made applicable to the House of Representatives by sec-  
6 tion 511(a)(4) of H. Res. 6 (110th Congress).

#### 7 EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

8 For an additional amount for “Educational and Cul-  
9 tural Exchange Programs”, \$20,000,000, to remain avail-  
10 able until expended: *Provided*, That the amount provided  
11 under this heading is designated as making appropriations  
12 for contingency operations directly related to the global  
13 war on terrorism, and other unanticipated defense-related  
14 operations, pursuant to section 402 of H. Con. Res. 376  
15 (109th Congress), as made applicable to the House of  
16 Representatives by section 511(a)(4) of H. Res. 6 (110th  
17 Congress).

#### 18 INTERNATIONAL ORGANIZATIONS

##### 19 CONTRIBUTIONS FOR INTERNATIONAL PEACEKEEPING

##### 20 ACTIVITIES

21 For an additional amount for “Contributions for  
22 International Peacekeeping Activities”, \$288,000,000, to  
23 remain available until September 30, 2008: *Provided*,  
24 That the amount provided under this heading is des-  
25 ignated as making appropriations for contingency oper-

1 ations directly related to the global war on terrorism, and  
 2 other unanticipated defense-related operations, pursuant  
 3 to section 402 of H. Con. Res. 376 (109th Congress), as  
 4 made applicable to the House of Representatives by sec-  
 5 tion 511(a)(4) of H. Res. 6 (110th Congress).

6 **RELATED AGENCY**

7 **BROADCASTING BOARD OF GOVERNORS**

8 **INTERNATIONAL BROADCASTING OPERATIONS**

9 For an additional amount for “International Broad-  
 10 casting Operations”, for activities related to broadcasting  
 11 to the Middle East, \$10,000,000, to remain available until  
 12 September 30, 2008: *Provided*, That the amount provided  
 13 under this heading is designated as making appropriations  
 14 for contingency operations directly related to the global  
 15 war on terrorism, and other unanticipated defense-related  
 16 operations, pursuant to section 402 of H. Con. Res. 376  
 17 (109th Congress), as made applicable to the House of  
 18 Representatives by section 511(a)(4) of H. Res. 6 (110th  
 19 Congress).

20 **BILATERAL ECONOMIC ASSISTANCE**

21 **FUNDS APPROPRIATED TO THE PRESIDENT**

22 **UNITED STATES AGENCY FOR INTERNATIONAL**

23 **DEVELOPMENT**

24 **CHILD SURVIVAL AND HEALTH PROGRAMS FUND**

25 For an additional amount for “Child Survival and  
 26 Health Programs Fund”, \$161,000,000, to remain avail-

1 able until September 30, 2008: *Provided*, That the amount  
2 provided under this heading is designated as making ap-  
3 propriations for contingency operations directly related to  
4 the global war on terrorism, and other unanticipated de-  
5 fense-related operations, pursuant to section 402 of H.  
6 Con. Res. 376 (109th Congress), as made applicable to  
7 the House of Representatives by section 511(a)(4) of H.  
8 Res. 6 (110th Congress).

9 INTERNATIONAL DISASTER AND FAMINE ASSISTANCE

10 For an additional amount for “International Disaster  
11 and Famine Assistance”, \$135,000,000, to remain avail-  
12 able until expended: *Provided*, That the amount provided  
13 under this heading is designated as making appropriations  
14 for contingency operations directly related to the global  
15 war on terrorism, and other unanticipated defense-related  
16 operations, pursuant to section 402 of H. Con. Res. 376  
17 (109th Congress), as made applicable to the House of  
18 Representatives by section 511(a)(4) of H. Res. 6 (110th  
19 Congress).

20 OPERATING EXPENSES OF THE UNITED STATES AGENCY

21 FOR INTERNATIONAL DEVELOPMENT

22 For an additional amount for “Operating Expenses  
23 of the United States Agency for International Develop-  
24 ment”, \$10,700,000, to remain available until September  
25 30, 2008: *Provided*, That the amount provided under this  
26 heading is designated as making appropriations for contin-



1 gency operations directly related to the global war on ter-  
2 rorism, and other unanticipated defense-related oper-  
3 ations, pursuant to section 402 of H. Con. Res. 376  
4 (109th Congress), as made applicable to the House of  
5 Representatives by section 511(a)(4) of H. Res. 6 (110th  
6 Congress).

7 OPERATING EXPENSES OF THE UNITED STATES AGENCY  
8 FOR INTERNATIONAL DEVELOPMENT OFFICE OF IN-  
9 SPECTOR GENERAL

10 For an additional amount for “Operating Expenses  
11 of the United States Agency for International Develop-  
12 ment Office of Inspector General”, \$3,500,000, to remain  
13 available until September 30, 2008: *Provided*, That the  
14 amount provided under this heading is designated as mak-  
15 ing appropriations for contingency operations directly re-  
16 lated to the global war on terrorism, and other unantici-  
17 pated defense-related operations, pursuant to section 402  
18 of H. Con. Res. 376 (109th Congress), as made applicable  
19 to the House of Representatives by section 511(a)(4) of  
20 H. Res. 6 (110th Congress).

21 OTHER BILATERAL ECONOMIC ASSISTANCE  
22 ECONOMIC SUPPORT FUND

23 For an additional amount for “Economic Support  
24 Fund”, \$2,953,000,000, to remain available until Sep-  
25 tember 30, 2008: *Provided*, That the amount provided  
26 under this heading is designated as making appropriations

1 for contingency operations directly related to the global  
2 war on terrorism, and other unanticipated defense-related  
3 operations, pursuant to section 402 of H. Con. Res. 376  
4 (109th Congress), as made applicable to the House of  
5 Representatives by section 511(a)(4) of H. Res. 6 (110th  
6 Congress).

7 ASSISTANCE FOR EASTERN EUROPE AND THE BALTIC  
8 STATES

9 For an additional amount for “Assistance for East-  
10 ern Europe and the Baltic States”, \$239,000,000, to re-  
11 main available until September 30, 2008: *Provided*, That  
12 the amount provided under this heading is designated as  
13 making appropriations for contingency operations directly  
14 related to the global war on terrorism, and other unantici-  
15 pated defense-related operations, pursuant to section 402  
16 of H. Con. Res. 376 (109th Congress), as made applicable  
17 to the House of Representatives by section 511(a)(4) of  
18 H. Res. 6 (110th Congress).

19 DEPARTMENT OF STATE  
20 INTERNATIONAL NARCOTICS CONTROL AND LAW  
21 ENFORCEMENT

22 For an additional amount for “International Nar-  
23 cotics Control and Law Enforcement”, \$334,500,000, to  
24 remain available until September 30, 2008: *Provided*,  
25 That the amount provided under this heading is des-  
26 ignated as making appropriations for contingency oper-

1 ations directly related to the global war on terrorism, and  
2 other unanticipated defense-related operations, pursuant  
3 to section 402 of H. Con. Res. 376 (109th Congress), as  
4 made applicable to the House of Representatives by sec-  
5 tion 511(a)(4) of H. Res. 6 (110th Congress).

6           MIGRATION AND REFUGEE ASSISTANCE

7           For an additional amount for “Migration and Ref-  
8 ugee Assistance”, \$111,500,000, to remain available until  
9 September 30, 2008: *Provided*, That the amount provided  
10 under this heading is designated as making appropriations  
11 for contingency operations directly related to the global  
12 war on terrorism, and other unanticipated defense-related  
13 operations, pursuant to section 402 of H. Con. Res. 376  
14 (109th Congress), as made applicable to the House of  
15 Representatives by section 511(a)(4) of H. Res. 6 (110th  
16 Congress).

17           UNITED STATES EMERGENCY REFUGEE AND MIGRATION  
18   ASSISTANCE FUND

19           For an additional amount for “United States Emer-  
20 gency Refugee and Migration Assistance Fund”,  
21 \$35,000,000, to remain available until expended: *Pro-*  
22 *vided*, That the amount provided under this heading is  
23 designated as making appropriations for contingency oper-  
24 ations directly related to the global war on terrorism, and  
25 other unanticipated defense-related operations, pursuant  
26 to section 402 of H. Con. Res. 376 (109th Congress), as

1 made applicable to the House of Representatives by sec-  
2 tion 511(a)(4) of H. Res. 6 (110th Congress).

3 NONPROLIFERATION, ANTI-TERRORISM, DEMINING AND  
4 RELATED PROGRAMS

5 For an additional amount for “Nonproliferation,  
6 Anti-Terrorism, Demining, and Related Programs”,  
7 \$87,500,000, to remain available until September 30,  
8 2008: *Provided*, That the amount provided under this  
9 heading is designated as making appropriations for contin-  
10 gency operations directly related to the global war on ter-  
11 rorism, and other unanticipated defense-related oper-  
12 ations, pursuant to section 402 of H. Con. Res. 376  
13 (109th Congress), as made applicable to the House of  
14 Representatives by section 511(a)(4) of H. Res. 6 (110th  
15 Congress).

16 DEPARTMENT OF THE TREASURY

17 INTERNATIONAL AFFAIRS TECHNICAL ASSISTANCE

18 For an additional amount for “International Affairs  
19 Technical Assistance”, \$2,750,000, to remain available  
20 until September 30, 2008: *Provided*, That the amount pro-  
21 vided under this heading is designated as making appro-  
22 priations for contingency operations directly related to the  
23 global war on terrorism, and other unanticipated defense-  
24 related operations, pursuant to section 402 of H. Con.  
25 Res. 376 (109th Congress), as made applicable to the

1 House of Representatives by section 511(a)(4) of H. Res.  
2 6 (110th Congress).

3 ~~MILITARY ASSISTANCE~~

4 ~~FUNDS APPROPRIATED TO THE PRESIDENT~~

5 ~~FOREIGN MILITARY FINANCING PROGRAM~~

6 For an additional amount for “Foreign Military Fi-  
7 nancing Program”, \$260,000,000: *Provided*, That the  
8 amount provided under this heading is designated as mak-  
9 ing appropriations for contingency operations directly re-  
10 lated to the global war on terrorism, and other unantici-  
11 pated defense-related operations, pursuant to section 402  
12 of H. Con. Res. 376 (109th Congress), as made applicable  
13 to the House of Representatives by section 511(a)(4) of  
14 H. Res. 6 (110th Congress).

15 ~~PEACEKEEPING OPERATIONS~~

16 For an additional amount for “Peacekeeping Oper-  
17 ations”, \$225,000,000, to remain available until Sep-  
18 tember 30, 2008: *Provided*, That the amount provided  
19 under this heading is designated as making appropriations  
20 for contingency operations directly related to the global  
21 war on terrorism, and other unanticipated defense-related  
22 operations, pursuant to section 402 of H. Con. Res. 376  
23 (109th Congress), as made applicable to the House of  
24 Representatives by section 511(a)(4) of H. Res. 6 (110th  
25 Congress).

## 1           GENERAL PROVISIONS—THIS CHAPTER

2           SEC. 1801. Section 3001(o)(1)(B) of the Emergency  
3 Supplemental Appropriations Act for Defense and for the  
4 Reconstruction of Iraq and Afghanistan, 2004 (Public  
5 Law 108–106; 117 Stat. 1238; 5 U.S.C. App., note to sec-  
6 tion 86 of Public Law 95–452) is amended by striking  
7 “fiscal year 2006” and inserting “fiscal years 2006, 2007,  
8 or 2008”.

9           SEC. 1802. (a) LIMITATION ON ECONOMIC SUPPORT  
10 FUND ASSISTANCE FOR LEBANON.—None of the funds  
11 made available in this Act under the heading “ECO-  
12 NOMIC SUPPORT FUND” for cash transfer assistance  
13 for the Government of Lebanon may be made available  
14 for obligation until the Secretary of State reports to the  
15 Committees on Appropriations of the House of Represent-  
16 atives and the Senate on Lebanon’s economic reform plan  
17 and on the specific conditions and verifiable benchmarks  
18 that have been agreed upon by the United States and the  
19 Government of Lebanon pursuant to the Memorandum of  
20 Understanding on cash transfer assistance for Lebanon.

21           (b) LIMITATION ON FOREIGN MILITARY FINANCING  
22 PROGRAM AND INTERNATIONAL NARCOTICS CONTROL  
23 AND LAW ENFORCEMENT ASSISTANCE FOR LEBANON.—  
24 None of the funds made available in this Act under the  
25 heading “FOREIGN MILITARY FINANCING PRO-

1 GRAM” or “INTERNATIONAL NARCOTICS CON-  
2 TROL AND LAW ENFORCEMENT” for military or po-  
3 lice assistance to Lebanon may be made available for obli-  
4 gation until the Secretary of State submits to the Commit-  
5 tees on Appropriations of the House of Representatives  
6 and the Senate a report on procedures established to de-  
7 termine eligibility of members and units of the armed  
8 forces and police forces of Lebanon to participate in  
9 United States training and assistance programs and on  
10 the end use monitoring of all equipment provided under  
11 such programs to the Lebanese armed forces and police  
12 forces.

13 (e) REPORT REQUIRED.—Not later than 45 days  
14 after the date of the enactment of this Act, the Secretary  
15 of State shall submit to the Committees on Appropriations  
16 of the House of Representatives and the Senate a report  
17 on the Government of Lebanon’s actions to implement sec-  
18 tion 14 of United Nations Security Council Resolution  
19 1701 (August 11, 2006).

## 20 CHAPTER 9

### 21 GENERAL PROVISIONS—THIS TITLE

22 SEC. 1901. (a) Congress finds that it is Defense De-  
23 partment policy that units should not be deployed for com-  
24 bat unless they are rated “fully mission capable”.

1 (b) None of the funds appropriated or otherwise  
2 made available in this or any other Act may be used to  
3 deploy any unit of the Armed Forces to Iraq unless the  
4 chief of the military department concerned has certified  
5 in writing to the Committees on Appropriations and the  
6 Committees on Armed Services at least 15 days in advance  
7 of the deployment that the unit is fully mission capable.

8 (c) For purposes of subsection (b), the term “fully  
9 mission capable” means capable of performing assigned  
10 mission essential tasks to prescribed standards under the  
11 conditions expected in the theater of operations, consistent  
12 with the guidelines set forth in the Department of Defense  
13 readiness reporting system.

14 (d) The President, by certifying in writing to the  
15 Committees on Appropriations and the Committees on  
16 Armed Services that the deployment to Iraq of a unit that  
17 is not assessed fully mission capable is required for rea-  
18 sons of national security and by submitting along with the  
19 certification a report in classified and unclassified form  
20 detailing the particular reason or reasons why the unit’s  
21 deployment is necessary despite the chief of the military  
22 department’s assessment that the unit is not fully mission  
23 capable, may waive the limitation prescribed in subsection  
24 (b) on a unit-by-unit basis.



1       SEC. 1902. (a) Congress finds that it is Defense De-  
2       partment policy that Army, Army Reserve, and National  
3       Guard units should not be deployed for combat beyond  
4       365 days or that Marine Corps and Marine Corps Reserve  
5       units should not be deployed for combat beyond 210 days.

6       (b) None of the funds appropriated or otherwise  
7       made available in this or any other Act may be obligated  
8       or expended to initiate the development of, continue the  
9       development of, or execute any order that has the effect  
10      of extending the deployment for Operation Iraqi Freedom  
11      of—

12             (1) any unit of the Army, Army Reserve, or  
13      Army National Guard beyond 365 days; or

14             (2) any unit of the Marine Corps or Marine  
15      Corps Reserve beyond 210 days.

16      (c) The limitation prescribed in subsection (b) shall  
17      not be construed to require force levels in Iraq to be de-  
18      creased below the total United States force levels in Iraq  
19      prior to January 10, 2007.

20      (d) The President, by certifying in writing to the  
21      Committees on Appropriations and the Committees on  
22      Armed Services that the extension of a unit's deployment  
23      in Iraq beyond the periods specified in subsection (b) is  
24      required for reasons of national security and by submit-  
25      ting along with the certification a report in classified and

1 unclassified form detailing the particular reason or rea-  
2 sons why the unit's extended deployment is necessary, may  
3 waive the limitations prescribed in subsection (b) on a  
4 unit-by-unit basis.

5       ~~SEC. 1903.~~ (a) Congress finds that it is Defense De-  
6 partment policy that Army, Army Reserve, and National  
7 Guard units should not be redeployed for combat if the  
8 unit has been deployed within the previous 365 consec-  
9 tive days or that Marine Corps and Marine Corps Reserve  
10 units should not be redeployed for combat if the unit has  
11 been deployed within the previous 210 days.

12       (b) None of the funds appropriated or otherwise  
13 made available in this or any other Act may be obligated  
14 or expended to initiate the development of, continue the  
15 development of, or execute any order that has the effect  
16 of deploying for Operation Iraqi Freedom of—

17               (1) any unit of the Army, Army Reserve, or  
18 Army National Guard if such unit has been deployed  
19 within the previous 365 consecutive days; or

20               (2) any unit of the Marine Corps or Marine  
21 Corps Reserve if such unit has been deployed within  
22 the previous 210 consecutive days.

23       (c) The limitation prescribed in subsection (b) shall  
24 not be construed to require force levels in Iraq to be de-

1 creased below the total United States force levels in Iraq  
2 prior to January 10, 2007.

3 (d) The President, by certifying in writing to the  
4 Committees on Appropriations and the Committees on  
5 Armed Services that the redeployment of a unit to Iraq  
6 in advance of the periods specified in subsection (b) is re-  
7 quired for reasons of national security and by submitting  
8 along with the certification a report in classified and un-  
9 classified form detailing the particular reason or reasons  
10 why the unit's redeployment is necessary, may waive the  
11 limitations prescribed in subsection (b) on a unit-by-unit  
12 basis.

13 SEC. 1904. (a) The President shall make and trans-  
14 mit to Congress the following determinations, along with  
15 reports in classified and unclassified form detailing the  
16 basis for each determination, on or before July 1, 2007—

17 (1) whether the Government of Iraq has given  
18 United States Armed Forces and Iraqi Security  
19 Forces the authority to pursue all extremists, includ-  
20 ing Sunni insurgents and Shiite militias, and is  
21 making substantial progress in delivering necessary  
22 Iraqi Security Forces for Baghdad and protecting  
23 such Forces from political interference; intensifying  
24 efforts to build balanced security forces throughout  
25 Iraq that provide even-handed security for all Iraqis;

1 ensuring that Iraq's political authorities are not un-  
2 dermining or making false accusations against mem-  
3 bers of the Iraqi Security Forces; eliminating militia  
4 control of local security; establishing a strong militia  
5 disarmament program; ensuring fair and just en-  
6 forcement of laws; establishing political, media, eco-  
7 nomic, and service committees in support of the  
8 Baghdad Security Plan; and eradicating safe havens;

9 (2) whether the Government of Iraq is making  
10 substantial progress in meeting its commitment to  
11 pursue reconciliation initiatives, including enactment  
12 of a hydro-carbon law; adoption of legislation nec-  
13 essary for the conduct of provincial and local elec-  
14 tions; reform of current laws governing the de-  
15 Baathification process; amendment of the Constitu-  
16 tion of Iraq; and allocation of Iraqi revenues for re-  
17 construction projects; and

18 (3) whether the Government of Iraq and United  
19 States Armed Forces are making substantial  
20 progress in reducing the level of sectarian violence in  
21 Iraq.

22 (b) On or before October 1, 2007, the President—

23 (1) shall certify to the Congress that the Gov-  
24 ernment of Iraq has enacted a broadly accepted  
25 hydro-carbon law that equitably shares oil revenues

1 among all Iraqis; adopted legislation necessary for  
2 the conduct of provincial and local elections; taken  
3 steps to implement such legislation, and set a sched-  
4 ule to conduct provincial and local elections; re-  
5 formed current laws governing the de-Baathification  
6 process to allow for more equitable treatment of in-  
7 dividuals affected by such laws; amended the Con-  
8 stitution of Iraq consistent with the principles con-  
9 tained in article 137 of such constitution; and allo-  
10 cated and begun expenditure of \$10 billion in Iraqi  
11 revenues for reconstruction projects, including deliv-  
12 ery of essential services, on an equitable basis; or

13 (2) shall report to the Congress that he is un-  
14 able to make such certification.

15 (c) If in the transmissions to Congress required by  
16 subsection (a) the President determines that any of the  
17 conditions specified in such subsection have not been met,  
18 or if the President is unable to make the certification spec-  
19 ified in subsection (b) by the required date, the Secretary  
20 of Defense shall commence the redeployment of the Armed  
21 Forces from Iraq and complete such redeployment within  
22 180 days.

23 (d) If the President makes the certification specified  
24 in subsection (b), the Secretary of Defense shall commence  
25 the redeployment of the Armed Forces from Iraq not later

1 than March 1, 2008, and complete such redeployment  
2 within 180 days.

3 (e) Notwithstanding any other provision of law, funds  
4 appropriated or otherwise made available in this or any  
5 other Act are immediately available for obligation and ex-  
6 penditure to plan and execute a safe and orderly redeploy-  
7 ment of the Armed Forces from Iraq, as specified in sub-  
8 sections (e) and (d).

9 (f) After the conclusion of the 180-day period for re-  
10 deployment specified in subsections (e) and (d), the Sec-  
11 retary of Defense may not deploy or maintain members  
12 of the Armed Forces in Iraq for any purpose other than  
13 the following:

14 (1) Protecting American diplomatic facilities  
15 and American citizens, including members of the  
16 U.S. Armed Forces.

17 (2) Serving in roles consistent with customary  
18 diplomatic positions.

19 (3) Engaging in targeted special actions limited  
20 in duration and scope to killing or capturing mem-  
21 bers of al-Qaeda and other terrorist organizations  
22 with global reach.

23 (4) Training members of the Iraqi Security  
24 Forces.

1 (g) Notwithstanding any other provision of law, 50  
2 percent of the funds appropriated by title I of this Act  
3 for assistance to Iraq under each of the headings “IRAQ  
4 SECURITY FORCES FUND”, “ECONOMIC SUP-  
5 PORT FUND”, and “INTERNATIONAL NARCOTICS  
6 CONTROL AND LAW ENFORCEMENT” shall be with-  
7 held from obligation until the President has made a certifi-  
8 cation to Congress regarding the matters specified in sub-  
9 section (b)(1).

10 (h) The requirement to withhold funds from obliga-  
11 tion pursuant to subsection (g) shall not apply with re-  
12 spect to funds made available under the heading “ECO-  
13 NOMIC SUPPORT FUND” for continued support for  
14 the Community Action Program and Community Sta-  
15 bilization Program in Iraq administered by the United  
16 States Agency for International Development or for pro-  
17 grams and activities to promote democracy in Iraq.

18 SEC. 1905. (a) COORDINATOR FOR IRAQ ASSIST-  
19 ANCE.—Not later than 30 days after the date of the enact-  
20 ment of this Act, the President shall appoint a Coordi-  
21 nator for Iraq Assistance (hereinafter in this section re-  
22 ferred to as the “Coordinator”), by and with the advice  
23 and consent of the Senate, who shall report directly to the  
24 President.

1       (b) DUTIES.—The Coordinator shall be responsible  
2 for—

3           (1) Developing and implementing an overall  
4 strategy for political, economic, and military assist-  
5 ance for Iraq;

6           (2) Coordinating and ensuring coherence of  
7 Iraq assistance programs and policy among all de-  
8 partments and agencies of the Government of the  
9 United States that are implementing assistance pro-  
10 grams in Iraq, including the Department of State,  
11 the United States Agency for International Develop-  
12 ment, the Department of Defense, the Department  
13 of the Treasury, and the Department of Justice;

14           (3) Working with the Government of Iraq in  
15 meeting the benchmarks described in section  
16 1904(b) of this Act in order to ensure Iraq con-  
17 tinues to be eligible to receive United States assist-  
18 ance described in such section;

19           (4) Coordinating with other donors and inter-  
20 national organizations that are providing assistance  
21 for Iraq;

22           (5) Ensuring adequate management and ac-  
23 countability of United States assistance programs  
24 for Iraq;



1           (6) Resolving policy and program disputes  
2 among departments and agencies of the United  
3 States Government that are implementing assistance  
4 programs in Iraq; and

5           (7) Coordinating United States assistance pro-  
6 grams with the reconstruction programs funded and  
7 implemented by the Government of Iraq.

8           (e) RANK AND STATUS.—The Coordinator shall have  
9 the rank and status of ambassador.

10        SEC. 1906. Notwithstanding any other provision of  
11 law, none of the funds in this or any other Act may be  
12 used to close Walter Reed Army Medical Center.

13 **SEC. 1907. CONGRESSIONAL PLEDGE TO FULLY SUPPORT**  
14                   **MEMBERS OF THE ARMED FORCES IN HARM'S**  
15                   **WAY.**

16        (a) FINDINGS.—Congress makes the following find-  
17 ings:

18           (1) On September 14, 2001, both the Senate  
19 and the House of Representatives passed S.J. Res.  
20 23 of the 107th Congress, which became Public Law  
21 107–40 and authorized the use of military force in  
22 Afghanistan.

23           (2) On October 10, 2002, the House of Rep-  
24 resentatives passed H.J. Res. 114 of the 107th Con-

1 gress, which authorized the use of military force in  
2 Iraq.

3 ~~(3) After passage by the Senate, H.J. Res. 114~~  
4 ~~became Public Law 107-243, the Authorization for~~  
5 ~~Use of Military Force Against Iraq Resolution of~~  
6 ~~2002.~~

7 (4) Members of the United States Armed  
8 Forces have served honorably in their mission to  
9 fight terrorism and protect the greater security of  
10 the United States.

11 (5) These members of the Armed Forces and  
12 their families have made many sacrifices, in many  
13 cases the ultimate sacrifice, to protect the security  
14 of the United States and the freedom Americans  
15 hold dear.

16 (6) Congress and the American people are for-  
17 ever grateful to the members of the Armed Forces  
18 for the service they have provided to the United  
19 States.

20 (b) FAITHFUL SUPPORT OF CONGRESS.—Congress  
21 will fully support the needs of members of the Armed  
22 Forces who the Commander in Chief has deployed in  
23 harm's way in support of Operation Iraqi Freedom and  
24 Operation Enduring Freedom, and their families.

1 **SEC. 1908. SENSE OF THE CONGRESS REGARDING PRESI-**  
2 **DENT AS COMMANDER IN CHIEF AND CON-**  
3 **GRESSIONAL POWER TO DECLARE WAR.**

4 (a) It is the sense of Congress that Congress acknowl-  
5 edges the President as the Commander in Chief, and that  
6 role is granted solely to the President by article II, section  
7 2, of the United States Constitution.

8 (b) It is further the sense of Congress that Congress  
9 has the power solely to declare war under article I, section  
10 8, clause 11, of the United States Constitution.

11 **SEC. 1909. SENSE OF CONGRESS REGARDING CONDUCT OF**  
12 **IRAQ WAR BY COMMANDERS.**

13 It is the sense of Congress that, because the com-  
14 manders of the United States Armed Forces in Iraq have  
15 the training, experience, and first-hand knowledge of the  
16 situation on the ground—

17 (1) the commanders should be allowed to con-  
18 duct the war and manage the movements of the  
19 troops; and

20 (2) Congress should remain focused on exe-  
21 cuting its oversight role.

1 TITLE II—ADDITIONAL HURRICANE DISASTER  
2 RELIEF AND RECOVERY

3 CHAPTER 1

4 DEPARTMENT OF AGRICULTURE

5 GENERAL PROVISIONS—THIS CHAPTER

6 SEC. 2101. In addition to the funds provided else-  
7 where in this Act, \$25,000,000 is appropriated to the Sec-  
8 retary of Agriculture, to remain available through Sep-  
9 tember 30, 2008, to resume the 2005 Hurricanes Live-  
10 stock Indemnity Program to provide additional compensa-  
11 tion to livestock producers in the geographic area covered  
12 by the natural disaster declaration related to Hurricane  
13 Katrina or Hurricane Rita that suffered losses in excess  
14 of the maximum amount of assistance authorized under  
15 the 2005 Hurricanes Livestock Indemnity Program. The  
16 total amount of assistance that an eligible producer may  
17 receive for such additional livestock losses under this sec-  
18 tion, the 2005 Hurricanes Livestock Indemnity Program,  
19 or any other provision of law may not exceed twice the  
20 maximum amount of assistance authorized under the 2005  
21 Hurricanes Livestock Indemnity Program. The amount  
22 provided under this section is designated as an emergency  
23 requirement pursuant to section 501 of H. Con. Res. 376  
24 (109th Congress), as made applicable to the House of

1 Representatives by section 511(a)(4) of H. Res. 6 (110th  
2 Congress).

3       SEC. 2102. In addition to the funds provided else-  
4 where in the Act, \$15,000,000 is appropriated to the Sec-  
5 retary of Agriculture, to remain available through Sep-  
6 tember 30, 2008, for the purpose of providing assistance,  
7 in connection with the provision of emergency financial as-  
8 sistance for losses for 2005 or 2006 crops due to dam-  
9 aging weather or any related condition, to producers with  
10 respect to irrigated crops in the geographic area covered  
11 by the natural disaster declaration related to Hurricane  
12 Katrina or Hurricane Rita that, due to contamination by  
13 saltwater intrusion resulting from Hurricane Katrina or  
14 Hurricane Rita, were planted in 2006 and suffered a loss  
15 or were prevented from being planted. However, the fac-  
16 tors otherwise applicable under section 1480.12(g) of title  
17 7, Code of Federal Regulations, shall not apply to the pro-  
18 vision of such assistance. The amount provided under this  
19 section is designated as an emergency requirement pursu-  
20 ant to section 501 of H. Con. Res. 376 (109th Congress),  
21 as made applicable to the House of Representatives by sec-  
22 tion 511(a)(4) of H. Res. 6 (110th Congress).

23       SEC. 2103. In addition to the funds provided else-  
24 where in this Act, \$100,000,000 is appropriated to the  
25 Secretary of Agriculture, to remain available through Sep-

1 tember 30, 2008, to resume the 2005 Hurricanes Citrus  
2 Program to provide additional compensation to citrus pro-  
3 ducers in the geographic area covered by the natural dis-  
4 aster declaration related to Hurricane Katrina or Hurri-  
5 cane Rita that suffered losses in excess of the maximum  
6 amount of assistance authorized under the 2005 Hurri-  
7 canes Citrus Program. The total amount of assistance  
8 that an eligible producer may receive for such additional  
9 citrus losses under this section, the 2005 Hurricanes Cit-  
10 rus Program, or any other provision of law may not exceed  
11 twice the maximum amount of assistance authorized under  
12 the 2005 Hurricanes Citrus Program. The amount pro-  
13 vided under this section is designated as an emergency re-  
14 quirement pursuant to section 501 of H. Con. Res. 376  
15 (109th Congress), as made applicable to the House of  
16 Representatives by section 511(a)(4) of H. Res. 6 (110th  
17 Congress).

## 18 CHAPTER 2

### 19 DEPARTMENT OF COMMERCE

#### 20 NATIONAL OCEANIC AND ATMOSPHERIC

#### 21 ADMINISTRATION

#### 22 OPERATIONS, RESEARCH, AND FACILITIES

23 For an additional amount for “Operations, Research,  
24 and Facilities” for necessary expenses related to the con-  
25 sequences of Hurricane Katrina on the shrimp and men-

1 haden fishing industries, \$120,000,000, to remain avail-  
2 able until September 30, 2008: *Provided*, That the amount  
3 provided under this heading is designated as an emergency  
4 requirement pursuant to section 501 of H. Con. Res. 376  
5 (109th Congress), as made applicable to the House of  
6 Representatives by section 511(a)(4) of H. Res. 6 (110th  
7 Congress).

8           NATIONAL AERONAUTICS AND SPACE  
9                   ADMINISTRATION  
10                           EXPLORATION CAPABILITIES

11           For an additional amount for “Exploration Capabili-  
12 ties” for necessary expenses related to the consequences  
13 of Hurricane Katrina, \$35,000,000, to remain available  
14 until September 30, 2009: *Provided*, That the amount pro-  
15 vided under this heading is designated as an emergency  
16 requirement pursuant to section 501 of H. Con. Res. 376  
17 (109th Congress), as made applicable to the House of  
18 Representatives by section 511(a)(4) of H. Res. 6 (110th  
19 Congress).

20           GENERAL PROVISION—THIS CHAPTER

21           SEC. 2201. Up to \$48,000,000 of amounts made  
22 available to the National Aeronautics and Space Adminis-  
23 tration in Public Law 109–148 and Public Law 109–234  
24 for emergency hurricane and other natural disaster-re-  
25 lated expenses may be used to reimburse hurricane-related

1 costs incurred by NASA in fiscal year 2005: *Provided*,  
 2 That the amount provided under this heading is des-  
 3 ignated as an emergency requirement pursuant to section  
 4 501 of H. Con. Res. 376 (109th Congress), as made appli-  
 5 cable to the House of Representatives by section 511(a)(4)  
 6 of H. Res. 6 (110th Congress).

7 CHAPTER 3

8 DEPARTMENT OF DEFENSE—CIVIL

9 DEPARTMENT OF THE ARMY

10 CORPS OF ENGINEERS—CIVIL

11 CONSTRUCTION

12 For an additional amount for “Construction” to re-  
 13 duce the risk of hurricane and storm damage to the Mis-  
 14 sissippi coastal area, \$37,080,000, to remain available  
 15 until expended: *Provided*, That such sums shall be subject  
 16 to authorization: *Provided further*, That the amount pro-  
 17 vided under this heading is designated as an emergency  
 18 requirement pursuant to section 501 of H. Con. Res. 376  
 19 (109th Congress), as made applicable to the House of  
 20 Representatives by section 511(a)(4) of H. Res. 6 (110th  
 21 Congress).

22 FLOOD CONTROL AND COASTAL EMERGENCIES

23 For an additional amount for “Flood Control and  
 24 Coastal Emergencies”, as authorized by section 5 of the  
 25 Act of August 18, 1941 (33 U.S.C. 701n), for necessary  
 26 expenses related to the consequences of Hurricane



1 Katrina, \$1,300,000,000, to remain available until ex-  
2 pended: *Provided*, That this amount shall be used to re-  
3 store the flood damage reduction and hurricane and storm  
4 damage reduction projects, and related works, to provide  
5 the level of protection for which they were designed, and  
6 to accelerate completion of unconstructed portions of au-  
7 thorized hurricane, storm damage reduction and flood con-  
8 trol projects in the greater New Orleans and south Lou-  
9 isiana area at full Federal expense: *Provided further*, That  
10 the Chief of Engineers, acting through the Assistant Sec-  
11 retary of the Army for Civil Works, shall provide, at a  
12 minimum, a monthly report to the House and Senate  
13 Committees on Appropriations detailing the allocation and  
14 obligation of these funds, beginning not later than July  
15 30, 2007: *Provided further*, That the amount provided  
16 under this heading is designated as an emergency require-  
17 ment pursuant to section 501 of H. Con. Res. 376 (109th  
18 Congress), as made applicable to the House of Representa-  
19 tives by section 511(a)(4) of H. Res. 6 (110th Congress):

20           GENERAL PROVISION—THIS CHAPTER

21           SEC. 2301. Up to \$650,000,000 of the appropriations  
22 made available under the heading “Flood Control and  
23 Coastal Emergencies” in title II, chapter 3 of Public Law  
24 109–234, for projects in the greater New Orleans metro-  
25 politan area that remain available as of the date of enact-

1 ment of this Act may be used by the Secretary of the Army  
 2 to improve protection at the Inner Harbor Navigation  
 3 Canal, as described under the heading “Flood Control and  
 4 Coastal Emergencies”, in chapter 3 of Public Law 109–  
 5 234: *Provided*, That the obligation of these funds may be  
 6 made without regard to individual amounts specified in  
 7 title II, chapter 3 of Public Law 109–234: *Provided fur-*  
 8 *ther*, That the expenditure of such funds shall not be con-  
 9 sidered a transfer or reprogramming under any provision  
 10 of law and shall be carried out in accordance with the  
 11 terms and conditions specified in an Act making appro-  
 12 priations for energy and water development or any other  
 13 appropriations Act making additional funds available for  
 14 energy and water development: *Provided further*, That the  
 15 amount provided under this heading is designated as an  
 16 emergency requirement pursuant to section 501 of H.  
 17 Con. Res. 376 (109th Congress), as made applicable to  
 18 the House of Representatives by section 511(a)(4) of H.  
 19 Res. 6 (110th Congress):

## 20 CHAPTER 4

### 21 SMALL BUSINESS ADMINISTRATION

#### 22 DISASTER LOANS PROGRAM ACCOUNT

23 For an additional amount for “Disaster Loans Pro-  
 24 gram Account” for administrative expenses to carry out  
 25 the disaster loan program, \$25,069,000, to remain avail-

1 able until expended, which may be transferred to and  
 2 merged with “Small Business Administration, Salaries  
 3 and Expenses”: *Provided*, That the amount provided  
 4 under this heading is designated as an emergency require-  
 5 ment pursuant to section 501 of H. Con. Res. 376 (109th  
 6 Congress), as made applicable to the House of Representa-  
 7 tives by section 511(a)(4) of H. Res. 6 (110th Congress).

## 8 CHAPTER 5

### 9 DEPARTMENT OF HOMELAND SECURITY

#### 10 FEDERAL EMERGENCY MANAGEMENT AGENCY

##### 11 DISASTER RELIEF

12 (INCLUDING TRANSFER OF FUNDS)

13 For an additional amount for “Disaster Relief”,  
 14 \$4,310,000,000, to remain available until expended: *Pro-*  
 15 *vided*, That \$4,000,000 shall be transferred to “Office of  
 16 Inspector General”: *Provided further*, That the amount  
 17 provided under this heading is designated as an emergency  
 18 requirement pursuant to section 501 of H. Con. Res. 376  
 19 (109th Congress), as made applicable to the House of  
 20 Representatives by section 511(a)(4) of H. Res. 6 (110th  
 21 Congress).

#### 22 GENERAL PROVISIONS—THIS CHAPTER

23 SEC. 2501. (a) IN GENERAL.—Notwithstanding any  
 24 other provision of law, including any agreement, the Fed-  
 25 eral share of assistance, including direct Federal assist-  
 26 ance, provided for the States of Louisiana, Mississippi,

1 Florida, Alabama, and Texas in connection with Hurri-  
2 canes Katrina, Wilma, Dennis, and Rita under sections  
3 403, 406, 407, and 408 of the Robert T. Stafford Disaster  
4 Relief and Emergency Assistance Act (42 U.S.C. 5170b,  
5 5172, 5173, and 5174) shall be 100 percent of the eligible  
6 costs under such sections.

7 (b) APPLICABILITY.—

8 (1) IN GENERAL.—Subject to paragraph (2),  
9 the Federal share provided by subsection (a) shall  
10 apply to disaster assistance provided before the date  
11 of enactment of this Act.

12 (2) LIMITATION.—In the case of disaster assist-  
13 ance provided under sections 403, 406, and 407 of  
14 the Robert T. Stafford Disaster Relief and Emer-  
15 gency Assistance Act, the Federal share provided by  
16 subsection (a) shall be limited to assistance provided  
17 for projects for which project worksheets have been  
18 approved by the Federal Emergency Management  
19 Agency before the date of enactment of this Act.

20 SEC. 2502. (a) COMMUNITY DISASTER LOAN ACT.—

21 (1) IN GENERAL.—Section 2(a) of the Commu-  
22 nity Disaster Loan Act of 2005 (Public Law 109-  
23 88) is amended by striking “*Provided further, That*  
24 *notwithstanding section 417(c)(1) of the Stafford*  
25 *Act, such loans may not be canceled.*”.

1           (2) EFFECTIVE DATE.—The amendment made  
2           by paragraph (1) shall be effective on the date of en-  
3           actment of the Community Disaster Loan Act of  
4           2005 (Public Law 109–88).

5           (b) EMERGENCY SUPPLEMENTAL APPROPRIATIONS  
6           ACT.—

7           (1) IN GENERAL.—Chapter 4 of title II of the  
8           Emergency Supplemental Appropriations Act for  
9           Defense, the Global War on Terror, and Hurricane  
10          Recovery, 2006 (Public Law 109–234) is amended  
11          under the heading “Federal Emergency Manage-  
12          ment Agency Disaster Assistance Direct Loan Pro-  
13          gram Account” by striking “*Provided further, That*  
14          notwithstanding section 417(e)(1) of such Act, such  
15          loans may not be canceled.”.

16          (2) EFFECTIVE DATE.—The amendment made  
17          by paragraph (1) shall be effective on the date of en-  
18          actment of the Emergency Supplemental Appropria-  
19          tions Act for Defense, the Global War on Terror,  
20          and Hurricane Recovery, 2006 (Public Law 109–  
21          234).

22          (c) The amounts provided in this section are des-  
23          ignated as emergency requirements pursuant to section  
24          501 of H. Con. Res. 376 (109th Congress), as made appli-

1 cable to the House of Representatives by section 511(a)(4)  
 2 of H. Res. 6 (110th Congress).

3       SEC. 2503. (a) IN GENERAL.—Section 2401 of the  
 4 Emergency Supplemental Appropriations Act for Defense,  
 5 the Global War on Terror, and Hurricane Recovery, 2006  
 6 (Public Law 109–234) is amended by striking “12  
 7 months” and inserting “24 months”.

8       (b) EFFECTIVE DATE.—The amendment made by  
 9 this section shall be effective on the date of enactment of  
 10 the Emergency Supplemental Appropriations Act for De-  
 11 fense, the Global War on Terror, and Hurricane Recovery,  
 12 2006 (Public Law 109–234).

13                                   CHAPTER 6

14           DEPARTMENT OF HEALTH AND HUMAN  
 15                                   SERVICES

16           ADMINISTRATION FOR CHILDREN AND FAMILIES  
 17                                   SOCIAL SERVICES BLOCK GRANT

18       Notwithstanding section 2002(e) of the Social Secu-  
 19 rity Act (42 U.S.C. 1397a(e)), funds made available under  
 20 the heading “Social Services Block Grant” in division B  
 21 of Public Law 109–148 shall be available for expenditure  
 22 by the States through the end of fiscal year 2008: *Pro-*  
 23 *vided,* That the amount provided under this heading is  
 24 designated as an emergency requirement pursuant to sec-  
 25 tion 501 of H. Con. Res. 376 (109th Congress), as made

1 applicable to the House of Representatives by section  
2 511(a)(4) of H. Res. 6 (110th Congress).

3 DEPARTMENT OF EDUCATION

4 INNOVATION AND IMPROVEMENT

5 For carrying out activities authorized by subpart 1  
6 of part D of title V of the Elementary and Secondary Edu-  
7 cation Act of 1965, \$30,000,000, to remain available until  
8 expended, for use by the States of Louisiana, Mississippi,  
9 and Alabama for the following costs: (1) recruiting and  
10 compensating teachers, principals, other school adminis-  
11 trators, and other educators for positions in reopening  
12 public elementary and secondary schools impacted by Hur-  
13 ricane Katrina or Hurricane Rita, including through such  
14 mechanisms as paying salary premiums, performance bo-  
15 nuses, housing subsidies and relocation costs; and (2) ac-  
16 tivities to build the capacity of reopening such public ele-  
17 mentary and secondary schools to provide an effective edu-  
18 cation, including the design, adaptation, and implementa-  
19 tion of high-quality formative assessments; the establish-  
20 ment of partnerships with nonprofit entities with a dem-  
21 onstrated track record in recruiting and retaining out-  
22 standing teachers and other school leaders; and paid re-  
23 lease time for teachers and principals to identify and rep-  
24 licate successful practices from the fastest-improving and  
25 highest-performing schools: *Provided*, That the Secretary

1 of Education shall allocate such funds among such States  
2 that submit applications; that such allocation shall be  
3 based on the number of public elementary and secondary  
4 schools in each State that were closed for 30 days or more  
5 during the period beginning on August 29, 2005, and end-  
6 ing on December 31, 2005, due to Hurricane Katrina or  
7 Hurricane Rita; and that such States shall in turn allocate  
8 funds, on a competitive basis, to local education agencies,  
9 giving priority to such agencies with the highest percent-  
10 ages of public elementary and secondary schools that are  
11 closed as a result of such hurricanes as of the date of en-  
12 actment of this Act and the highest percentages of public  
13 elementary and secondary schools with a student-teacher  
14 ratio of at least 25 to 1: *Provided further*, That not later  
15 than 60 days after the date of enactment of this Act, the  
16 State educational agency, in cooperation with local edu-  
17 cational agencies, teachers' unions, local principals' orga-  
18 nizations, local parents' organizations, local business orga-  
19 nizations, and local charter schools organizations, shall de-  
20 velop a plan for a rating system for performance bonuses  
21 and if the State educational agency has failed to reach  
22 such an agreement that is satisfactory to all consulting  
23 entities by such deadline, the State educational agency  
24 shall immediately notify Congress of such failure and rea-  
25 sons for it and shall, not later than 30 days after such



1 notification, establish and implement a rating system that  
2 shall be based on strong learning gains for students and  
3 growth in student achievement, based on classroom obser-  
4 vation and feedback at least 4 times annually, conducted  
5 by multiple sources (including principals and master  
6 teachers), and evaluated against research-validated ru-  
7 brics that use planning, instructional, and learning envi-  
8 ronment standards to measure teaching performance: *Pro-*  
9 *vided further,* That the amount provided under this head-  
10 ing is designated as an emergency requirement pursuant  
11 to section 501 of H. Con. Res. 376 (109th Congress), as  
12 made applicable to the House of Representatives by sec-  
13 tion 511(a)(4) of H. Res. 6 (110th Congress).

#### 14 HURRICANE EDUCATION RECOVERY

##### 15 PROGRAMS TO RESTART SCHOOL OPERATIONS

16 Funds made available under section 102 of the Hur-  
17 ricane Education Recovery Act (title IV of division B of  
18 Public Law 109–148) may be used by the States of Lou-  
19 isiana, Mississippi, Alabama, and Texas, in addition to the  
20 uses of funds described in section 102(e) for the following  
21 costs: (1) recruiting and compensating teachers, prin-  
22 cipals, other school administrators, and other educators  
23 for positions in reopening public elementary and secondary  
24 schools impacted by Hurricane Katrina or Hurricane Rita,  
25 including through such mechanisms as paying salary pre-

1 miums, performance bonuses, housing subsidies and relo-  
2 cation costs; and (2) activities to build the capacity of re-  
3 opening such public elementary and secondary schools to  
4 provide an effective education, including the design, adap-  
5 tation, and implementation of high-quality formative as-  
6 sessments; the establishment of partnerships with non-  
7 profit entities with a demonstrated track record in recruit-  
8 ing and retaining outstanding teachers and other school  
9 leaders; and paid release time for teachers and principals  
10 to identify and replicate successful practices from the fast-  
11 est-improving and highest-performing schools: *Provided,*  
12 That not later than 60 days after the date of enactment  
13 of this Act, the State educational agency, in cooperation  
14 with local educational agencies, teachers' unions, local  
15 principals' organizations, local parents' organizations,  
16 local business organizations, and local charter schools or-  
17 ganizations, shall develop a plan for a rating system for  
18 performance bonuses and if the State educational agency  
19 has failed to reach such an agreement that is satisfactory  
20 to all consulting entities by such deadline, the State edu-  
21 cational agency shall immediately notify Congress of such  
22 failure and reasons for it and shall, not later than 30 days  
23 after such notification, establish and implement a rating  
24 system that shall be based on strong learning gains for  
25 students and growth in student achievement, based on

1 classroom observation and feedback at least 4 times annu-  
2 ally, conducted by multiple sources (including principals  
3 and master teachers), and evaluated against research-vali-  
4 dated rubrics that use planning, instructional, and learn-  
5 ing environment standards to measure teaching perform-  
6 ance: *Provided further*, That the amount provided under  
7 this heading is designated as an emergency requirement  
8 pursuant to section 501 of H. Con. Res. 376 (109th Con-  
9 gress), as made applicable to the House of Representatives  
10 by section 511(a)(4) of H. Res. 6 (110th Congress).

#### 11 HIGHER EDUCATION

12 For an additional amount under part B of title VII  
13 of the Higher Education Act of 1965 (“HEA”) for institu-  
14 tions of higher education (as defined in section 102 of that  
15 Act) that are located in an area in which a major disaster  
16 was declared in accordance with section 401 of the Robert  
17 T. Stafford Disaster Relief and Emergency Assistance Act  
18 related to hurricanes in the Gulf of Mexico in calendar  
19 year 2005, \$30,000,000: *Provided*, That such funds shall  
20 be available to the Secretary of Education only for pay-  
21 ments to help defray the expenses (which may include lost  
22 revenue, reimbursement for expenses already incurred,  
23 and construction) incurred by such institutions of higher  
24 education that were forced to close for at least 30 consec-  
25 tive calendar days between August 25, 2005, and January

1 1, 2006, as a result of damage directly caused by such  
2 hurricanes and for payments to enable such institutions  
3 to provide grants to students who attend such institutions  
4 for academic years beginning on or after July 1, 2006:  
5 *Provided further,* That such payments shall be made in  
6 accordance with criteria established by the Secretary and  
7 made publicly available without regard to section 437 of  
8 the General Education Provisions Act, section 553 of title  
9 5, United States Code, or part B of title VII of the HEA:  
10 *Provided further,* That the amount provided under this  
11 heading is designated as an emergency requirement pursu-  
12 ant to section 501 of H. Con. Res. 376 (109th Congress),  
13 as made applicable to the House of Representatives by sec-  
14 tion 511(a)(4) of H. Res. 6 (110th Congress).

15           GENERAL PROVISION—THIS CHAPTER

16           SEC. 2601. Section 105(b) of title IV of division B  
17 of Public Law 109–148 is amended by adding at the end  
18 the following new sentence: “With respect to the program  
19 authorized by section 102 of this Act, the waiver authority  
20 in subsection (a) of this section shall be available until  
21 the end of fiscal year 2008.”.

## CHAPTER 7

## DEPARTMENT OF HOUSING AND URBAN

## DEVELOPMENT

## PUBLIC AND INDIAN HOUSING

## TENANT-BASED RENTAL ASSISTANCE

6 For an additional amount for the purposes specified  
7 under, and subject to the provisions of, this heading in  
8 chapter 9 of title I of division B of Public Law 109–148  
9 (119 Stat. 2779), \$80,000,000, to remain available until  
10 December 31, 2007: *Provided*, That the third proviso  
11 under such heading in Public Law 109–148 shall be ap-  
12 plied to amounts made available under this heading and  
13 under such heading in Public Law 109–148 by sub-  
14 stituting “until December 31, 2007” for “for up to 18  
15 months”: *Provided further*, That \$80,000,000 shall be re-  
16 scinded from unobligated balances remaining from the  
17 amounts made available under such heading in Public Law  
18 109–148: *Provided further*, That the amount provided  
19 under this heading is designated as an emergency require-  
20 ment pursuant to section 501 of H. Con. Res. 376 (109th  
21 Congress), as made applicable to the House of Representa-  
22 tives by section 511(a)(4) of H. Res. 6 (110th Congress).

## OFFICE OF INSPECTOR GENERAL

24 For an additional amount for “Office of Inspector  
25 General” for necessary expenses related to the con-

1 sequences of Hurricane Katrina and other hurricanes of  
2 the 2005 season, \$10,240,000, to remain available until  
3 September 30, 2007: *Provided*, That the amount provided  
4 under this heading is designated as an emergency require-  
5 ment pursuant to section 501 of H. Con. Res. 376 (109th  
6 Congress), as made applicable to the House of Representa-  
7 tives by section 511(a)(4) of H. Res. 6 (110th Congress).

### 8 TITLE III—AGRICULTURAL ASSISTANCE

#### 9 SEC. 3101. CROP DISASTER ASSISTANCE.

10 (a) ASSISTANCE AVAILABLE.—There are hereby ap-  
11 propriated to the Secretary of Agriculture such sums as  
12 are necessary, to remain available until expended, to make  
13 emergency financial assistance available to producers on  
14 a farm that incurred qualifying quantity or quality losses  
15 for the 2005 or 2006 crop, or for the 2007 crop before  
16 the date of the enactment of this Act, due to damaging  
17 weather or any related condition (including losses due to  
18 crop diseases, insects, and delayed harvest), as determined  
19 by the Secretary. However, to be eligible for assistance,  
20 the crop subject to the loss must have been harvested be-  
21 fore the date of the enactment of this Act or, in the case  
22 of prevented planting or other total loss, would have been  
23 harvested before the date of the enactment of this Act in  
24 the absence of the damaging weather or any related condi-  
25 tion.

1 (b) ELECTION OF CROP YEAR.—If a producer in-  
2 curred qualifying crop losses in more than one of the  
3 2005, 2006, or 2007 crop years, the producer shall elect  
4 to receive assistance under this section for losses incurred  
5 in only one of such crop years. The producer may not re-  
6 ceive assistance under this section for more than one crop  
7 year.

8 (c) ADMINISTRATION.—

9 (1) IN GENERAL.—Except as provided in para-  
10 graph (2), the Secretary of Agriculture shall make  
11 assistance available under this section in the same  
12 manner as provided under section 815 of the Agri-  
13 culture, Rural Development, Food and Drug Admin-  
14 istration and Related Agencies Appropriations Act,  
15 2001 (Public Law 106–387; 114 Stat. 1549A–55),  
16 including using the same loss thresholds for quantity  
17 and economic losses as were used in administering  
18 that section, except that the payment rate shall be  
19 50 percent of the established price, instead of 65  
20 percent.

21 (2) LOSS THRESHOLDS FOR QUALITY  
22 LOSSES.—In the case of a payment for quality loss  
23 for a crop under subsection (a), the loss thresholds  
24 for quality loss for the crop shall be determined  
25 under subsection (d).

1       (d) QUALITY LOSSES.—

2           (1) IN GENERAL.—Subject to paragraph (3),  
3       the amount of a payment made to producers on a  
4       farm for a quality loss for a crop under subsection  
5       (a) shall be equal to the amount obtained by multi-  
6       plying—

7           (A) 65 percent of the payment quantity de-  
8       termined under paragraph (2); by

9           (B) 50 percent of the payment rate deter-  
10       mined under paragraph (3).

11       (2) PAYMENT QUANTITY.—For the purpose of  
12       paragraph (1)(A), the payment quantity for quality  
13       losses for a crop of a commodity on a farm shall  
14       equal the lesser of—

15           (A) the actual production of the crop af-  
16       fected by a quality loss of the commodity on the  
17       farm; or

18           (B) the quantity of expected production of  
19       the crop affected by a quality loss of the com-  
20       modity on the farm, using the formula used by  
21       the Secretary of Agriculture to determine quan-  
22       tity losses for the crop of the commodity under  
23       subsection (a).

24       (3) PAYMENT RATE.—For the purpose of para-  
25       graph (1)(B) and in accordance with paragraphs (5)



1 and (6), the payment rate for quality losses for a  
2 crop of a commodity on a farm shall be equal to the  
3 difference between—

4 (A) the per unit market value that the  
5 units of the crop affected by the quality loss  
6 would have had if the crop had not suffered a  
7 quality loss; and

8 (B) the per unit market value of the units  
9 of the crop affected by the quality loss.

10 (4) ELIGIBILITY.—For producers on a farm to  
11 be eligible to obtain a payment for a quality loss for  
12 a crop under subsection (a), the amount obtained by  
13 multiplying the per unit loss determined under para-  
14 graph (1) by the number of units affected by the  
15 quality loss shall be at least 25 percent of the value  
16 that all affected production of the crop would have  
17 had if the crop had not suffered a quality loss.

18 (5) MARKETING CONTRACTS.—In the case of  
19 any production of a commodity that is sold pursuant  
20 to 1 or more marketing contracts (regardless of  
21 whether the contract is entered into by the pro-  
22 ducers on the farm before or after harvest) and for  
23 which appropriate documentation exists, the quan-  
24 tity designated in the contracts shall be eligible for

1 quality loss assistance based on the 1 or more prices  
2 specified in the contracts:

3 (6) OTHER PRODUCTION.—For any additional  
4 production of a commodity for which a marketing  
5 contract does not exist or for which production con-  
6 tinues to be owned by the producer, quality losses  
7 shall be based on the average local market discounts  
8 for reduced quality, as determined by the appro-  
9 priate State committee of the Farm Service Agency:

10 (7) QUALITY ADJUSTMENTS AND DISCOUNTS.—  
11 The appropriate State committee of the Farm Serv-  
12 ice Agency shall identify the appropriate quality ad-  
13 justment and discount factors to be considered in  
14 carrying out this subsection, including—

15 (A) the average local discounts actually ap-  
16 plied to a crop; and

17 (B) the discount schedules applied to loans  
18 made by the Farm Service Agency or crop in-  
19 surance coverage under the Federal Crop Insur-  
20 ance Act (7 U.S.C. 1501 et seq.):

21 (8) ELIGIBLE PRODUCTION.—The Secretary of  
22 Agriculture shall carry out this subsection in a fair  
23 and equitable manner for all eligible production, in-  
24 cluding the production of fruits and vegetables,  
25 other specialty crops, and field crops:

1       (c) ~~PAYMENT LIMITATIONS.~~—

2           (1) ~~LIMIT ON AMOUNT OF ASSISTANCE.~~—As-  
3       assistance provided under this section to a producer  
4       for losses to a crop, together with the amounts speci-  
5       fied in paragraph (2) applicable to the same crop,  
6       may not exceed 95 percent of what the value of the  
7       crop would have been in the absence of the losses,  
8       as estimated by the Secretary of Agriculture.

9           (2) ~~OTHER PAYMENTS.~~—In applying the limita-  
10      tion in paragraph (1), the Secretary shall include the  
11      following:

12           (A) ~~Any crop insurance payment made~~  
13      under the Federal Crop Insurance Act (7  
14      U.S.C. 1501 et seq.) or payment under section  
15      196 of the Federal Agricultural Improvement  
16      and Reform Act of 1996 (7 U.S.C. 7332) that  
17      the producer receives for losses to the same  
18      crop.

19           (B) ~~The value of the crop that was not lost~~  
20      (if any), as estimated by the Secretary.

21           (3) ~~DUPLICATIVE PAYMENTS.~~—The Secretary  
22      of Agriculture shall ensure, to the maximum extent  
23      practicable, that no producer on a farm receives du-  
24      plicative payments under this section and any other  
25      Federal program for the same loss.

1       (f) ELIGIBILITY REQUIREMENTS AND LIMITA-  
2 TIONS.—The producers on a farm shall not be eligible for  
3 assistance under this section with respect to losses to an  
4 insurable commodity or noninsurable commodity if the  
5 producers on the farm—

6           (1) in the case of an insurable commodity, did  
7 not obtain a policy or plan of insurance for the in-  
8 surable commodity under the Federal Crop Insur-  
9 ance Act (7 U.S.C. 1501 et seq.) for the crop incur-  
10 ring the losses;

11           (2) in the case of a noninsurable commodity,  
12 did not file the required paperwork, and pay the ad-  
13 ministrative fee by the applicable State filing dead-  
14 line, for the noninsurable commodity under section  
15 196 of the Federal Agriculture Improvement and  
16 Reform Act of 1996 (7 U.S.C. 7333) for the crop  
17 incurring the losses; or

18           (3) were not in compliance with highly erodible  
19 land conservation and wetland conservation provi-  
20 sions.

21       (g) TIMING.—

22           (1) IN GENERAL.—Subject to paragraph (2),  
23 the Secretary of Agriculture shall make payments to  
24 producers on a farm for a crop under this section  
25 not later than 60 days after the date the producers

1 on the farm submit to the Secretary a completed ap-  
2 plication for the payments:

3 (2) INTEREST.—If the Secretary does not make  
4 payments to the producers on a farm by the date de-  
5 scribed in paragraph (1), the Secretary shall pay to  
6 the producers on a farm interest on the payments at  
7 a rate equal to the current (as of the sign-up dead-  
8 line established by the Secretary) market yield on  
9 outstanding, marketable obligations of the United  
10 States with maturities of 30 years.

11 (h) DEFINITIONS.—In this section:

12 (1) INSURABLE COMMODITY.—The term “insur-  
13 able commodity” means an agricultural commodity  
14 (excluding livestock) for which the producers on a  
15 farm are eligible to obtain a policy or plan of insur-  
16 ance under the Federal Crop Insurance Act (7  
17 U.S.C. 1501 et seq.).

18 (2) NONINSURABLE COMMODITY.—The term  
19 “noninsurable commodity” means a crop for which  
20 the producers on a farm are eligible to obtain assist-  
21 ance under section 196 of the Federal Agriculture  
22 Improvement and Reform Act of 1996 (7 U.S.C.  
23 7333).

24 **SEC. 3102. LIVESTOCK ASSISTANCE.**

25 (a) LIVESTOCK COMPENSATION PROGRAM.—

1           (1) AVAILABILITY OF ASSISTANCE.—There are  
2 hereby appropriated to the Secretary of Agriculture  
3 such sums as are necessary, to remain available  
4 until expended, to carry out the livestock compensa-  
5 tion program established under subpart B of part  
6 1416 of title 7, Code of Federal Regulations, as an-  
7 nounced by the Secretary on February 12, 2007 (72  
8 Fed. Reg. 6443), to provide compensation for live-  
9 stock losses during calendar years 2005 and 2006,  
10 and during calendar year 2007 before the date of  
11 the enactment of this Act, due to a disaster, as de-  
12 termined by the Secretary, including wildfire in the  
13 State of Texas and other States and blizzards in the  
14 States of Colorado, Kansas, Nebraska, New Mexico,  
15 and Oklahoma. However, the payment rate for com-  
16 pensation under this subsection shall be 75 percent  
17 of the payment rate otherwise applicable under such  
18 program.

19           (2) ELIGIBLE APPLICANTS.—In carrying out  
20 the program described in paragraph (1), the Sec-  
21 retary shall provide assistance to any applicant  
22 that—

23           (A) conducts a livestock operation that is  
24 located in a disaster county with eligible live-  
25 stock specified in paragraph (1) of section

1 1416.102(a) of title 7, Code of Federal Regula-  
2 tions (72 Fed. Reg. 6444), an animal described  
3 in section 10806(a)(1) of the Farm Security  
4 and Rural Investment Act of 2002 (21 U.S.C.  
5 321d(a)(1)), or other animals designated by the  
6 Secretary as livestock for purposes of this sub-  
7 section; and

8 (B) meets the requirements of paragraphs  
9 (3) and (4) of section 1416.102(a) of title 7,  
10 Code of Federal Regulations; and all other eligi-  
11 bility requirements established by the Secretary  
12 for the program.

13 (3) ELECTION OF LOSSES.—If a producer in-  
14 curred eligible livestock losses in more than one of  
15 the 2005, 2006, or 2007 calendar years, the pro-  
16 ducer shall elect to receive payments under this sub-  
17 section for losses incurred in only one of such cal-  
18 endar years, and such losses must have been in-  
19 curred in a county declared or designated as a dis-  
20 aster county in that same calendar year.

21 (4) MITIGATION.—In determining the eligibility  
22 for or amount of payments for which a producer is  
23 eligible under the livestock compensation program,  
24 the Secretary shall not penalize a producer that  
25 takes actions (recognizing disaster conditions) that

1 reduce the average number of livestock the producer  
2 owned for grazing during the production year for  
3 which assistance is being provided.

4 (5) LIMITATION.—The Secretary shall ensure,  
5 to the maximum extent practicable, that no producer  
6 on a farm receives duplicative payments under this  
7 subsection and another Federal program with re-  
8 spect to any loss.

9 (6) DEFINITIONS.—In this subsection:

10 (A) DISASTER COUNTY.—The term “dis-  
11 aster county” means—

12 (i) a county included in the geo-  
13 graphic area covered by a natural disaster  
14 declaration; and

15 (ii) each county contiguous to a coun-  
16 ty described in clause (i).

17 (B) NATURAL DISASTER DECLARATION.—  
18 The term “natural disaster declaration”  
19 means—

20 (i) a natural disaster declared by the  
21 Secretary during calendar year 2005 or  
22 2006, or calendar year 2007 before the  
23 date of the enactment of this Act, under  
24 section 321(a) of the Consolidated Farm



1 and Rural Development Act (7 U.S.C.  
2 1961(a)); or

3 (ii) a major disaster or emergency  
4 designated by the President during cal-  
5 endar year 2005 or 2006, or calendar year  
6 2007 before the date of the enactment of  
7 this Act, under the Robert T. Stafford Dis-  
8 aster Relief and Emergency Assistance Act  
9 (42 U.S.C. 5121 et seq.).

10 (b) LIVESTOCK INDEMNITY PAYMENTS.—

11 (1) AVAILABILITY OF ASSISTANCE.—There are  
12 hereby appropriated to the Secretary of Agriculture  
13 such sums as are necessary, to remain available  
14 until expended, to make livestock indemnity pay-  
15 ments to producers on farms that have incurred live-  
16 stock losses during calendar years 2005 and 2006,  
17 and during calendar year 2007 before the date of  
18 the enactment of this Act, due to a disaster, as de-  
19 termined by the Secretary, including hurricanes,  
20 floods, anthrax, wildfires in the State of Texas and  
21 other States, and blizzards in the States of Colo-  
22 rado, Kansas, Nebraska, New Mexico, and Okla-  
23 homa.

24 (2) ELECTION OF LOSSES.—If a producer in-  
25 curred eligible livestock losses in more than one of

1 the 2005, 2006, or 2007 calendar years, the pro-  
2 ducer shall elect to receive payments under this sub-  
3 section for losses incurred in only one of such cal-  
4 endar years. The producer may not receive payments  
5 under this subsection for more than one calendar  
6 year.

7 (3) PAYMENT RATES.—Indemnity payments to  
8 a producer on a farm under paragraph (1) shall be  
9 made at a rate of not less than 30 percent of the  
10 market value of the applicable livestock on the day  
11 before the date of death of the livestock, as deter-  
12 mined by the Secretary.

13 (4) LIVESTOCK DEFINED.—In this subsection,  
14 the term “livestock” means an animal that—

15 (A) is specified in clause (i) of section  
16 1416.203(a)(2) of title 7, Code of Federal Reg-  
17 ulations (72 Fed. Reg. 6445), or is designated  
18 by the Secretary as livestock for purposes of  
19 this subsection; and

20 (B) meets the requirements of clauses (iii)  
21 and (iv) of such section.

22 (e) LIMIT ON AMOUNT OF ASSISTANCE.—The Sec-  
23 retary of Agriculture shall ensure, to the maximum extent  
24 practicable, that no producer on a farm receives duplica-

1 tive payments under this section and any other Federal  
2 program for the same loss.

3 **SEC. 3103. SPINACH.**

4       There is hereby appropriated to the Secretary of Ag-  
5 riculture \$25,000,000, to remain available until expended,  
6 to make payments to growers and first handlers, as de-  
7 fined by the Secretary, of fresh spinach that were unable  
8 to market spinach crops as a result of the Food and Drug  
9 Administration Public Health Advisory issued on Sep-  
10 tember 14, 2006. The payment made to a grower or first  
11 handler under this section shall not exceed 75 percent of  
12 the value of the unmarketed spinach crops.

13 **SEC. 3104. EMERGENCY CONSERVATION PROGRAM.**

14       There is hereby appropriated to the Secretary of Ag-  
15 riculture \$20,000,000, to remain available until expended,  
16 to provide assistance under the Emergency Conservation  
17 Program under title IV of the Agriculture Credit Act of  
18 1978 (16 U.S.C. 2201 et seq.) for the cleanup and restora-  
19 tion of farmland damaged by freezing temperatures at any  
20 time during the period beginning on January 1, 2007, and  
21 ending on the date of the enactment of this Act.

22 **SEC. 3105. PAYMENT LIMITATIONS.**

23       (a) **REDUCTION IN PAYMENTS TO REFLECT PAY-**  
24 **MENTS FOR SAME OR SIMILAR LOSSES.**—The amount of  
25 any payment for which a producer is eligible under sec-

1 tions 3101 and 3102 shall be reduced by any amount re-  
2 ceived by the producer for the same loss or any similar  
3 loss under—

4 (1) the Department of Defense, Emergency  
5 Supplemental Appropriations to Address Hurricanes  
6 in the Gulf of Mexico, and Pandemic Influenza Act,  
7 2006 (Public Law 109–148; 119 Stat. 2680); or

8 (2) an agricultural disaster assistance provision  
9 contained in the announcement of the Secretary of  
10 Agriculture on January 26, 2006.

11 (b) ADJUSTED GROSS INCOME LIMITATION.—Section  
12 1001D of the Food Security Act of 1985 (7 U.S.C. 1308–  
13 3a) shall apply with respect to assistance provided under  
14 sections 3101, 3102, 3103, and 3104.

15 **SEC. 3106. ADMINISTRATION.**

16 (a) REGULATIONS.—The Secretary of Agriculture  
17 may promulgate such regulations as are necessary to im-  
18 plement sections 3101 and 3102.

19 (b) PROCEDURE.—The promulgation of the imple-  
20 menting regulations and the administration of sections  
21 3101 and 3102 shall be made without regard to—

22 (1) the notice and comment provisions of sec-  
23 tion 553 of title 5, United States Code;

24 (2) the Statement of Policy of the Secretary of  
25 Agriculture effective July 24, 1971 (36 Fed. Reg.

1 13804), relating to notices of proposed rulemaking  
2 and public participation in rulemaking; and

3 ~~(3) chapter 35 of title 44, United States Code~~  
4 ~~(commonly known as the “Paperwork Reduction~~  
5 ~~Act”).~~

6 ~~(c) CONGRESSIONAL REVIEW OF AGENCY RULE-~~  
7 ~~MAKING.—In carrying out this section, the Secretary of~~  
8 ~~Agriculture shall use the authority provided under section~~  
9 ~~808 of title 5, United States Code.~~

10 ~~(d) USE OF COMMODITY CREDIT CORPORATION;~~  
11 ~~LIMITATION.—In implementing sections 3101 and 3102,~~  
12 ~~the Secretary of Agriculture may use the facilities, serv-~~  
13 ~~ices, and authorities of the Commodity Credit Corpora-~~  
14 ~~tion. The Corporation shall not make any expenditures to~~  
15 ~~carry out sections 3101 and 3102 unless funds have been~~  
16 ~~specifically appropriated for such purpose.~~

17 **SEC. 3107. MILK INCOME LOSS CONTRACT PROGRAM.**

18 Notwithstanding subsections ~~(c)(3)~~, ~~(f)~~, and ~~(g)~~ of  
19 section 1502 of the Farm Security and Rural Investment  
20 Act of 2002 (7 U.S.C. 7982), there is hereby appropriated  
21 \$283,000,000, to remain available until expended, for pay-  
22 ments under such section, using the payment rate speci-  
23 fied in subsection ~~(c)(3)(B)~~ of such section, from Sep-  
24 tember 1, 2007, through September 30, 2008. Of such  
25 amount, \$252,000,000 shall be available only on or after

1 September 30, 2007, and only so long as an Act to provide  
2 for the continuation of agricultural programs for fiscal  
3 years after 2007, including such section 1502, is not en-  
4 acted.

5 **SEC. 3108. PEANUT STORAGE COSTS.**

6 Notwithstanding subsection (a)(6) of section 1307 of  
7 the Farm Security and Rural Investment Act of 2002 (7  
8 U.S.C. 7957), there is hereby appropriated \$74,000,000,  
9 to remain available until expended, for the payment of  
10 storage, handling, and other associated costs for the 2007  
11 crop of peanuts to ensure proper storage of peanuts for  
12 which a loan is made under such section. Of such amount,  
13 \$74,000,000 shall be available only on or after September  
14 30, 2007, and only so long as an Act to provide for the  
15 continuation of agricultural programs for fiscal years after  
16 2007, including such section 1307, is not enacted.

17 **SEC. 3109. LOSSES DUE TO APHIS EMERGENCY ORDER.**

18 There is hereby appropriated to the Secretary of Ag-  
19 riculture \$5,000,000, to remain available until expended,  
20 to provide compensation to aquaculture operations and  
21 other persons in the United States engaged in the business  
22 of breeding, rearing, or transporting live fish to cover all  
23 or a portion of the economic losses incurred by the oper-  
24 ation or person as a result of the emergency order issued  
25 by the Animal and Plant Health Inspection Service on Oc-

1 tober 24, 2006, prohibiting the importation of specified  
 2 species of live fish from Ontario and Quebec, Canada, and  
 3 the interstate movement of these same species of fish from  
 4 New York, Pennsylvania, Ohio, Michigan, Indiana, Illi-  
 5 nois, Minnesota, or Wisconsin due to outbreaks of viral  
 6 hemorrhagic septicemia. The operation or person seeking  
 7 compensation shall be required to document to the satis-  
 8 faction of the Secretary the economic losses so incurred  
 9 as a result of the emergency order.

10 **SEC. 3110. EMERGENCY DESIGNATION.**

11 The amounts provided in this title are designated as  
 12 an emergency requirement pursuant to section 501 of H.  
 13 Con. Res. 376 (109th Congress), as made applicable to  
 14 the House of Representatives by section 511(a)(4) of H.  
 15 Res. 6 (110th Congress).

16 TITLE IV—OTHER MATTERS

17 CHAPTER 1

18 DEPARTMENT OF AGRICULTURE

19 FARM SERVICE AGENCY

20 SALARIES AND EXPENSES

21 For an additional amount for “Salaries and Ex-  
 22 penses”, \$48,000,000.

23 GENERAL PROVISIONS—THIS CHAPTER

24 SEC. 4101. Of the funds made available through ap-  
 25 propriations to the Food and Drug Administration for fis-

1 cal year 2007, not less than \$4,000,000 shall be for the  
2 Office of Women's Health of such Administration.

3 SEC. 4102. None of the funds made available to the  
4 Department of Agriculture for fiscal year 2007 may be  
5 used for a risk-based inspection program for poultry or  
6 meat unless the Secretary of Agriculture considers such  
7 program to be a rule under chapter 5 of title 5, United  
8 States Code.

## 9 CHAPTER 2

### 10 DEPARTMENT OF COMMERCE

#### 11 NATIONAL OCEANIC AND ATMOSPHERIC

#### 12 ADMINISTRATION

#### 13 OPERATIONS, RESEARCH, AND FACILITIES

14 For an additional amount for "Operations, Research,  
15 and Facilities", National Marine Fisheries Service,  
16 \$60,400,000, to remain available until September 30,  
17 2008: *Provided*, That the National Marine Fisheries Serv-  
18 ice shall cause such amounts to be distributed among fish-  
19 ing communities, Indian tribes, individuals, small busi-  
20 nesses, including fishermen, fish processors, and related  
21 businesses, and other persons for assistance to mitigate  
22 the economic and other social effects caused by the com-  
23 mercial fishery failure as determined by the Secretary on  
24 August 10, 2006: *Provided further*, That the amount pro-  
25 vided under this heading is designated as an emergency



1 requirement pursuant to section 501 of H. Con. Res. 376  
2 (109th Congress), as made applicable to the House of  
3 Representatives by section 511(a)(4) of H. Res. 6 (110th  
4 Congress).

5 CHAPTER 3

6 SEC. 4301. (a) Section 102(a)(3)(B) of the Help  
7 America Vote Act of 2002 (42 U.S.C. 15302(a)(3)(B)) is  
8 amended by striking “January 1, 2006” and inserting  
9 “January 1, 2008”.

10 (b) The amendment made by subsection (a) shall take  
11 effect as if included in the enactment of the Help America  
12 Vote Act of 2002.

13 CHAPTER 4

14 DEPARTMENT OF HOMELAND SECURITY

15 GENERAL PROVISIONS

16 (RESCISSION)

17 SEC. 4401. Of the unobligated balances made avail-  
18 able pursuant to section 505 of Public Law 109-90,  
19 \$89,800,000 are rescinded.

20 SEC. 4402. The last two provisos under the heading  
21 “Department of Homeland Security, Customs and Border  
22 Protection—Salaries and Expenses” in Public Law 109-  
23 90 shall remain in effect through September 30, 2007.

1       ~~SEC. 4403.~~ (a) IN GENERAL.—Any contract, sub-  
2 contract, or task order described in subsection (b) shall  
3 contain the following:

4           (1) A requirement for a technical review of all  
5 designs, design changes, and engineering change  
6 proposals, and a requirement to specifically address  
7 all engineering concerns identified in the review be-  
8 fore the obligation of further funds may occur.

9           (2) A requirement that the Coast Guard main-  
10 tain technical warrant holder authority, or the equiv-  
11 alent, for major assets.

12           (3) A requirement for independent cost esti-  
13 mates of major changes.

14           (4) A requirement for measurement of con-  
15 tractor and subcontractor performance based on the  
16 status of all work performed.

17       (b) ~~CONTRACTS, SUBCONTRACTS, AND TASK ORDERS~~  
18 ~~COVERED.~~—Subsection (a) applies to—

19           (1) any major procurement contract entered  
20 into by the Coast Guard;

21           (2) any subcontract entered into under such a  
22 contract; and

23           (3) any task order issued pursuant to such a  
24 contract or subcontract.

1           (c) PLAN FOR EXPENDITURE OF DEEPWATER  
2 FUNDS.—The funds appropriated in Public Law 109–295  
3 for the Integrated Deepwater Systems program may not  
4 be obligated until the Committees on Appropriations of the  
5 Senate and the House of Representatives receive and ap-  
6 prove a plan for expenditure that—

7           (1) defines activities, milestones, yearly costs,  
8 and lifecycle costs for each procurement of a major  
9 asset, including an independent cost estimate for  
10 each;

11           (2) identifies lifecycle staffing and training  
12 needs of Coast Guard project managers and of pro-  
13 curement and contract staff;

14           (3) identifies all Integrated Product Teams that  
15 are not chaired by Coast Guard personnel and ex-  
16 plains why the Coast Guard does not chair;

17           (4) identifies competition to be conducted in  
18 each procurement;

19           (5) does not rely on a single industry entity or  
20 contract;

21           (6) contains very limited indefinite delivery/in-  
22 definite quantity contracts and explains the need for  
23 any indefinite delivery/indefinite quantity contracts;

24           (7) complies with all applicable acquisition  
25 rules, requirements, and guidelines, and incorporates

1 the best systems acquisition management practices  
2 of the Federal Government;

3 (8) complies with the capital planning and in-  
4 vestment control requirements established by the Of-  
5 fice of Management and Budget, including circular  
6 A-11, part 7;

7 (9) includes a certification by the Chief Pro-  
8 curement Officer of the Department of Homeland  
9 Security that the Coast Guard has established suffi-  
10 cient controls and procedures to comply with all con-  
11 tracting requirements and that any apparent con-  
12 flicts of interest have been sufficiently addressed;

13 (10) includes a description of the process used  
14 to act upon deviations from the contractually speci-  
15 fied performance requirements and clearly explains  
16 the actions taken on such deviations; and

17 (11) is reviewed by the Government Account-  
18 ability Office.

19 SEC. 4404. (a) IN GENERAL.—With respect to con-  
20 tracts entered into after May 1, 2007, and except as pro-  
21 vided in subsection (b), no entity performing lead system  
22 integrator functions in the acquisition of a major system  
23 by the Department of Homeland Security may have any  
24 direct financial interest in the development or construction

1 of any individual system or element of any system of sys-  
2 tems.

3 (b) EXCEPTION.—An entity described in subsection  
4 (a) may have a direct financial interest in the development  
5 or construction of an individual system or element of a  
6 system of systems if—

7 (1) the Secretary of Homeland Security cer-  
8 tifies to the Committees on Appropriations of the  
9 Senate and the House of Representatives and the  
10 House Committee on Homeland Security that—

11 (A) the entity was selected by the Depart-  
12 ment of Homeland Security as a contractor to  
13 develop or construct the system or element con-  
14 cerned through the use of competitive proce-  
15 dures; and

16 (B) the Department took appropriate steps  
17 to prevent any organizational conflict of interest  
18 in the selection process; or

19 (2) the entity was selected by a subcontractor  
20 to serve as a lower-tier subcontractor, through a  
21 process over which the entity exercised no control.

22 (c) CONSTRUCTION.—Nothing in this section shall be  
23 construed to preclude an entity described in subsection (a)  
24 from performing work necessary to integrate two or more

1 individual systems or elements of a system of systems with  
2 each other.

3 (d) REGULATIONS UPDATE.—Not later than May 1,  
4 2007, the Secretary of Homeland Security shall update  
5 the acquisition regulations of the Department of Home-  
6 land Security in order to specify fully in such regulations  
7 the matters with respect to lead system integrators set  
8 forth in this section. Included in such regulations shall be  
9 (1) a precise and comprehensive definition of the term  
10 “lead system integrator”, modeled after that used by the  
11 Department of Defense, and (2) a specification of various  
12 types of contracts and fee structures that are appropriate  
13 for use by lead system integrators in the production, field-  
14 ing, and sustainment of complex systems.

## 15 CHAPTER 5

### 16 DEPARTMENT OF THE INTERIOR

#### 17 BUREAU OF LAND MANAGEMENT

#### 18 WILDLAND FIRE MANAGEMENT

#### 19 (INCLUDING TRANSFER OF FUNDS)

20 For an additional amount for “Wildland Fire Man-  
21 agement”, \$100,000,000, to remain available until ex-  
22 pended, for urgent wildland fire suppression activities:  
23 *Provided*, That such funds shall only become available if  
24 funds previously provided for wildland fire suppression will  
25 be exhausted imminently and the Secretary of the Interior  
26 notifies the House and Senate Committees on Appropria-

1 tions in writing of the need for these additional funds: *Pro-*  
2 *vided further,* That such funds are also available for repay-  
3 ment to other appropriation accounts from which funds  
4 were transferred for wildfire suppression: *Provided further,*  
5 That the amount provided under this heading is des-  
6 ignated as an emergency requirement pursuant to section  
7 501 of H. Con. Res. 376 (109th Congress), as made appli-  
8 cable to the House of Representatives by section 511(a)(4)  
9 of H. Res. 6 (110th Congress).

10 UNITED STATES FISH AND WILDLIFE SERVICE

11 RESOURCE MANAGEMENT

12 For an additional amount for “Resource Manage-  
13 ment” for the detection of highly pathogenic avian influ-  
14 enza in wild birds, including the investigation of morbidity  
15 and mortality events, targeted surveillance in live wild  
16 birds, and targeted surveillance in hunter-taken birds,  
17 \$7,398,000, to remain available until September 30, 2008.

18 NATIONAL PARK SERVICE

19 OPERATION OF THE NATIONAL PARK SYSTEM

20 For an additional amount for “Operation of the Na-  
21 tional Park System” for the detection of highly pathogenic  
22 avian influenza in wild birds, including the investigation  
23 of morbidity and mortality events, \$525,000, to remain  
24 available until September 30, 2008.

## 1 U.S. GEOLOGICAL SURVEY

## 2 SURVEYS, INVESTIGATIONS, AND RESEARCH

3 For an additional amount for “Surveys, Investiga-  
4 tions, and Research” for the detection of highly patho-  
5 genic avian influenza in wild birds, including the investiga-  
6 tion of morbidity and mortality events, targeted surveil-  
7 lance in live wild birds, and targeted surveillance in  
8 hunter-taken birds, \$5,270,000, to remain available until  
9 September 30, 2008.

## 10 DEPARTMENT OF AGRICULTURE

## 11 FOREST SERVICE

## 12 WILDLAND FIRE MANAGEMENT

## 13 (INCLUDING TRANSFER OF FUNDS)

14 For an additional amount for “Wildland Fire Man-  
15 agement”, \$400,000,000, to remain available until ex-  
16 pended, for urgent wildland fire suppression activities:  
17 *Provided*, That such funds shall only become available if  
18 funds provided previously for wildland fire suppression will  
19 be exhausted imminently and the Secretary of Agriculture  
20 notifies the House and Senate Committees on Appropria-  
21 tions in writing of the need for these additional funds: *Pro-*  
22 *vided further*, That such funds are also available for repay-  
23 ment to other appropriation accounts from which funds  
24 were transferred for wildfire suppression: *Provided further*,  
25 That the amount provided under this heading is des-  
26 ignated as an emergency requirement pursuant to section



1 501 of H. Con. Res. 376 (109th Congress), as made appli-  
2 cable to the House of Representatives by section 511(a)(4)  
3 of H. Res. 6 (110th Congress).

4       GENERAL PROVISIONS—THIS CHAPTER

5       SEC. 4501. There is appropriated not to exceed  
6 \$400,000,000 to the Department of Agriculture, to be  
7 used for one-time payments to be allocated, to the max-  
8 imum extent practicable, in the same amounts and in the  
9 same manner as were paid to States and others in 2006  
10 under the Secure Rural Schools and Community Self-De-  
11 termination Act of 2000 (Public Law 106–393; 16 U.S.C.  
12 500 note): *Provided*, That the amount provided under this  
13 heading is designated as an emergency requirement pursu-  
14 ant to section 501 of H. Con. Res. 376 (109th Congress),  
15 as made applicable to the House of Representatives by sec-  
16 tion 511(a)(4) of H. Res. 6 (110th Congress).

17       SEC. 4502. Section 20515 of the Continuing Appro-  
18 priations Resolution, 2007 (division B of Public Law 109–  
19 289, as amended by Public Law 110–5) is amended by  
20 inserting before the period: “; and of which, not to exceed  
21 \$9,019,000 shall be available, in addition to amounts oth-  
22 erwise available, for contract support costs”.

23       SEC. 4503. Section 20512 of the Continuing Appro-  
24 priations Resolution, 2007 (division B of Public Law 109–  
25 289, as amended by Public Law 110–5) is amended by

1 inserting after the first dollar amount: “, of which, not  
2 to exceed \$5,000,000 shall be available, in addition to  
3 amounts otherwise available, for contract support costs;  
4 and of which, not to exceed \$7,300,000 may be trans-  
5 ferred to the ‘Indian Health Facilities’ account,”.

6       SEC. 4504. Section 20501 of the Continuing Appro-  
7 priations Resolution, 2007 (division B of Public Law 109-  
8 289, as amended by Public Law 110-5) is amended by  
9 inserting after \$55,663,000 “of which \$13,000,000 shall  
10 be for Save America’s Treasures”.

## 11                                       CHAPTER 6

### 12           DEPARTMENT OF HEALTH AND HUMAN

### 13                                       SERVICES

#### 14                                       NATIONAL INSTITUTES OF HEALTH

#### 15           NATIONAL INSTITUTE OF ALLERGY AND INFECTIOUS

#### 16                                       DISEASES

#### 17                                       (TRANSFER OF FUNDS)

18       Of the amount provided by the Continuing Appro-  
19 priations Resolution, 2007 (division B of Public Law 109-  
20 289, as amended by Public Law 110-5) for “National In-  
21 stitute of Allergy and Infectious Diseases”, \$49,500,000  
22 shall be transferred to “Public Health and Social Services  
23 Emergency Fund” to carry out activities relating to ad-  
24 vanced research and development as provided by section  
25 319L of the Public Health Service Act.

## 1 ADMINISTRATION FOR CHILDREN AND FAMILIES

## 2 LOW-INCOME HOME ENERGY ASSISTANCE

3 For an additional amount to make payments under  
4 section 2604(a)–(d) of the Low-Income Home Energy As-  
5 sistance Act of 1981 (42 U.S.C. 8623(a)–(d)),  
6 \$200,000,000: *Provided*, That grantees may obligate the  
7 funds made available by this paragraph through Sep-  
8 tember 30, 2008, to meet the home energy assistance  
9 needs arising from an emergency as defined in section  
10 2603(1) of such Act (42 U.S.C. 8622(1)) or for energy  
11 crisis intervention under section 2604(e) of such Act (42  
12 U.S.C. 8623(e)) except that, in carrying out this para-  
13 graph, the Governor of a State (or equivalent authority  
14 in the case of grantee other than a State) shall be treated  
15 as the Secretary for purposes of such section 2603(1):  
16 *Provided further*, That the amount provided by this para-  
17 graph is designated as an emergency requirement pursu-  
18 ant to section 501 of H. Con. Res. 376 (109th Congress),  
19 as made applicable to the House of Representatives by sec-  
20 tion 511(a)(4) of H. Res. 6 (110th Congress).

21 For an additional amount to make payments under  
22 section 2604(e) of the Low-Income Home Energy Assist-  
23 ance Act of 1981 (42 U.S.C. 8623(e)), \$200,000,000: *Pro-*  
24 *vided*, That the amount provided by this paragraph is des-  
25 ignated as an emergency requirement pursuant to section

1 501 of H. Con. Res. 376 (109th Congress), as made appli-  
2 cable to the House of Representatives by section 511(a)(4)  
3 of H. Res. 6 (110th Congress).

4 OFFICE OF THE SECRETARY

5 PUBLIC HEALTH AND SOCIAL SERVICES EMERGENCY

6 FUND

7 (INCLUDING TRANSFER OF FUNDS)

8 For an additional amount for “Public Health and So-  
9 cial Services Emergency Fund” to prepare for and re-  
10 spond to an influenza pandemic, \$969,650,000 to remain  
11 available until expended: *Provided*, That \$870,000,000  
12 shall be for activities including the development and pur-  
13 chase of vaccine, antivirals, necessary medical supplies,  
14 diagnostics, and other surveillance tools: *Provided further*,  
15 That products purchased with these funds may, at the dis-  
16 cretion of the Secretary of Health and Human Services,  
17 be deposited in the Strategic National Stockpile: *Provided*  
18 *further*, That notwithstanding section 496(b) of the Public  
19 Health Service Act, funds may be used for the construc-  
20 tion or renovation of privately owned facilities for the pro-  
21 duction of pandemic vaccine and other biologicals, where  
22 the Secretary finds such a contract necessary to secure  
23 sufficient supplies of such vaccines or biologicals: *Provided*  
24 *further*, That funds appropriated herein may be trans-  
25 ferred to other appropriation accounts of the Department  
26 of Health and Human Services, as determined by the Sec-

1 retary to be appropriate, to be used for the purposes speci-  
2 fied in this sentence: *Provided further*, That not less than  
3 \$34,650,000 shall be for the Centers for Disease Control  
4 and Prevention for laboratory diagnostics and analytical  
5 capabilities: *Provided further*, That the amount provided  
6 under this heading is designated as an emergency require-  
7 ment pursuant to section 501 of H. Con. Res. 376 (109th  
8 Congress), as made applicable to the House of Representa-  
9 tives by section 511(a)(4) of H. Res. 6 (110th Congress).

10 COVERED COUNTERMEASURE PROCESS FUND

11 For carrying out section 319F-4 of the Public Health  
12 Service Act (42 U.S.C. 247d-6e) to compensate individ-  
13 uals for injuries caused by H5N1 vaccine, in accordance  
14 with the declaration regarding avian influenza viruses  
15 issued by the Secretary of Health and Human Services  
16 on January 26, 2007, pursuant to section 319F-3(b) of  
17 such Act (42 U.S.C. 247d-6d(b)), \$50,000,000 to remain  
18 available until expended: *Provided*, That the amount pro-  
19 vided under this heading is designated as an emergency  
20 requirement pursuant to section 501 of H. Con. Res. 376  
21 (109th Congress), as made applicable to the House of  
22 Representatives by section 511(a)(4) of H. Res. 6 (110th  
23 Congress).

## 1           GENERAL PROVISIONS—THIS CHAPTER

2                           (INCLUDING TRANSFER OF FUNDS)

3           SEC. 4601. Section 20602 of the Continuing Appro-  
4   priations Resolution, 2007 (division B of Public Law 109-  
5   289, as amended by Public Law 110-5) is amended by  
6   striking “of which no less than \$5,000,000 shall be” and  
7   inserting the following: “of which \$7,500,000 (together  
8   with an additional \$7,000,000 which shall be transferred  
9   by the Pension Benefit Guaranty Corporation as an au-  
10  thorized administrative cost) shall be available when need-  
11  ed through September 30, 2008.”.

12          SEC. 4602. Section 20608(a) of the Continuing Ap-  
13  propriations Resolution, 2007 (division B of Public Law  
14  109-289, as amended by Public Law 110-5) is amended  
15  by inserting “and which shall be available for obligation  
16  by the States through December 31, 2007,” after “Public  
17  Law 103-353.”.

18          SEC. 4603. Section 20625(b)(1) of the Continuing  
19  Appropriations Resolution, 2007 (division B of Public  
20  Law 109-289, as amended by Public Law 110-5) is  
21  amended by—

22                   (1) striking “\$7,172,994,000” and inserting  
23                   “\$7,176,431,000”;

24                   (2) amending subparagraph (A) to read as fol-  
25                   lows: “(A) \$5,454,824,000 shall be for basic grants

1 under section 1124 of the Elementary and Sec-  
 2 ondary Education Act of 1965 (ESEA), of which up  
 3 to \$3,437,000 shall be available to the Secretary of  
 4 Education on October 1, 2006, to obtain annually  
 5 updated educational-agency-level census poverty data  
 6 from the Bureau of the Census;” and

7 (3) amending subparagraph (C) to read as fol-  
 8 lows: “(C) not to exceed \$2,352,000 may be avail-  
 9 able for section 1608 of the ESEA and for a clear-  
 10 inghouse on comprehensive school reform under part  
 11 D of title V of the ESEA;”.

12 SEC. 4604. The provision in the first proviso under  
 13 the heading “Rehabilitation Services and Disability Re-  
 14 search” in the Department of Education Appropriations  
 15 Act, 2006, relating to alternative financing programs  
 16 under section 4(b)(2)(D) of the Assistive Technology Act  
 17 of 1998 shall not apply to funds appropriated by the Con-  
 18 tinuing Appropriations Resolution, 2007.

## 19 CHAPTER 7

### 20 LEGISLATIVE BRANCH

#### 21 PAYMENT TO WIDOWS AND HEIRS OF

#### 22 DECEASED MEMBERS OF CONGRESS

23 For payment to Gloria W. Norwood, widow of Charles  
 24 W. Norwood, Jr., late a Representative from the State of  
 25 Georgia, \$165,200.

1                   ARCHITECT OF THE CAPITOL  
2                   CAPITOL POWER PLANT

3           For an additional amount for “Capitol Power Plant”,  
4 \$50,000,000, for asbestos abatement and other improve-  
5 ments, to remain available until September 30, 2011: *Pro-*  
6 *vided*, That the amount provided under this heading is  
7 designated as an emergency requirement pursuant to sec-  
8 tion 501 of H. Con. Res. 376 (109th Congress), as made  
9 applicable to the House of Representatives by section  
10 511(a)(4) of H. Res. 6 (110th Congress).

11                                   CHAPTER 8

12                                   DEPARTMENT OF STATE

13                                   INTERNATIONAL COMMISSIONS

14           INTERNATIONAL BOUNDARY AND WATER COMMISSION,

15                                   UNITED STATES AND MEXICO

16                                   CONSTRUCTION

17           For an additional amount for “International Bound-  
18 ary and Water Commission, United States and Mexico,  
19 Construction”, \$10,000,000, to remain available until ex-  
20 pended, as authorized.

21                                   GENERAL PROVISIONS—THIS CHAPTER

22           SEC. 4801. (a) MIDDLE EAST FOUNDATION.—Sec-  
23 tion 534(k) of the Foreign Operations, Export Financing,  
24 and Related Programs Appropriations Act, 2006 (Public  
25 Law 109–102) is amended, in the second proviso, by in-  
26 serting after “subsection (b) of that section” the following:





1 (~~division B of Public Law 109–289, as amended by Public~~  
2 ~~Law 110–5~~) include amounts necessary to make lease pay-  
3 ments due in fiscal year 2007 on an obligation incurred  
4 in 2001 under a capital lease.

5       ~~SEC. 4902. Section 21033 of the Continuing Appro-~~  
6 ~~priations Resolution, 2007 (division B of Public Law 109–~~  
7 ~~289, as amended by Public Law 110–5) is amended by~~  
8 adding after the second proviso: “: *Provided further*, That  
9 paragraph (2) under such heading in Public Law 109–  
10 115 (119 Stat. 2441) shall be funded at \$149,300,000,  
11 but additional section 8 tenant protection rental assistance  
12 costs may be funded in 2007 by using unobligated bal-  
13 ances, notwithstanding the purposes for which such  
14 amounts were appropriated, including recaptures and ear-  
15 nyoover, remaining from funds appropriated to the Depart-  
16 ment of Housing and Urban Development under this  
17 heading, the heading ‘Annual Contributions for Assisted  
18 Housing’, the heading ‘Housing Certificate Fund’, and the  
19 heading ‘Project-Based Rental Assistance’ for fiscal year  
20 2006 and prior fiscal years: *Provided further*, That para-  
21 graph (3) under such heading in Public Law 109–115  
22 (119 Stat. 2441) shall be funded at \$47,500,000: *Pro-*  
23 *vided further*, That paragraph (4) under such heading in  
24 Public Law 109–115 (119 Stat. 2441) shall be funded at  
25 \$5,900,000: *Provided further*, That paragraph (5) under

1 such heading in Public Law 109–115 (119 Stat. 2441)  
2 shall be funded at \$1,281,100,000, of which  
3 \$1,251,100,000 shall be allocated for the calendar year  
4 2007 funding cycle on a pro rata basis to public housing  
5 agencies based on the amount public housing agencies  
6 were eligible to receive in calendar year 2006, and of which  
7 up to \$30,000,000 shall be available to the Secretary to  
8 allocate to public housing agencies that need additional  
9 funds to administer their section 8 programs, with up to  
10 \$20,000,000 to be for fees associated with section 8 tenant  
11 protection rental assistance”.

12       SEC. 4903. Section 21033 of the Continuing Appro-  
13 priations Resolution, 2007 (division B of Public Law 109–  
14 289, as amended by Public Law 110–5) is amended (prior  
15 to amendment by the preceding section of this chapter)  
16 by adding after the third proviso: “: *Provided further*, That  
17 notwithstanding the previous proviso, except for applying  
18 the 2007 Annual Adjustment Factor and making any  
19 other specified adjustments, public housing agencies in the  
20 following categories shall receive renewal funding for cal-  
21 endar year 2007 equal to the amounts, prior to prorations,  
22 such public housing agencies were eligible to receive in cal-  
23 endar year 2006, prorated at the calendar year 2006 rate:  
24 (1) public housing agencies that would receive less funding  
25 under the previous proviso than they would receive under

1 this proviso and that are located in any area declared a  
2 major disaster under the Robert T. Stafford Disaster Re-  
3 lief and Emergency Act (42 U.S.C. 1521 et seq.) with re-  
4 spect to hurricanes that occurred in calendar years 2004  
5 and 2005; (2) public housing agencies participating in the  
6 Moving to Work Demonstration; (3) public housing agen-  
7 cies that, during calendar year 2007 but prior to June  
8 1, 2007, are in receivership; or the Department of Hous-  
9 ing and Urban Development has declared to be in breach  
10 of an Annual Contributions Contract; or (4) public hous-  
11 ing agencies that overspent their allocation for calendar  
12 year 2006 and available housing assistance payments bal-  
13 ance from calendar year 2005”.

14       SEC. 4904. Chapter 10 of title II of the Continuing  
15 Appropriations Resolution, 2007 (division B of Public  
16 Law 109–289, as amended by Public Law 110–5) is  
17 amended by inserting after section 21041 the following  
18 new section:

19       “SEC. 21041A. The provisions under the heading  
20 ‘Department of Housing and Urban Development, Office  
21 of Federal Housing Enterprise Oversight, Salaries and  
22 Expenses’ in title III of division A of Public Law 109–  
23 115 shall be applied to funds appropriated by this division  
24 by substituting ‘\$67,568,000’ for ‘\$60,000,000’.”.

1       SEC. 4905. Section ~~21033~~ of the Continuing Appro-  
2       priations Resolution, 2007 (division B of Public Law 109-  
3       289, as amended by Public Law 110-5) is amended (prior  
4       to amendment by the preceding sections of this chapter)  
5       by striking the sixth proviso.

6       SEC. 4906. Section 232(b) of the Departments of  
7       Veterans Affairs and Housing and Urban Development,  
8       and Independent Agencies Appropriations Act, 2001  
9       (Public Law 106-377) is amended to read as follows:

10       “(b) APPLICABILITY.—In the case of any dwelling  
11       unit that, upon the date of the enactment of this Act, is  
12       assisted under a housing assistance payment contract  
13       under section 8(o)(13) as in effect before such enactment,  
14       or under section 8(d)(2) of the United States Housing Act  
15       of 1937 (42 U.S.C. 1437f(d)(2)) as in effect before the  
16       enactment of the Quality Housing and Work Responsi-  
17       bility Act of 1998 (title V of Public Law 105-276), assist-  
18       ance may be renewed or extended under such section  
19       8(o)(13), as amended by subsection (a), provided that the  
20       initial contract term and rent of such renewed or extended  
21       assistance shall be determined pursuant to subparagraphs  
22       (F) and (H), and subparagraphs (C) and (D) of such sec-  
23       tion shall not apply to such extensions or renewals.”.

## 1           GENERAL PROVISION—THIS ACT

2           SEC. 4910. No part of any appropriation contained  
3 in this Act shall remain available for obligation beyond  
4 the current fiscal year unless expressly so provided herein.

## 5           TITLE V—CONTRACTING REFORM

6   **SEC. 5001. MINIMIZING SOLE-SOURCE CONTRACTS.**

7           (a) PLANS REQUIRED.—Subject to subsection (c),  
8 the head of each executive agency covered by title III of  
9 the Federal Property and Administrative Services Act of  
10 1949 (41 U.S.C. 251 et seq.) and the head of each agency  
11 covered by chapter 137 of title 10, United States Code,  
12 shall develop and implement a plan to minimize the use  
13 of contracts entered into using procedures other than com-  
14 petitive procedures by the agency concerned. The plan  
15 shall contain measurable goals and shall be completed and  
16 submitted to the Committee on Oversight and Government  
17 Reform of the House of Representatives and the Com-  
18 mittee on Homeland Security and Governmental Affairs  
19 of the Senate, the Committees on Appropriations of the  
20 House of Representatives and the Senate, with a copy pro-  
21 vided to the Comptroller General, not later than 1 year  
22 after the date of the enactment of this Act.

23           (b) COMPTROLLER GENERAL REVIEW.—The Comp-  
24 troller General shall review the plans provided under sub-  
25 section (a) and submit a report to Congress on the plans

1 not later than 18 months after the date of the enactment  
2 of this Act.

3 ~~(c) REQUIREMENT LIMITED TO CERTAIN AGEN-~~  
4 ~~CIES.—~~The requirement of subsection (a) shall apply only  
5 to those agencies that awarded contracts in a total amount  
6 of at least \$1,000,000,000 in the fiscal year preceding the  
7 fiscal year in which the report is submitted.

8 **SEC. 5002. MINIMIZING COST-REIMBURSEMENT TYPE CON-**  
9 **TRACTS.**

10 (a) ~~PLANS REQUIRED.—~~Subject to subsection (c),  
11 the head of each executive agency covered by title III of  
12 the Federal Property and Administrative Services Act of  
13 1949 (41 U.S.C. 251 et seq.) and the head of each agency  
14 covered by chapter 137 of title 10, United States Code,  
15 shall develop and implement a plan to minimize the use  
16 of cost-reimbursement type contracts by the agency con-  
17 cerned. The plan shall contain measurable goals and shall  
18 be completed and submitted to the Committee on Over-  
19 sight and Government Reform of the House of Represent-  
20 atives and the Committee on Homeland Security and Gov-  
21 ernmental Affairs of the Senate, the Committees on Ap-  
22 propriations of the House of Representatives and the Sen-  
23 ate, with a copy provided to the Comptroller General, not  
24 later than 1 year after the date of the enactment of this  
25 Act.

1       (b) ~~COMPTROLLER GENERAL REVIEW.~~—The Comp-  
2 troller General shall review the plans provided under sub-  
3 section (a) and submit a report to Congress on the plans  
4 not later than 18 months after the date of the enactment  
5 of this Act.

6       (c) ~~REQUIREMENT LIMITED TO CERTAIN AGEN-~~  
7 ~~CIES.~~—The requirement of subsection (a) shall apply only  
8 to those agencies that awarded contracts in a total amount  
9 of at least \$1,000,000,000 in the fiscal year preceding the  
10 fiscal year in which the report is submitted.

11 **SEC. 5003. PUBLIC DISCLOSURE OF JUSTIFICATION AND**  
12 **APPROVAL DOCUMENTS FOR NONCOMPETI-**  
13 **TIVE CONTRACTS.**

14       (a) ~~CIVILIAN AGENCY CONTRACTS.~~—Section 303 of  
15 the Federal Property and Administrative Services Act of  
16 1949 (41 U.S.C. 253) is amended by adding at the end  
17 the following new subsection:

18       “(j)(1) In the case of a procurement permitted by  
19 subsection (c), the head of an executive agency shall make  
20 publicly available, within 14 days after the award of the  
21 contract, the documents containing the justification and  
22 approval required by subsection (f)(1) with respect to the  
23 procurement.



1       ~~“(2) The documents shall be made available on the~~  
2 ~~website of the agency and through the Federal Procure-~~  
3 ~~ment Data System.~~

4       ~~“(3) This subsection does not require the public avail-~~  
5 ~~ability of information that is exempt from public disclosure~~  
6 ~~under section 552(b) of title 5, United States Code.”.~~

7       (b) **DEFENSE AGENCY CONTRACTS.**—Section 2304  
8 of title 10, United States Code, is amended by adding at  
9 the end the following new subsection:

10       ~~“(1)(1) In the case of a procurement permitted by~~  
11 ~~subsection (e), the head of an agency shall make publicly~~  
12 ~~available, within 14 days after the award of the contract,~~  
13 ~~the documents containing the justification and approval~~  
14 ~~required by subsection (f)(1) with respect to the procure-~~  
15 ~~ment.~~

16       ~~“(2) The documents shall be made available on the~~  
17 ~~website of the agency and through the Federal Procure-~~  
18 ~~ment Data System.~~

19       ~~“(3) This subsection does not require the public avail-~~  
20 ~~ability of information that is exempt from public disclosure~~  
21 ~~under section 552(b) of title 5, United States Code.”.~~

22 **SEC. 5004. DISCLOSURE OF GOVERNMENT CONTRACTOR**  
23 **OVERCHARGES.**

24       (a) **QUARTERLY REPORT TO CONGRESS.**—

1           (1) The head of each Federal agency or depart-  
2           ment shall submit to the chairman and ranking  
3           member of each committee specified in paragraph  
4           (2) on a quarterly basis a report that includes the  
5           following:

6                   (A) A list of audits or other reports issued  
7                   during the applicable quarter that describe con-  
8                   tractor costs in excess of \$1,000,000 that have  
9                   been identified as unjustified, unsupported,  
10                  questioned, or unreasonable under any contract,  
11                  task or delivery order, or subcontract.

12                  (B) The specific amounts of costs identi-  
13                  fied as unjustified, unsupported, questioned, or  
14                  unreasonable and the percentage of their total  
15                  value of the contract, task or delivery order, or  
16                  subcontract.

17                  (C) A list of audits or other reports issued  
18                  during the applicable quarter that identify sig-  
19                  nificant or substantial deficiencies in the per-  
20                  formance of any contractor or in any business  
21                  system of any contractor under any contract,  
22                  task or delivery order, or subcontract.

23           (2) The report described in paragraph (1) shall  
24           be submitted to the Committee on Oversight and  
25           Government Reform of the House of Representa-

1 tives, the Committee on Homeland Security and  
 2 Governmental Affairs of the Senate, the Committees  
 3 on Appropriations of the House of Representatives  
 4 and the Senate, and other committees of jurisdic-  
 5 tion.

6 ~~(3)~~ Paragraph ~~(1)~~ shall not apply to an agency  
 7 or department with respect to a calendar quarter if  
 8 no audits or other reports described in paragraph  
 9 ~~(1)~~ were issued during that quarter.

10 ~~(b) SUBMISSION OF INDIVIDUAL AUDITS.—~~The head  
 11 of each Federal agency or department shall provide, within  
 12 14 days after a request in writing by the chairman or  
 13 ranking member of any of the committees described in  
 14 subsection ~~(a)(2)~~, a full and unredacted copy of any audit  
 15 or other report described in subsection ~~(a)(1)~~.

16 ~~TITLE VI—ELIMINATION OF SCHIP SHORTFALL~~  
 17 ~~DEPARTMENT OF HEALTH AND HUMAN~~  
 18 ~~SERVICES~~

19 ~~CENTERS FOR MEDICARE AND MEDICAID SERVICES~~  
 20 ~~STATE CHILDREN’S HEALTH INSURANCE FUND~~

21 ~~For an additional amount to provide additional allot-~~  
 22 ~~ments to remaining shortfall States under section~~  
 23 ~~2104(h)(4) of the Social Security Act, as inserted by sec-~~  
 24 ~~tion 6001, such sums as may be necessary, but not to ex-~~  
 25 ~~ceed \$750,000,000 for fiscal year 2007, to remain avail-~~

1 able until expended: *Provided*, That the amount provided  
 2 under this heading is designated as an emergency require-  
 3 ment pursuant to section 501 of H. Con. Res. 376 (109th  
 4 Congress), as made applicable to the House of Representa-  
 5 tives by section 511(a)(4) of H. Res. 6 (110th Congress).

6 **SEC. 6001. ELIMINATION OF REMAINDER OF SCHIP FUND-**  
 7 **ING SHORTFALLS FOR FISCAL YEAR 2007.**

8 (a) ELIMINATION OF REMAINDER OF FUNDING  
 9 SHORTFALLS, TIERED MATCH, AND OTHER LIMITATION  
 10 ON EXPENDITURES.—Section 2104(h) of the Social Secu-  
 11 rity Act (42 U.S.C. 1397dd(h)), as added by section  
 12 201(a) of the National Institutes of Health Reform Act  
 13 of 2006 (Public Law 109–482), is amended—

14 (1) in the heading for paragraph (2), by strik-  
 15 ing “REMAINDER OF REDUCTION” and inserting  
 16 “PART”, and

17 (2) by striking paragraph (4) and inserting the  
 18 following:

19 “(4) ADDITIONAL AMOUNTS TO ELIMINATE RE-  
 20 MAINDER OF FISCAL YEAR 2007 FUNDING SHORT-  
 21 FALLS.—

22 “(A) IN GENERAL.—From the amounts  
 23 provided in advance in appropriations Acts, the  
 24 Secretary shall allot to each remaining shortfall  
 25 State described in subparagraph (B) such

1 amount as the Secretary determines will elimi-  
2 nate the estimated shortfall described in such  
3 subparagraph for the State for fiscal year 2007.

4 “(B) REMAINING SHORTFALL STATE DE-  
5 SCRIBED.—For purposes of subparagraph (A),  
6 a remaining shortfall State is a State with a  
7 State child health plan approved under this title  
8 for which the Secretary estimates, on the basis  
9 of the most recent data available to the Sec-  
10 retary as of the date of the enactment of this  
11 paragraph, that the projected Federal expendi-  
12 tures under such plan for the State for fiscal  
13 year 2007 will exceed the sum of—

14 “(i) the amount of the State’s allot-  
15 ments for each of fiscal years 2005 and  
16 2006 that will not be expended by the end  
17 of fiscal year 2006;

18 “(ii) the amount of the State’s allot-  
19 ment for fiscal year 2007; and

20 “(iii) the amounts, if any, that are to  
21 be redistributed to the State during fiscal  
22 year 2007 in accordance with paragraphs  
23 (1) and (2).”.

1 (b) CONFORMING AMENDMENTS.—Section 2104(h)  
 2 of such Act (~~42 U.S.C. 1397dd(h)~~) (as so added), is  
 3 amended—

4 (1) in paragraph (1)(B), by striking “subject to  
 5 paragraph (4)(B) and”;

6 (2) in paragraph (2)(B), by striking “subject to  
 7 paragraph (4)(B) and”;

8 (3) in paragraph (5)(A), by striking “and (3)”  
 9 and inserting “(3), and (4)”; and

10 (4) in paragraph (6), by striking “and (3)” and  
 11 inserting “(3), and (4)”.

12 **TITLE VII—MINIMUM WAGE INCREASE AND**

13 **SMALL BUSINESS TAX RELIEF**

14 **CHAPTER 1**

15 **SEC. 7101. SHORT TITLE.**

16 This chapter may be cited as the “Fair Minimum  
 17 Wage Act of 2007”.

18 **SEC. 7102. MINIMUM WAGE.**

19 (a) IN GENERAL.—Section 6(a)(1) of the Fair Labor  
 20 Standards Act of 1938 (~~29 U.S.C. 206(a)(1)~~) is amended  
 21 to read as follows:

22 “(1) except as otherwise provided in this sec-  
 23 tion, not less than—

1           “(A) \$5.85 an hour, beginning on the 60th  
2           day after the date of enactment of the Fair  
3           Minimum Wage Act of 2007;

4           “(B) \$6.55 an hour, beginning 12 months  
5           after that 60th day; and

6           “(C) \$7.25 an hour, beginning 24 months  
7           after that 60th day;”.

8           (b) **EFFECTIVE DATE.**—The amendment made by  
9           subsection (a) shall take effect 60 days after the date of  
10          enactment of this Act.

11       **SEC. 7103. APPLICABILITY OF MINIMUM WAGE TO THE**  
12                               **COMMONWEALTH OF THE NORTHERN MAR-**  
13                               **IANA ISLANDS.**

14          (a) **IN GENERAL.**—Section 6 of the Fair Labor  
15          Standards Act of 1938 (29 U.S.C. 206) shall apply to the  
16          Commonwealth of the Northern Mariana Islands.

17          (b) **TRANSITION.**—Notwithstanding subsection (a),  
18          the minimum wage applicable to the Commonwealth of the  
19          Northern Mariana Islands under section 6(a)(1) of the  
20          Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1))  
21          shall be—

22               (1) \$3.55 an hour, beginning on the 60th day  
23               after the date of enactment of this Act; and

24               (2) increased by \$0.50 an hour (or such lesser  
25               amount as may be necessary to equal the minimum

1 wage under section 6(a)(1) of such Act), beginning  
 2 6 months after the date of enactment of this Act  
 3 and every 6 months thereafter until the minimum  
 4 wage applicable to the Commonwealth of the North-  
 5 ern Mariana Islands under this subsection is equal  
 6 to the minimum wage set forth in such section.

7 **SEC. 7104. APPLICABILITY OF MINIMUM WAGE TO AMER-**  
 8 **ICAN SAMOA.**

9 (a) APPLICABILITY.—

10 (1) IN GENERAL.—Section 6 of the Fair Labor  
 11 Standards Act of 1938 (29 U.S.C. 206) shall apply  
 12 to American Samoa.

13 (2) CONFORMING AMENDMENT.—Section 6(a)  
 14 of the Fair Labor Standards Act of 1938 (29 U.S.C.  
 15 206(a)) is amended by striking paragraph (3) and  
 16 redesignating paragraphs (4) and (5) as paragraphs  
 17 (3) and (4), respectively.

18 (b) TRANSITION.—

19 (1) IN GENERAL.—Notwithstanding subsection  
 20 (a), the minimum wage applicable to American  
 21 Samoa under section 6(a)(1) of the Fair Labor  
 22 Standards Act of 1938 (29 U.S.C. 206(a)(1)) shall  
 23 be—

24 (A) \$3.55 an hour, beginning on the 60th  
 25 day after the date of enactment of this Act; and



1           (B) increased by \$0.50 an hour (or such  
2           lesser amount as may be necessary to equal the  
3           minimum wage under section 6(a)(1) of such  
4           Act); beginning 6 months after the date of en-  
5           actment of this Act and every 6 months there-  
6           after until the minimum wage applicable to  
7           American Samoa under this paragraph is equal  
8           to the minimum wage set forth in such section.

9           (2) SPECIAL RULE.—Notwithstanding para-  
10          graph (1), if an employee is employed in an industry  
11          in American Samoa that, on the date of enactment  
12          of this Act, is required to pay a minimum wage rate  
13          under section 697 of title 29, Code of Federal Regu-  
14          lations, that is higher than the minimum wage rate  
15          required under paragraph (1)(A), the minimum  
16          wage applicable to such employee shall be—

17               (A) the minimum wage rate required for  
18               such an industry under such section on the date  
19               of enactment of this Act; and

20               (B) increased by \$0.50 an hour (or such  
21               lesser amount as may be necessary to equal the  
22               minimum wage under section 6(a)(1) of such  
23               Act); beginning 6 months after the date of en-  
24               actment of this Act and every 6 months there-  
25               after until the minimum wage applicable to

1 American Samoa under this subsection is equal  
 2 to the minimum wage set forth in such section.

3 **CHAPTER 2**

4 **SEC. 7201. SHORT TITLE; AMENDMENT OF 1986 CODE;**  
 5 **TABLE OF CONTENTS.**

6 (a) **SHORT TITLE.**—This chapter may be cited as the  
 7 “Small Business Tax Relief Act of 2007”.

8 (b) **AMENDMENT OF 1986 CODE.**—Except as other-  
 9 wise expressly provided, whenever in this chapter an  
 10 amendment or repeal is expressed in terms of an amend-  
 11 ment to, or repeal of, a section or other provision, the ref-  
 12 erence shall be considered to be made to a section or other  
 13 provision of the Internal Revenue Code of 1986.

14 (c) **TABLE OF CONTENTS.**—The table of contents of  
 15 this chapter is as follows:

- Sec. 7201. Short title; amendment of 1986 Code; table of contents.
- Sec. 7202. Extension and modification of work opportunity tax credit.
- Sec. 7203. Extension and increase of expensing for small business.
- Sec. 7204. Determination of credit for certain taxes paid with respect to em-  
 ployee cash tips.
- Sec. 7205. Waiver of individual and corporate alternative minimum tax limits  
 on work opportunity credit and credit for taxes paid with re-  
 spect to employee cash tips.
- Sec. 7206. Family business tax simplification.
- Sec. 7207. Denial of lowest capital gains rate for certain dependents.
- Sec. 7208. Suspension of certain penalties and interest.
- Sec. 7209. Time for payment of corporate estimated taxes.

16 **SEC. 7202. EXTENSION AND MODIFICATION OF WORK OP-**  
 17 **PORTUNITY TAX CREDIT.**

18 (a) **EXTENSION.**—Section 51(c)(4)(B) (relating to  
 19 termination) is amended by striking “2007” and inserting  
 20 “2008”.

1       (b) INCREASE IN MAXIMUM AGE FOR DESIGNATED  
2 COMMUNITY RESIDENTS.—

3           (1) IN GENERAL.—Paragraph (5) of section  
4 51(d) is amended to read as follows:

5           “(5) DESIGNATED COMMUNITY RESIDENTS.—

6           “(A) IN GENERAL.—The term ‘designated  
7 community resident’ means any individual who  
8 is certified by the designated local agency—

9           “(i) as having attained age 18 but not  
10 age 40 on the hiring date, and

11           “(ii) as having his principal place of  
12 abode within an empowerment zone, enter-  
13 prise community, or renewal community.

14           “(B) INDIVIDUAL MUST CONTINUE TO RE-  
15 SIDE IN ZONE OR COMMUNITY.—In the case of  
16 a designated community resident, the term  
17 ‘qualified wages’ shall not include wages paid or  
18 incurred for services performed while the indi-  
19 vidual’s principal place of abode is outside an  
20 empowerment zone, enterprise community, or  
21 renewal community.”.

22           (2) CONFORMING AMENDMENT.—Subparagraph  
23 (D) of section 51(d)(1) is amended to read as fol-  
24 lows:

25           “(D) a designated community resident.”.

1           (c) CLARIFICATION OF TREATMENT OF INDIVIDUALS  
2 UNDER INDIVIDUAL WORK PLANS.—Subparagraph (B)  
3 of section 51(d)(6) (relating to vocational rehabilitation  
4 referral) is amended by striking “or” at the end of clause  
5 (i), by striking the period at the end of clause (ii) and  
6 inserting “, or”, and by adding at the end the following  
7 new clause:

8                           “(iii) an individual work plan devel-  
9                           oped and implemented by an employment  
10                           network pursuant to subsection (g) of sec-  
11                           tion 1148 of the Social Security Act with  
12                           respect to which the requirements of such  
13                           subsection are met.”.

14           (d) TREATMENT OF DISABLED VETERANS UNDER  
15 THE WORK OPPORTUNITY TAX CREDIT.—

16                   (1) DISABLED VETERANS TREATED AS MEM-  
17                   BERS OF TARGETED GROUP.—

18                           (A) IN GENERAL.—Subparagraph (A) of  
19                           section 51(d)(3) (relating to qualified veteran)  
20                           is amended by striking “agency as being a  
21                           member of a family” and all that follows and  
22                           inserting:

23                           “agency as—

24   “(i) being a member of a family re-  
25   ceiving assistance under a food stamp pro-

1           gram under the Food Stamp Act of 1977  
2           for at least a 3-month period ending dur-  
3           ing the 12-month period ending on the hir-  
4           ing date; or

5           “~~(ii)~~ entitled to compensation for a  
6           service-connected disability; and—

7                   “(I) having a hiring date which is  
8                   not more than 1 year after having  
9                   been discharged or released from ac-  
10                  tive duty in the Armed Forces of the  
11                  United States; or

12                  “~~(H)~~ having aggregate periods of  
13                  unemployment during the 1-year pe-  
14                  riod ending on the hiring date which  
15                  equal or exceed 6 months.”.

16           (B) DEFINITIONS.—Paragraph (3) of sec-  
17           tion 51(d) is amended by adding at the end the  
18           following new subparagraph:

19                   “(C) OTHER DEFINITIONS.—For purposes  
20                   of subparagraph (A), the terms ‘compensation’  
21                   and ‘service-connected’ have the meanings given  
22                   such terms under section 101 of title 38,  
23                   United States Code.”.

1           (2) INCREASE IN AMOUNT OF WAGES TAKEN  
2 INTO ACCOUNT FOR DISABLED VETERANS.—Para-  
3 graph (3) of section 51(b) is amended—

4           (A) by inserting “(\$12,000 per year in the  
5 ease of any individual who is a qualified veteran  
6 by reason of subsection (d)(3)(A)(ii))” before  
7 the period at the end; and

8           (B) by striking “ONLY FIRST \$6,000 OF” in  
9 the heading and inserting “LIMITATION ON”.

10       (e) EFFECTIVE DATE.—The amendments made by  
11 this section shall apply to individuals who begin work for  
12 the employer after the date of the enactment of this Act.

13 **SEC. 7203. EXTENSION AND INCREASE OF EXPENSING FOR**  
14 **SMALL BUSINESS.**

15       (a) EXTENSION.—Subsections (b)(1), (b)(2), (b)(5),  
16 (c)(2), and (d)(1)(A)(ii) of section 179 (relating to election  
17 to expense certain depreciable business assets) are each  
18 amended by striking “2010” and inserting “2011”.

19       (b) INCREASE IN LIMITATIONS.—Subsection (b) of  
20 section 179 is amended—

21           (1) by striking “\$100,000 in the case of taxable  
22 years beginning after 2002” in paragraph (1) and  
23 inserting “\$125,000 in the case of taxable years be-  
24 ginning after 2006”, and

1           (2) by striking “\$400,000 in the case of taxable  
2           years beginning after 2002” in paragraph (2) and  
3           inserting “\$500,000 in the case of taxable years be-  
4           ginning after 2006”.

5           (c) INFLATION ADJUSTMENT.—Subparagraph (A) of  
6           section 179(b)(5) is amended—

7           (1) by striking “2003” and inserting “2007”,  
8           (2) by striking “\$100,000 and \$400,000” and  
9           inserting “\$125,000 and \$500,000”, and  
10          (3) by striking “2002” in clause (ii) and insert-  
11          ing “2006”.

12          (d) EFFECTIVE DATE.—The amendments made by  
13          this section shall apply to taxable years beginning after  
14          December 31, 2006.

15       **SEC. 7204. DETERMINATION OF CREDIT FOR CERTAIN**  
16                               **TAXES PAID WITH RESPECT TO EMPLOYEE**  
17                               **CASH TIPS.**

18          (a) IN GENERAL.—Subparagraph (B) of section  
19          45B(b)(1) is amended by inserting “as in effect on Janu-  
20          ary 1, 2007, and” before “determined without regard to”.

21          (b) EFFECTIVE DATE.—The amendment made by  
22          this section shall apply to tips received for services per-  
23          formed after December 31, 2006.

1 **SEC. 7205. WAIVER OF INDIVIDUAL AND CORPORATE AL-**  
2 **TERNATIVE MINIMUM TAX LIMITS ON WORK**  
3 **OPPORTUNITY CREDIT AND CREDIT FOR**  
4 **TAXES PAID WITH RESPECT TO EMPLOYEE**  
5 **CASH TIPS.**

6 (a) ALLOWANCE AGAINST ALTERNATIVE MINIMUM  
7 TAX.—Subparagraph (B) of section 38(e)(4) is amended  
8 by striking “and” at the end of clause (i), by inserting  
9 a comma at the end of clause (ii), and by adding at the  
10 end the following new clauses:

11 “(iii) the credit determined under sec-  
12 tion 45B, and

13 “(iv) the credit determined under sec-  
14 tion 51.”

15 (b) EFFECTIVE DATE.—The amendments made by  
16 this section shall apply to credits determined under sec-  
17 tions 45B and 51 of the Internal Revenue Code of 1986  
18 in taxable years beginning after December 31, 2006, and  
19 to carrybacks of such credits.

20 **SEC. 7206. FAMILY BUSINESS TAX SIMPLIFICATION.**

21 (a) IN GENERAL.—Section 761 (defining terms for  
22 purposes of partnerships) is amended by redesignating  
23 subsection (f) as subsection (g) and by inserting after sub-  
24 section (e) the following new subsection:

25 “(f) QUALIFIED JOINT VENTURE.—



1           “(1) IN GENERAL.—In the case of a qualified  
2 joint venture conducted by a husband and wife who  
3 file a joint return for the taxable year, for purposes  
4 of this title—

5           “(A) such joint venture shall not be treat-  
6 ed as a partnership;

7           “(B) all items of income, gain, loss, deduc-  
8 tion, and credit shall be divided between the  
9 spouses in accordance with their respective in-  
10 terests in the venture; and

11           “(C) each spouse shall take into account  
12 such spouse’s respective share of such items as  
13 if they were attributable to a trade or business  
14 conducted by such spouse as a sole proprietor.

15           “(2) QUALIFIED JOINT VENTURE.—For pur-  
16 poses of paragraph (1), the term ‘qualified joint ven-  
17 ture’ means any joint venture involving the conduct  
18 of a trade or business if—

19           “(A) the only members of such joint ven-  
20 ture are a husband and wife;

21           “(B) both spouses materially participate  
22 (within the meaning of section 469(h) without  
23 regard to paragraph (5) thereof) in such trade  
24 or business; and

1           “(C) both spouses elect the application of  
2           this subsection.”.

3           (b) ~~NET EARNINGS FROM SELF-EMPLOYMENT.—~~

4           (1) Subsection (a) of section 1402 (defining net  
5           earnings from self-employment) is amended by strik-  
6           ing “; and” at the end of paragraph (15) and insert-  
7           ing a semicolon, by striking the period at the end of  
8           paragraph (16) and inserting “; and”, and by insert-  
9           ing after paragraph (16) the following new para-  
10          graph:

11           “(17) notwithstanding the preceding provisions  
12          of this subsection, each spouse’s share of income or  
13          loss from a qualified joint venture shall be taken  
14          into account as provided in section 761(f) in deter-  
15          mining net earnings from self-employment of such  
16          spouse.”.

17          (2) Subsection (a) of section 211 of the Social  
18          Security Act (defining net earnings from self-em-  
19          ployment) is amended by striking “and” at the end  
20          of paragraph (14), by striking the period at the end  
21          of paragraph (15) and inserting “; and”, and by in-  
22          serting after paragraph (15) the following new para-  
23          graph:

24           “(16) Notwithstanding the preceding provisions  
25          of this subsection, each spouse’s share of income or

1 loss from a qualified joint venture shall be taken  
 2 into account as provided in section 761(f) of the In-  
 3 ternal Revenue Code of 1986 in determining net  
 4 earnings from self-employment of such spouse.”

5 (e) EFFECTIVE DATE.—The amendments made by  
 6 this section shall apply to taxable years beginning after  
 7 December 31, 2006.

8 **SEC. 7207. DENIAL OF LOWEST CAPITAL GAINS RATE FOR**  
 9 **CERTAIN DEPENDENTS.**

10 (a) IN GENERAL.—Subsection (h) of section 1 is  
 11 amended by adding at the end the following new para-  
 12 graph:

13 “(12) CERTAIN INDIVIDUALS NOT ELIGIBLE  
 14 FOR LOWEST RATE.—

15 “(A) IN GENERAL.—In the case of an indi-  
 16 vidual described in subparagraph (B)—

17 “(i) the amount determined under  
 18 paragraph (1)(A)(ii)(II) shall not be less  
 19 than the amount of taxable income which  
 20 would (without regard to this subsection)  
 21 be taxed at a rate below 15 percent, and

22 “(ii) the sum of the amounts deter-  
 23 mined under subparagraphs (B) and (C) of  
 24 paragraph (1) shall be an amount equal to  
 25 the rate of tax specified in paragraph

1           (1)(C) multiplied by so much of the ad-  
 2           justed net capital gain (or, if less, taxable  
 3           income) as exceeds the excess (if any) of—

4                   “(I) the amount of taxable in-  
 5                   come which would (without regard to  
 6                   this subsection) be taxed at a rate  
 7                   below 15 percent, over

8                   “(II) the taxable income reduced  
 9                   by the adjusted net capital gain.

10           “(B) INDIVIDUALS TO WHOM PARAGRAPH  
 11           APPLIES.—

12                   “(i) IN GENERAL.—For purposes of  
 13                   this paragraph, an individual is described  
 14                   in this subparagraph if—

15                           “(I) such individual meets the  
 16                           age requirements of section 152(e)(3)  
 17                           (determined without regard to sub-  
 18                           paragraph (B) thereof), and

19                           “(II) such individual’s earned in-  
 20                           come (as defined in section 911(d)(2))  
 21                           for the taxable year does not exceed  
 22                           one-half of such individual’s support  
 23                           (within the meaning of section 152)  
 24                           for such taxable year.

1                   “(ii) SPECIAL RULES FOR JOINT RE-  
2                   TURNS.—In the case of a joint return—

3                                 “(I) the taxpayer and the tax-  
4                                 payer’s spouse shall be treated as a  
5                                 single individual for purposes of ap-  
6                                 plying subclause (II) of clause (i); and

7   “(II) the taxpayer shall be treat-  
8   ed as an individual described in this  
9   subparagraph only if the taxpayer and  
10                                        the taxpayer’s spouse are described in  
11                                        clause (i) (determined after applica-  
12                                        tion of subclause (I)).”.

13           (b) ALTERNATIVE MINIMUM TAX.—Section 55 is  
14 amended by adding at the end the following new sub-  
15 section:

16                   “(f) CERTAIN INDIVIDUALS NOT ELIGIBLE FOR  
17                   LOWEST RATE.—In the case of an individual described in  
18                   section 1(h)(12)(B), no amount shall be determined under  
19                   subsection (b)(3)(B).”.

20           (c) COORDINATION WITH SUNSET OF PROVISIONS OF  
21           THE JOBS AND GROWTH TAX RELIEF RECONCILIATION  
22           ACT OF 2003.—Subparagraph (A) of section 1(h)(12), as  
23           added by this section, is amended by striking “and” at  
24           the end of clause (i), by striking the period at the end

1 of clause (ii) and inserting “, and”, and by adding at the  
2 end the following new clause:

3                   “(iii) no amount of qualified 5-year  
4                   gain shall be taken into account under sub-  
5                   paragraph (A) of paragraph (2) (as in ef-  
6                   fect after the application of section 303 of  
7                   the Jobs and Growth Tax Relief Reconcili-  
8                   ation Act of 2003).”.

9           (d) **EFFECTIVE DATE.**—

10                   (1) **IN GENERAL.**—Except as provided in para-  
11                   graph (2), the amendments made by this section  
12                   shall apply to taxable years beginning after Decem-  
13                   ber 31, 2006.

14                   (2) **SUNSET OF JGTRRA.**—The amendment  
15                   made by subsection (e) shall apply to taxable years  
16                   beginning after the date specified in section 303 of  
17                   the Jobs and Growth Tax Relief Reconciliation Act  
18                   of 2003.

19 **SEC. 7208. SUSPENSION OF CERTAIN PENALTIES AND IN-**  
20 **TEREST.**

21                   (a) **IN GENERAL.**—Paragraphs (1)(A) and (3)(A) of  
22                   section 6404(g) are each amended by striking “18-month  
23                   period” and inserting “22-month period”.

24                   (b) **EFFECTIVE DATE.**—The amendments made by  
25                   this section shall apply to notices provided by the Sec-

1 retary of the Treasury, or his delegate, after the date  
 2 which is 6 months after the date of the enactment of this  
 3 Act.

4 **SEC. 7209. TIME FOR PAYMENT OF CORPORATE ESTIMATED**  
 5 **TAXES.**

6 Subparagraph (B) of section 401(1) of the Tax In-  
 7 crease Prevention and Reconciliation Act of 2005 is  
 8 amended by striking “106.25 percent” and inserting  
 9 “112.75 percent”.

10 This Act may be cited as the “U.S. Troop Readiness,  
 11 Veterans’ Health, and Iraq Accountability Act, 2007”.

12 *That the following sums are appropriated, out of any*  
 13 *money in the Treasury not otherwise appropriated, for the*  
 14 *fiscal year ending September 30, 2007, and for other pur-*  
 15 *poses, namely:*

16 *TITLE I*

17 *GLOBAL WAR ON TERROR SUPPLEMENTAL*  
 18 *APPROPRIATIONS*

19 *CHAPTER 1*

20 *DEPARTMENT OF AGRICULTURE*

21 *FOREIGN AGRICULTURAL SERVICE*

22 *PUBLIC LAW 480 TITLE II GRANTS*

23 *For an additional amount for “Public Law 480 Title*  
 24 *II Grants”, during the current fiscal year, not otherwise*  
 25 *recoverable, and unrecovered prior years’ costs, including*

1 *interest thereon, under the Agricultural Trade Development*  
 2 *and Assistance Act of 1954, for commodities supplied in*  
 3 *connection with dispositions abroad under title II of said*  
 4 *Act, \$475,000,000, to remain available until expended.*

5 **GENERAL PROVISION—THIS CHAPTER**

6 *SEC. 1101. There is hereby appropriated \$82,000,000*  
 7 *to reimburse the Commodity Credit Corporation for the re-*  
 8 *lease of eligible commodities under section 302(f)(2)(A) of*  
 9 *the Bill Emerson Humanitarian Trust Act (7 U.S.C.*  
 10 *1736f–1): Provided, That any such funds made available*  
 11 *to reimburse the Commodity Credit Corporation shall only*  
 12 *be used to replenish the Bill Emerson Humanitarian Trust.*

13 **CHAPTER 2**

14 **DEPARTMENT OF JUSTICE**

15 **GENERAL ADMINISTRATION**

16 **OFFICE OF THE INSPECTOR GENERAL**

17 *For an additional amount for “Office of the Inspector*  
 18 *General”, \$500,000, to remain available until September*  
 19 *30, 2008.*

20 **LEGAL ACTIVITIES**

21 **SALARIES AND EXPENSES, GENERAL LEGAL ACTIVITIES**

22 *For an additional amount for “Salaries and Expenses,*  
 23 *General Legal Activities”, \$4,093,000, to remain available*  
 24 *until September 30, 2008.*



1 *SALARIES AND EXPENSES, UNITED STATES ATTORNEYS*

2 *For an additional amount for “Salaries and Expenses,*  
3 *United States Attorneys”, \$12,500,000, to remain available*  
4 *until September 30, 2008.*

5 *UNITED STATES MARSHALS SERVICE*6 *SALARIES AND EXPENSES, UNITED STATES MARSHALS*7 *SERVICE*

8 *For an additional amount for “Salaries and Expenses,*  
9 *United States Marshals Service”, \$32,500,000, to remain*  
10 *available until September 30, 2008: Provided, That of the*  
11 *amounts made available in this Act for “Educational and*  
12 *Cultural Exchange Programs”, \$15,000,000 is rescinded.*

13 *NATIONAL SECURITY DIVISION*14 *SALARIES AND EXPENSES*

15 *For an additional amount for “Salaries and Ex-*  
16 *penses,” \$1,736,000, to remain available until September*  
17 *30, 2008.*

18 *FEDERAL BUREAU OF INVESTIGATION*19 *SALARIES AND EXPENSES*

20 *For an additional amount for “Salaries and Ex-*  
21 *penses”, \$348,260,000, of which \$338,260,000 is to remain*  
22 *available until September 30, 2008 and \$10,000,000 is to*  
23 *remain available until expended to implement corrective ac-*  
24 *tions in response to the findings and recommendations in*  
25 *the Department of Justice Office of Inspector General report*

1 *entitled, “A Review of the Federal Bureau of Investigation’s*  
2 *Use of National Security Letters”.*

3 *DRUG ENFORCEMENT ADMINISTRATION*

4 *SALARIES AND EXPENSES*

5 *For an additional amount for “Salaries and Ex-*  
6 *penses”, \$25,100,000, to remain available until September*  
7 *30, 2008.*

8 *BUREAU OF ALCOHOL, TOBACCO, FIREARMS, AND*

9 *EXPLOSIVES*

10 *SALARIES AND EXPENSES*

11 *For an additional amount for “Salaries and Ex-*  
12 *penses”, \$4,000,000, to remain available until September*  
13 *30, 2008.*

14 *FEDERAL PRISON SYSTEM*

15 *SALARIES AND EXPENSES*

16 *For an additional amount for “Salaries and Ex-*  
17 *penses”, \$17,000,000, to remain available until September*  
18 *30, 2008.*

19 *CHAPTER 3*

20 *DEPARTMENT OF DEFENSE—MILITARY*

21 *MILITARY PERSONNEL*

22 *MILITARY PERSONNEL, ARMY*

23 *For an additional amount for “Military Personnel,*  
24 *Army”, \$8,870,270,000.*

1 *MILITARY PERSONNEL, NAVY*

2 *For an additional amount for “Military Personnel,*  
3 *Navy”, \$1,100,410,000.*

4 *MILITARY PERSONNEL, MARINE CORPS*

5 *For an additional amount for “Military Personnel,*  
6 *Marine Corps”, \$1,495,827,000.*

7 *MILITARY PERSONNEL, AIR FORCE*

8 *For an additional amount for “Military Personnel,*  
9 *Air Force”, \$1,218,587,000.*

10 *RESERVE PERSONNEL, ARMY*

11 *For an additional amount for “Reserve Personnel,*  
12 *Army”, \$147,244,000.*

13 *RESERVE PERSONNEL, NAVY*

14 *For an additional amount for “Reserve Personnel,*  
15 *Navy”, \$77,523,000.*

16 *RESERVE PERSONNEL, AIR FORCE*

17 *For an additional amount for “Reserve Personnel, Air*  
18 *Force”, \$9,073,000.*

19 *NATIONAL GUARD PERSONNEL, ARMY*

20 *For an additional amount for “National Guard Per-*  
21 *sonnel, Army”, \$474,978,000.*

22 *NATIONAL GUARD PERSONNEL, AIR FORCE*

23 *For an additional amount for “National Guard Per-*  
24 *sonnel, Air Force”, \$41,533,000.*

1            *OPERATION AND MAINTENANCE*2            *OPERATION AND MAINTENANCE, ARMY*

3            *For an additional amount for “Operation and Maintenance, Army”, \$20,373,379,000.*

5            *OPERATION AND MAINTENANCE, NAVY*6            *(INCLUDING TRANSFER OF FUNDS)*

7            *For an additional amount for “Operation and Maintenance, Navy”, \$4,865,003,000, of which \$120,293,000 shall*  
8 *be transferred to Coast Guard, “Operating Expenses”, for*  
9 *reimbursement for activities in support of activities re-*  
10 *quested by the Navy.*

12          *OPERATION AND MAINTENANCE, MARINE CORPS*

13          *For an additional amount for “Operation and Maintenance, Marine Corps”, \$1,101,594,000.*

15          *OPERATION AND MAINTENANCE, AIR FORCE*

16          *For an additional amount for “Operation and Maintenance, Air Force”, \$6,685,881,000.*

18          *OPERATION AND MAINTENANCE, DEFENSE-WIDE*

19          *For an additional amount for “Operation and Maintenance, Defense-Wide”, \$2,790,669,000, of which—*

21                *(1) not to exceed \$25,000,000 may be used for the*  
22 *Combatant Commander Initiative Fund, to be used in*  
23 *support of Operation Iraqi Freedom and Operation*  
24 *Enduring Freedom; and*

1           (2) *not to exceed \$200,000,000, to remain avail-*  
2 *able until expended, may be used for payments to re-*  
3 *imburse Pakistan, Jordan, and other key cooperating*  
4 *nations, for logistical, military, and other support*  
5 *provided to United States military operations, not-*  
6 *withstanding any other provision of law: Provided,*  
7 *That such payments may be made in such amounts*  
8 *as the Secretary of Defense, with the concurrence of*  
9 *the Secretary of State, and in consultation with the*  
10 *Director of the Office of Management and Budget,*  
11 *may determine, in his discretion, based on docu-*  
12 *mentation determined by the Secretary of Defense to*  
13 *adequately account for the support provided, and such*  
14 *determination is final and conclusive upon the ac-*  
15 *counting officers of the United States, and 15 days*  
16 *following notification to the appropriate congressional*  
17 *committees: Provided further, That the Secretary of*  
18 *Defense shall provide quarterly reports to the congres-*  
19 *sional defense committees on the use of funds provided*  
20 *in this paragraph.*

21           *OPERATION AND MAINTENANCE, ARMY RESERVE*

22           *For an additional amount for “Operation and Mainte-*  
23 *nance, Army Reserve”, \$74,049,000.*

1           *OPERATION AND MAINTENANCE, NAVY RESERVE*

2           *For an additional amount for “Operation and Mainte-*  
3 *nance, Navy Reserve”, \$111,066,000.*

4           *OPERATION AND MAINTENANCE, MARINE CORPS RESERVE*

5           *For an additional amount for “Operation and Mainte-*  
6 *nance, Marine Corps Reserve”, \$13,591,000.*

7           *OPERATION AND MAINTENANCE, AIR FORCE RESERVE*

8           *For an additional amount for “Operation and Mainte-*  
9 *nance, Air Force Reserve”, \$10,160,000.*

10          *OPERATION AND MAINTENANCE, ARMY NATIONAL GUARD*

11          *For an additional amount for “Operation and Mainte-*  
12 *nance, Army National Guard”, \$83,569,000.*

13          *OPERATION AND MAINTENANCE, AIR NATIONAL GUARD*

14          *For an additional amount for “Operation and Mainte-*  
15 *nance, Air National Guard”, \$38,429,000.*

16                    *AFGHANISTAN SECURITY FORCES FUND*

17          *For an additional amount for “Afghanistan Security*  
18 *Forces Fund”, \$5,906,400,000, to remain available until*  
19 *September 30, 2008.*

20                    *IRAQ SECURITY FORCES FUND*

21          *For an additional amount for “Iraq Security Forces*  
22 *Fund”, \$3,842,300,000, to remain available until Sep-*  
23 *tember 30, 2008.*

1                                    *IRAQ FREEDOM FUND*

2                                    *(INCLUDING TRANSFER OF FUNDS)*

3            *For an additional amount for “Iraq Freedom Fund”,*  
4 *\$455,600,000, to remain available for transfer until Sep-*  
5 *tember 30, 2008.*

6            *JOINT IMPROVISED EXPLOSIVE DEVICE DEFEAT FUND*

7            *For an additional amount for “Joint Improvised Ex-*  
8 *plosive Device Defeat Fund”, \$2,432,800,000, to remain*  
9 *available until September 30, 2009.*

10                                   *PROCUREMENT*

11                                   *AIRCRAFT PROCUREMENT, ARMY*

12            *For an additional amount for “Aircraft Procurement,*  
13 *Army”, \$619,750,000, to remain available until September*  
14 *30, 2009.*

15                                   *MISSILE PROCUREMENT, ARMY*

16            *For an additional amount for “Missile Procurement,*  
17 *Army”, \$111,473,000, to remain available until September*  
18 *30, 2009.*

19            *PROCUREMENT OF WEAPONS AND TRACKED COMBAT*

20                                   *VEHICLES, ARMY*

21            *For an additional amount for “Procurement of Weap-*  
22 *ons and Tracked Combat Vehicles, Army”, \$3,400,315,000,*  
23 *to remain available until September 30, 2009.*

1                    *PROCUREMENT OF AMMUNITION, ARMY*

2            *For an additional amount for “Procurement of Am-*  
3 *munition, Army”, \$681,500,000, to remain available until*  
4 *September 30, 2009.*

5                    *OTHER PROCUREMENT, ARMY*

6            *For an additional amount for “Other Procurement,*  
7 *Army”, \$10,589,272,000, to remain available until Sep-*  
8 *tember 30, 2009.*

9                    *AIRCRAFT PROCUREMENT, NAVY*

10          *For an additional amount for “Aircraft Procurement,*  
11 *Navy”, \$963,903,000, to remain available until September*  
12 *30, 2009.*

13                    *WEAPONS PROCUREMENT, NAVY*

14          *For an additional amount for “Weapons Procurement,*  
15 *Navy”, \$163,813,000, to remain available until September*  
16 *30, 2009.*

17                    *PROCUREMENT OF AMMUNITION, NAVY AND MARINE*

18                                    *CORPS*

19          *For an additional amount for “Procurement of Am-*  
20 *munition, Navy and Marine Corps”, \$159,833,000, to re-*  
21 *main available until September 30, 2009.*

22                    *OTHER PROCUREMENT, NAVY*

23          *For an additional amount for “Other Procurement,*  
24 *Navy”, \$722,506,000, to remain available until September*  
25 *30, 2009.*



1                    *PROCUREMENT, MARINE CORPS*

2            *For an additional amount for “Procurement, Marine*  
3 *Corps”, \$1,703,389,000, to remain available until Sep-*  
4 *tember 30, 2009.*

5                    *AIRCRAFT PROCUREMENT, AIR FORCE*

6            *For an additional amount for “Aircraft Procurement,*  
7 *Air Force”, \$1,431,756,000, to remain available until Sep-*  
8 *tember 30, 2009.*

9                    *MISSILE PROCUREMENT, AIR FORCE*

10          *For an additional amount for “Missile Procurement,*  
11 *Air Force”, \$78,900,000, to remain available until Sep-*  
12 *tember 30, 2009.*

13                    *PROCUREMENT OF AMMUNITION, AIR FORCE*

14          *For an additional amount for “Procurement of Am-*  
15 *munition, Air Force”, \$6,000,000, to remain available until*  
16 *September 30, 2009.*

17                    *OTHER PROCUREMENT, AIR FORCE*

18          *For an additional amount for “Other Procurement,*  
19 *Air Force”, \$1,972,131,000, to remain available until Sep-*  
20 *tember 30, 2009.*

21                    *PROCUREMENT, DEFENSE-WIDE*

22          *For an additional amount for “Procurement, Defense-*  
23 *Wide”, \$903,092,000, to remain available until September*  
24 *30, 2009.*

1            *NATIONAL GUARD AND RESERVE EQUIPMENT*

2            *For an additional amount for “National Guard and*  
3 *Reserve Equipment”, \$1,000,000,000, to remain available*  
4 *until September 30, 2009.*

5            *RESEARCH, DEVELOPMENT, TEST AND*  
6                            *EVALUATION*

7 *RESEARCH, DEVELOPMENT, TEST AND EVALUATION, ARMY*

8            *For an additional amount for “Research, Develop-*  
9 *ment, Test and Evaluation, Army”, \$125,576,000, to re-*  
10 *main available until September 30, 2008.*

11 *RESEARCH, DEVELOPMENT, TEST AND EVALUATION, NAVY*

12            *For an additional amount for “Research, Develop-*  
13 *ment, Test and Evaluation, Navy”, \$308,212,000, to re-*  
14 *main available until September 30, 2008.*

15 *RESEARCH, DEVELOPMENT, TEST AND EVALUATION, AIR*

16                            *FORCE*

17            *For an additional amount for “Research, Develop-*  
18 *ment, Test and Evaluation, Air Force”, \$233,869,000, to*  
19 *remain available until September 30, 2008.*

20            *RESEARCH, DEVELOPMENT, TEST AND EVALUATION,*

21                            *DEFENSE-WIDE*

22            *For an additional amount for “Research, Develop-*  
23 *ment, Test and Evaluation, Defense-Wide”, \$522,804,000,*  
24 *to remain available until September 30, 2008.*

1            *REVOLVING AND MANAGEMENT FUNDS*2                            *NATIONAL DEFENSE SEALIFT FUND*

3            *For an additional amount for “National Defense Sea-*  
4 *lift Fund”, \$5,000,000.*

5                            *DEFENSE WORKING CAPITAL FUNDS*

6            *For an additional amount for “Defense Working Cap-*  
7 *ital Funds”, \$1,315,526,000.*

8            *OTHER DEPARTMENT OF DEFENSE PROGRAMS*9                            *DEFENSE HEALTH PROGRAM*

10           *For an additional amount for “Defense Health Pro-*  
11 *gram”, \$2,466,847,000; of which \$2,277,147,000 shall be for*  
12 *operation and maintenance; of which \$118,000,000, to re-*  
13 *main available for obligation until September 30, 2009,*  
14 *shall be for Procurement; and of which \$71,700,000, to re-*  
15 *main available for obligation until September 30, 2008,*  
16 *shall be for Research, development, test and evaluation.*

17           *DRUG INTERDICTION AND COUNTER-DRUG ACTIVITIES,*18                            *DEFENSE*19                            *(INCLUDING TRANSFER OF FUNDS)*

20           *For an additional amount for “Drug Interdiction and*  
21 *Counter-Drug Activities, Defense”, \$254,665,000, to remain*  
22 *available until expended: Provided, That these funds may*  
23 *be used only for such activities related to Afghanistan and*  
24 *Central Asia: Provided further, That the Secretary of De-*  
25 *fense may transfer such funds only to appropriations for*

1 *military personnel; operation and maintenance; procure-*  
2 *ment; and research, development, test and evaluation: Pro-*  
3 *vided further, That the funds transferred shall be merged*  
4 *with and be available for the same purposes and for the*  
5 *same time period as the appropriation to which transferred:*  
6 *Provided further, That the transfer authority provided in*  
7 *this paragraph is in addition to any other transfer author-*  
8 *ity available to the Department of Defense: Provided fur-*  
9 *ther, That upon a determination that all or part of the*  
10 *funds transferred from this appropriation are not necessary*  
11 *for the purposes provided herein, such amounts may be*  
12 *transferred back to this appropriation.*

13 *RELATED AGENCY*

14 *INTELLIGENCE COMMUNITY MANAGEMENT ACCOUNT*

15 *For an additional amount for “Intelligence Commu-*  
16 *nity Management Account”, \$71,726,000.*

17 *GENERAL PROVISIONS—THIS CHAPTER*

18 *SEC. 1301. Appropriations provided in this chapter*  
19 *are available for obligation until September 30, 2007, un-*  
20 *less otherwise provided in this chapter.*

21 *(TRANSFER OF FUNDS)*

22 *SEC. 1302. Upon his determination that such action*  
23 *is necessary in the national interest, the Secretary of De-*  
24 *fense may transfer between appropriations up to*  
25 *\$3,500,000,000 of the funds made available to the Depart-*  
26 *ment of Defense in this title: Provided, That the Secretary*

1 *shall notify the Congress promptly of each transfer made*  
2 *pursuant to the authority in this section: Provided further,*  
3 *That the authority provided in this section is in addition*  
4 *to any other transfer authority available to the Department*  
5 *of Defense and is subject to the same terms and conditions*  
6 *as the authority provided in section 8005 of the Department*  
7 *of Defense Appropriations Act, 2007 (Public Law 109–289;*  
8 *120 Stat. 1257), except for the fourth proviso: Provided fur-*  
9 *ther, That funds previously transferred to the “Joint Impro-*  
10 *vised Explosive Device Defeat Fund” and the “Iraq Secu-*  
11 *rity Forces Fund” under the authority of section 8005 of*  
12 *Public Law 109–289 and transferred back to their source*  
13 *appropriations accounts shall not be taken into account for*  
14 *purposes of the limitation on the amount of funds that may*  
15 *be transferred under section 8005.*

16 *SEC. 1303. Funds appropriated in this chapter, or*  
17 *made available by the transfer of funds in or pursuant to*  
18 *this chapter, for intelligence activities are deemed to be spe-*  
19 *cifically authorized by the Congress for purposes of section*  
20 *504(a)(1) of the National Security Act of 1947 (50 U.S.C.*  
21 *414(a)(1)).*

22 *SEC. 1304. None of the funds provided in this chapter*  
23 *may be used to finance programs or activities denied by*  
24 *Congress in fiscal years 2006 or 2007 appropriations to the*  
25 *Department of Defense or to initiate a procurement or re-*

1 *search, development, test and evaluation new start program*  
2 *without prior written notification to the congressional de-*  
3 *fense committees.*

4       *SEC. 1305. During fiscal year 2007, the Secretary of*  
5 *Defense may transfer not to exceed \$6,300,000 of the*  
6 *amounts in or credited to the Defense Cooperation Account,*  
7 *pursuant to 10 U.S.C. 2608, to such appropriations or*  
8 *funds of the Department of Defense as he shall determine*  
9 *for use consistent with the purposes for which such funds*  
10 *were contributed and accepted: Provided, That such*  
11 *amounts shall be available for the same time period as the*  
12 *appropriation to which transferred: Provided further, That*  
13 *the Secretary shall report to the Congress all transfers made*  
14 *pursuant to this authority.*

15       *SEC. 1306. (a) AUTHORITY TO PROVIDE SUPPORT.—*  
16 *Of the amount appropriated by this title under the heading,*  
17 *“Drug Interdiction and Counter-Drug Activities, Defense”,*  
18 *not to exceed \$60,000,000 may be used for support for*  
19 *counter-drug activities of the Governments of Afghanistan,*  
20 *Kazakhstan, and Pakistan: Provided, That such support*  
21 *shall be in addition to support provided for the counter-*  
22 *drug activities of such Governments under any other provi-*  
23 *sion of the law.*

24       *(b) TYPES OF SUPPORT.—*

1           (1) *Except as specified in subsection (b)(2) of*  
2 *this section, the support that may be provided under*  
3 *the authority in this section shall be limited to the*  
4 *types of support specified in section 1033(c)(1) of the*  
5 *National Defense Authorization Act for Fiscal Year*  
6 *1998 (Public Law 105–85, as amended by Public*  
7 *Laws 106–398, 108–136, and 109–364) and condi-*  
8 *tions on the provision of support as contained in sec-*  
9 *tion 1033 shall apply for fiscal year 2007.*

10           (2) *The Secretary of Defense may transfer vehi-*  
11 *cles, aircraft, and detection, interception, monitoring*  
12 *and testing equipment to said Governments for*  
13 *counter-drug activities.*

14       *SEC. 1307. (a) From funds made available for oper-*  
15 *ations and maintenance in this title to the Department of*  
16 *Defense, not to exceed \$456,400,000 may be used, notwith-*  
17 *standing any other provision of law, to fund the Com-*  
18 *mander’s Emergency Response Program, for the purpose of*  
19 *enabling military commanders in Iraq and Afghanistan to*  
20 *respond to urgent humanitarian relief and reconstruction*  
21 *requirements within their areas of responsibility by car-*  
22 *rying out programs that will immediately assist the Iraqi*  
23 *and Afghan people.*

24           (b) *QUARTERLY REPORTS.—Not later than 15 days*  
25 *after the end of each fiscal year quarter, the Secretary of*

1 *Defense shall submit to the congressional defense committees*  
2 *a report regarding the source of funds and the allocation*  
3 *and use of funds during that quarter that were made avail-*  
4 *able pursuant to the authority provided in this section or*  
5 *under any other provision of law for the purposes of the*  
6 *programs under subsection (a).*

7 *SEC. 1308. During fiscal year 2007, supervision and*  
8 *administration costs associated with projects carried out*  
9 *with funds appropriated to “Afghanistan Security Forces*  
10 *Fund” or “Iraq Security Forces Fund” in this chapter may*  
11 *be obligated at the time a construction contract is awarded:*  
12 *Provided, That for the purpose of this section, supervision*  
13 *and administration costs include all in-house Government*  
14 *costs.*

15 *SEC. 1309. Section 1005(c)(2) of the National Defense*  
16 *Authorization Act, Fiscal Year 2007 (Public Law 109–364)*  
17 *is amended by striking “\$310,277,000” and inserting*  
18 *“\$376,446,000”.*

19 *SEC. 1310. None of the funds appropriated or other-*  
20 *wise made available by this or any other Act shall be obli-*  
21 *gated or expended by the United States Government for a*  
22 *purpose as follows:*

23 *(1) To establish any military installation or base*  
24 *for the purpose of providing for the permanent sta-*  
25 *tioning of United States Armed Forces in Iraq.*



1           (2) *To exercise United States control over any*  
2           *oil resource of Iraq.*

3           *SEC. 1311. None of the funds made available in this*  
4           *Act may be used in contravention of the following laws en-*  
5           *acted or regulations promulgated to implement the United*  
6           *Nations Convention Against Torture and Other Cruel, In-*  
7           *human or Degrading Treatment or Punishment (done at*  
8           *New York on December 10, 1984):*

9           (1) *Section 2340A of title 18, United States*  
10          *Code;*

11          (2) *Section 2242 of the Foreign Affairs Reform*  
12          *and Restructuring Act of 1998 (division G of Public*  
13          *Law 105–277; 112 Stat. 2681–822; 8 U.S.C. 1231*  
14          *note) and regulations prescribed thereto, including*  
15          *regulations under part 208 of title 8, Code of Federal*  
16          *Regulations, and part 95 of title 22, Code of Federal*  
17          *Regulations; and*

18          (3) *Sections 1002 and 1003 of the Department of*  
19          *Defense, Emergency Supplemental Appropriations to*  
20          *Address Hurricanes in the Gulf of Mexico, and Pan-*  
21          *demic Influenza Act, 2006 (Public Law 109–148).*

22          *SEC. 1312. Section 9007 of Public Law 109–289 is*  
23          *amended by striking “20” and inserting “287”.*

24          *SEC. 1313. INSPECTION OF MILITARY MEDICAL*  
25          *TREATMENT FACILITIES, MILITARY QUARTERS HOUSING*

1 *MEDICAL HOLD PERSONNEL, AND MILITARY QUARTERS*  
2 *HOUSING MEDICAL HOLDOVER PERSONNEL. (A) PERIODIC*  
3 *INSPECTION REQUIRED.—*

4           (1) *IN GENERAL.—Not later than 180 days after*  
5 *the date of the enactment of this Act, and annually*  
6 *thereafter, the Secretary of Defense shall inspect each*  
7 *facility of the Department of Defense as follows:*

8                   (A) *Each military medical treatment facil-*  
9 *ity.*

10                   (B) *Each military quarters housing medical*  
11 *hold personnel.*

12                   (C) *Each military quarters housing medical*  
13 *holdover personnel.*

14           (2) *PURPOSE.—The purpose of an inspection*  
15 *under this subsection is to ensure that the facility or*  
16 *quarters concerned meets acceptable standards for the*  
17 *maintenance and operation of medical facilities,*  
18 *quarters housing medical hold personnel, or quarters*  
19 *housing medical holdover personnel, as applicable.*

20           (b) *ACCEPTABLE STANDARDS.—For purposes of this*  
21 *section, acceptable standards for the operation and mainte-*  
22 *nance of military medical treatment facilities, military*  
23 *quarters housing medical hold personnel, or military quar-*  
24 *ters housing medical holdover personnel are each of the fol-*  
25 *lowing:*

1           (1) *Generally accepted standards for the accredi-*  
2 *tation of non-military medical facilities, or for facili-*  
3 *ties used to quarter individuals with medical condi-*  
4 *tions that may require medical supervision, as appli-*  
5 *cable, in the United States.*

6           (2) *Standards under the Americans with Dis-*  
7 *abilities Act of 1990 (42 U.S.C. 12101 et seq.).*

8           (c) *ADDITIONAL INSPECTIONS ON IDENTIFIED DEFI-*  
9 *CIENCIES.—*

10           (1) *IN GENERAL.—In the event a deficiency is*  
11 *identified pursuant to subsection (a) at a facility or*  
12 *quarters described in paragraph (1) of that sub-*  
13 *section—*

14                   (A) *the commander of such facility or quar-*  
15 *ters, as applicable, shall submit to the Secretary*  
16 *a detailed plan to correct the deficiency; and*

17                   (B) *the Secretary shall reinspect such facil-*  
18 *ity or quarters, as applicable, not less often than*  
19 *once every 180 days until the deficiency is cor-*  
20 *rected.*

21           (2) *CONSTRUCTION WITH OTHER INSPECTIONS.—*  
22 *An inspection of a facility or quarters under this sub-*  
23 *section is in addition to any inspection of such facil-*  
24 *ity or quarters under subsection (a).*

1       (d) *REPORTS ON INSPECTIONS.*—A complete copy of  
2 the report on each inspection conducted under subsections  
3 (a) and (c) shall be submitted in unclassified form to the  
4 applicable military medical command and to the congress-  
5 sional defense committees.

6       (e) *REPORT ON STANDARDS.*—In the event no stand-  
7 ards for the maintenance and operation of military medical  
8 treatment facilities, military quarters housing medical hold  
9 personnel, or military quarters housing medical holdover  
10 personnel exist as of the date of the enactment of this Act,  
11 or such standards as do exist do not meet acceptable stand-  
12 ards for the maintenance and operation of such facilities  
13 or quarters, as the case may be, the Secretary shall, not  
14 later than 30 days after that date, submit to Congress a  
15 report setting forth the plan of the Secretary to ensure—

16           (1) the adoption by the Department of standards  
17 for the maintenance and operation of military med-  
18 ical facilities, military quarters housing medical hold  
19 personnel, or military quarters housing medical hold-  
20 over personnel, as applicable, that meet—

21                   (A) acceptable standards for the mainte-  
22 nance and operation of such facilities or quar-  
23 ters, as the case may be; and

24                   (B) standards under the Americans with  
25 Disabilities Act of 1990; and

1           (2) *the comprehensive implementation of the*  
2           *standards adopted under paragraph (1) at the earliest*  
3           *date practicable.*

4           *SEC. 1314. From funds made available for the “Iraq*  
5           *Security Forces Fund” for fiscal year 2007, up to*  
6           *\$155,500,000 may be used, notwithstanding any other pro-*  
7           *vision of law, to provide assistance, with the concurrence*  
8           *of the Secretary of State, to the Government of Iraq to sup-*  
9           *port the disarmament, demobilization, and reintegration of*  
10          *militias and illegal armed groups.*

11          *SEC. 1315. REVISION OF UNITED STATES POLICY ON*  
12          *IRAQ. (a) FINDINGS.—Congress makes the following find-*  
13          *ings:*

14                  (1) *Congress and the American people will con-*  
15                  *tinue to support and protect the members of the*  
16                  *United States Armed Forces who are serving or have*  
17                  *served bravely and honorably in Iraq.*

18                  (2) *The circumstances referred to in the Author-*  
19                  *ization for Use of Military Force Against Iraq Reso-*  
20                  *lution of 2002 (Public Law 107–243) have changed*  
21                  *substantially.*

22                  (3) *United States troops should not be policing*  
23                  *a civil war, and the current conflict in Iraq requires*  
24                  *principally a political solution.*

1           (4) *United States policy on Iraq must change to*  
2           *emphasize the need for a political solution by Iraqi*  
3           *leaders in order to maximize the chances of success*  
4           *and to more effectively fight the war on terror.*

5           (b) *PROMPT COMMENCEMENT OF PHASED REDEPLOY-*  
6           *MENT OF UNITED STATES FORCES FROM IRAQ.—*

7           (1) *TRANSITION OF MISSION.—The President*  
8           *shall promptly transition the mission of United*  
9           *States forces in Iraq to the limited purposes set forth*  
10          *in paragraph (2).*

11          (2) *COMMENCEMENT OF PHASED REDEPLOYMENT*  
12          *FROM IRAQ.—The President shall commence the*  
13          *phased redeployment of United States forces from*  
14          *Iraq not later than 120 days after the date of the en-*  
15          *actment of this Act, with the goal of redeploying, by*  
16          *March 31, 2008, all United States combat forces from*  
17          *Iraq except for a limited number that are essential for*  
18          *the following purposes:*

19                 (A) *Protecting United States and coalition*  
20                 *personnel and infrastructure.*

21                 (B) *Training and equipping Iraqi forces.*

22                 (C) *Conducting targeted counter-terrorism*  
23                 *operations.*

24           (3) *COMPREHENSIVE STRATEGY.—Paragraph (2)*  
25           *shall be implemented as part of a comprehensive dip-*

1 *lomatic, political, and economic strategy that includes*  
2 *sustained engagement with Iraq’s neighbors and the*  
3 *international community for the purpose of working*  
4 *collectively to bring stability to Iraq.*

5 (4) *REPORTS REQUIRED.—Not later than 60*  
6 *days after the date of the enactment of this Act, and*  
7 *every 90 days thereafter, the President shall submit to*  
8 *Congress a report on the progress made in*  
9 *transitioning the mission of the United States forces*  
10 *in Iraq and implementing the phased redeployment of*  
11 *United States forces from Iraq as required under this*  
12 *subsection, as well as a classified campaign plan for*  
13 *Iraq, including strategic and operational benchmarks*  
14 *and projected redeployment dates of United States*  
15 *forces from Iraq.*

16 (c) *BENCHMARKS FOR THE GOVERNMENT OF IRAQ.—*

17 (1) *SENSE OF CONGRESS.—It is the sense of*  
18 *Congress that—*

19 (A) *achieving success in Iraq is dependent*  
20 *on the Government of Iraq meeting specific*  
21 *benchmarks, as reflected in previous commit-*  
22 *ments made by the Government of Iraq, includ-*  
23 *ing—*

24 (i) *deploying trained and ready Iraqi*  
25 *security forces in Baghdad;*

1           (ii) strengthening the authority of  
2           Iraqi commanders to make tactical and  
3           operational decisions without political  
4           intervention;

5           (iii) disarming militias and ensuring  
6           that Iraqi security forces are accountable  
7           only to the central government and loyal to  
8           the constitution of Iraq;

9           (iv) enacting and implementing legis-  
10          lation to ensure that the energy resources of  
11          Iraq benefit all Iraqi citizens in an equi-  
12          table manner;

13          (v) enacting and implementing legisla-  
14          tion that equitably reforms the de-  
15          Ba'athification process in Iraq;

16          (vi) ensuring a fair process for amend-  
17          ing the constitution of Iraq so as to protect  
18          minority rights; and

19          (vii) enacting and implementing rules  
20          to equitably protect the rights of minority  
21          political parties in the Iraqi Parliament;  
22          and

23          (B) each benchmark set forth in subpara-  
24          graph (A) should be completed expeditiously and



1           *pursuant to a schedule established by the Govern-*  
2           *ment of Iraq.*

3           (2) *REPORT.*—*Not later than 30 days after the*  
4           *date of the enactment of this Act, and every 60 days*  
5           *thereafter, the Commander, Multi-National Forces-*  
6           *Iraq and the United States Ambassador to Iraq shall*  
7           *jointly submit to Congress a report describing and as-*  
8           *sessing in detail the current progress being made by*  
9           *the Government of Iraq in meeting the benchmarks set*  
10          *forth in paragraph (1)(A).*

11          *SEC. 1316. INDEPENDENT ASSESSMENT OF CAPABILI-*  
12          *TIES OF THE IRAQI SECURITY FORCES. (a) FINDINGS.—*  
13          *Congress makes the following findings:*

14                 (1) *The responsibility for Iraq’s internal security*  
15                 *and halting sectarian violence must rest primarily*  
16                 *with the Government of Iraq, relying on the Iraqi Se-*  
17                 *curity Forces (ISF).*

18                 (2) *In quarterly reports to Congress, and in tes-*  
19                 *timony before a number of congressional committees,*  
20                 *the Department of Defense reported progress towards*  
21                 *training and equipping Iraqi Security Forces; how-*  
22                 *ever, the subsequent performance of the Iraqi Security*  
23                 *Forces has been uneven and occasionally appeared in-*  
24                 *consistent with those reports.*

1           (3) *On November 15, 2005, President Bush said,*  
2           *“The plan [is] that we will train Iraqi troops to be*  
3           *able to take the fight to the enemy. And as I have con-*  
4           *sistently said, as the Iraqis stand up, we will stand*  
5           *down”.*

6           (4) *On January 10, 2007, the President an-*  
7           *nounced a new strategy, which consists of three basic*  
8           *elements: diplomatic, economic, and military; the cen-*  
9           *tral component of the military element being an aug-*  
10          *mentation of the present level of the U.S. military*  
11          *forces with more than 20,000 additional U.S. mili-*  
12          *tary troops to Iraq to “work alongside Iraqi units*  
13          *and be embedded in their formations. Our troops will*  
14          *have a well-defined mission: to help Iraqis clear and*  
15          *secure neighborhoods, to help them protect the local*  
16          *population, and to help ensure that the Iraqi forces*  
17          *left behind are capable of providing the security that*  
18          *Baghdad needs”.*

19          (5) *The President said on January 10, 2007,*  
20          *that “I’ve made it clear to the Prime Minister and*  
21          *Iraq’s other leaders that America’s commitment is not*  
22          *open-ended” so as to dispel the contrary impression*  
23          *that exists.*

24          (6) *The latest National Intelligence Estimate*  
25          *(NIE) on Iraq, entitled “Prospects for Iraq’s Sta-*

1 *bility: A Challenging Road Ahead,” released in Janu-*  
2 *ary 2007, found: “If strengthened Iraqi Security*  
3 *Forces (ISF), more loyal to the government and sup-*  
4 *ported by Coalition forces, are able to reduce levels of*  
5 *violence and establish more effective security for*  
6 *Iraq’s population, Iraqi leaders could have an oppor-*  
7 *tunity to begin the process of political compromise*  
8 *necessary for longer term stability, political progress,*  
9 *and economic recovery”.*

10 (7) *The NIE also stated that “[d]espite real im-*  
11 *provements, the Iraqi Security Forces (ISF)—par-*  
12 *ticularly the Iraqi police—will be hard pressed in the*  
13 *next 12–18 months to execute significantly increased*  
14 *security responsibilities”.*

15 (8) *The current and prospective readiness of the*  
16 *ISF is critical to (A) the long term stability of Iraq,*  
17 *(B) the force protection of U.S. forces conducting com-*  
18 *bined operations with the ISF; and (C) the scale of*  
19 *U.S. forces deployed to Iraq.*

20 (b) *INDEPENDENT ASSESSMENT OF CAPABILITIES OF*  
21 *IRAQI SECURITY FORCES.—*

22 (1) *IN GENERAL.—Of the amount appropriated*  
23 *or otherwise made available for the Department of*  
24 *Defense, \$750,000 is provided to commission an inde-*  
25 *pendent, private-sector entity, which operates as a*

1       501(c)(3) with recognized credentials and expertise in  
2       military affairs, to prepare an independent report as-  
3       sessing the following:

4               (A) *The readiness of the Iraqi Security*  
5               *Forces (ISF) to assume responsibility for main-*  
6               *taining the territorial integrity of Iraq, denying*  
7               *international terrorists a safe haven, and bring-*  
8               *ing greater security to Iraq's 18 provinces in the*  
9               *next 12–18 months, and bringing an end to sec-*  
10              *tarian violence to achieve national reconcili-*  
11              *ation.*

12              (B) *The training; equipping; command,*  
13              *control and intelligence capabilities; and logis-*  
14              *tics capacity of the ISF.*

15              (C) *The likelihood that, given the ISF's*  
16              *record of preparedness to date, following years of*  
17              *training and equipping by US forces, the contin-*  
18              *ued support of US troops will contribute to the*  
19              *readiness of the ISF to fulfill the missions out-*  
20              *lined in subparagraph (A).*

21              (2) *REPORT.—Not later than 120 days after pas-*  
22              *sage of this Act, the designated private sector entity*  
23              *shall provide an unclassified report, with a classified*  
24              *annex, containing its findings, to the House and Sen-*

1        *ate Committees on Armed Services, Appropriations,*  
2        *Foreign Relations, and Intelligence.*

3        *SEC. 1317. (a)(1) Notwithstanding any other provi-*  
4        *sion of law, the Secretary of Veterans Affairs (referred to*  
5        *in this section as the “Secretary”) may convey to the State*  
6        *of Texas, without consideration, all right, title, and interest*  
7        *of the United States in and to the parcel of real property*  
8        *comprising the location of the Marlin, Texas, Department*  
9        *of Veterans Affairs Medical Center.*

10        *(2) The property conveyed under paragraph (1) shall*  
11        *be used by the State of Texas for the purposes of a prison.*

12        *(b) In carrying out the conveyance under subsection*  
13        *(a), the Secretary—*

14                *(1) shall not be required to comply with, and*  
15                *shall not be held liable under, any Federal law (in-*  
16                *cluding a regulation) relating to the environment or*  
17                *historic preservation; but*

18                *(2) may, at the discretion of the Secretary, con-*  
19                *duct environmental cleanup on the parcel to be con-*  
20                *veyed, at a cost not to exceed \$500,000, using*  
21                *amounts made available for environmental cleanup of*  
22                *sites under the jurisdiction of the Secretary.*

23        *SEC. 1318. REDEVELOPMENT OF INDUSTRIAL SECTOR*  
24        *IN IRAQ. Of the amount appropriated or otherwise made*  
25        *available by this chapter under the heading “IRAQ FREE-*

1 *DOM FUND*”, up to \$100,000,000 may be obligated and ex-  
 2 pended for purposes of the Task Force to Improve Business  
 3 and Stability Operations in Iraq.

4       *SEC. 1319. ADDITIONAL AMOUNT FOR PROCUREMENT,*  
 5 *MARINE CORPS, FOR ACCELERATION OF PROCUREMENT OF*  
 6 *ADDITIONAL 2,500 MINE RESISTANT AMBUSH PROTECTED*  
 7 *VEHICLES FOR THE ARMED FORCES.—(a) ADDITIONAL*  
 8 *AMOUNT.—The amount appropriated by this chapter under*  
 9 *the heading “PROCUREMENT, MARINE CORPS” is hereby in-*  
 10 *creased by \$1,500,000,000, with the amount of the increase*  
 11 *to be available to the Marine Corps for the procurement*  
 12 *of an additional 2,500 Mine Resistant Ambush Protected*  
 13 *(MRAP) vehicles for the regular and reserve components of*  
 14 *the Armed Forces by not later than December 31, 2007.*

15       *(b) SUPPLEMENT NOT SUPPLANT.—The amount avail-*  
 16 *able under subsection (a) for the procurement of vehicles*  
 17 *described in that subsection is in addition to any other*  
 18 *amounts available under this chapter for that purpose.*

19                                   *CHAPTER 4*

20                                   *DEPARTMENT OF ENERGY*

21                                   *ATOMIC ENERGY DEFENSE ACTIVITIES*

22                                   *NATIONAL NUCLEAR SECURITY ADMINISTRATION*

23                                   *DEFENSE NUCLEAR NONPROLIFERATION*

24       *For an additional amount for “Defense Nuclear Non-*  
 25 *proliferation”, \$63,000,000.*

## CHAPTER 5

## DEPARTMENT OF HOMELAND SECURITY

## UNITED STATES CUSTOMS AND BORDER PROTECTION

## SALARIES AND EXPENSES

For an additional amount for “Salaries and Expenses”, \$140,000,000, to remain available until September 30, 2008.

## AIR AND MARINE INTERDICTION, OPERATIONS,

## MAINTENANCE, AND PROCUREMENT

For an additional amount for “Air and Marine Interdiction, Operations, Maintenance, and Procurement”, for air and marine operations on the Northern Border and the Great Lakes, including the final Northern Border air wing, \$75,000,000, to remain available until September 30, 2008.

## IMMIGRATION AND CUSTOMS ENFORCEMENT

## SALARIES AND EXPENSES

For an additional amount for “Salaries and Expenses”, \$20,000,000, to remain available until September 30, 2008.

## TRANSPORTATION SECURITY ADMINISTRATION

## AVIATION SECURITY

For an additional amount for “Aviation Security”, \$660,000,000; of which \$600,000,000 shall be for procurement and installation of checked baggage explosives detection systems, to remain available until expended; and

1 \$60,000,000 shall be for air cargo security, to remain avail-  
2 able until September 30, 2008.

3 *FEDERAL AIR MARSHALS*

4 *For an additional amount for “Federal Air Marshals”,*  
5 *\$15,000,000, to remain available until September 30, 2008.*

6 *PREPAREDNESS*

7 *MANAGEMENT AND ADMINISTRATION*

8 *For an additional amount for “Office of the Chief Med-*  
9 *ical Officer” for nuclear preparedness and other activities,*  
10 *\$18,000,000, to remain available until September 30, 2008.*

11 *INFRASTRUCTURE PROTECTION AND INFORMATION*

12 *SECURITY*

13 *For an additional amount for “Infrastructure Protec-*  
14 *tion and Information Security” for chemical site security*  
15 *activities, \$18,000,000, to remain available until September*  
16 *30, 2008.*

17 *FEDERAL EMERGENCY MANAGEMENT AGENCY*

18 *ADMINISTRATIVE AND REGIONAL OPERATIONS*

19 *For an additional amount for “Administrative and*  
20 *Regional Operations” for necessary expenses related to title*  
21 *V of the Homeland Security Act of 2002 (6 U.S.C. 101 et*  
22 *seq. (as amended by section 611 of the Post-Katrina Emer-*  
23 *gency Management Reform Act of 2006 (6 U.S.C. 701 note;*  
24 *Public Law 109–295))), \$20,000,000, to remain available*  
25 *until September 30, 2008: Provided, That none of the funds*  
26 *available under this heading may be obligated until the*



1 *Committees on Appropriations of the Senate and the House*  
2 *of Representatives receive and approve a plan for expendi-*  
3 *ture.*

4 *STATE AND LOCAL PROGRAMS*

5 *For an additional amount for “State and Local Pro-*  
6 *grams”, \$850,000,000; of which \$190,000,000 shall be for*  
7 *port security pursuant to section 70107(l) of title 46 United*  
8 *States Code; \$625,000,000 shall be for intercity rail pas-*  
9 *senger transportation, freight rail, and transit security*  
10 *grants; and \$35,000,000 shall be for regional grants and*  
11 *technical assistance to high risk urban areas for cata-*  
12 *strophic event planning and preparedness: Provided, That*  
13 *none of the funds made available under this heading may*  
14 *be obligated for such regional grants and technical assist-*  
15 *ance until the Committees on Appropriations of the Senate*  
16 *and the House of Representatives receive and approve a*  
17 *plan for expenditure: Provided further, That funds for such*  
18 *regional grants and technical assistance shall remain avail-*  
19 *able until September 30, 2008.*

20 *EMERGENCY MANAGEMENT PERFORMANCE GRANTS*

21 *For an additional amount for “Emergency Manage-*  
22 *ment Performance Grants” for necessary expenses related*  
23 *to the Nationwide Plan Review, \$100,000,000.*

1 *UNITED STATES CITIZENSHIP AND IMMIGRATION*2 *SERVICES*

3 *For an additional amount for expenses of “United*  
4 *States Citizenship and Immigration Services” to address*  
5 *backlogs of security checks associated with pending applica-*  
6 *tions and petitions, \$30,000,000, to remain available until*  
7 *September 30, 2008: Provided, That none of the funds made*  
8 *available under this heading shall be available for obliga-*  
9 *tion until the Secretary of Homeland Security, in consulta-*  
10 *tion with the United States Attorney General, submits to*  
11 *the Committees on Appropriations of the Senate and the*  
12 *House of Representatives a plan to eliminate the backlog*  
13 *of security checks that establishes information sharing pro-*  
14 *ocols to ensure United States Citizenship and Immigration*  
15 *Services has the information it needs to carry out its mis-*  
16 *sion.*

17 *SCIENCE AND TECHNOLOGY*18 *RESEARCH, DEVELOPMENT, ACQUISITION, AND OPERATIONS*

19 *For an additional amount for “Research, Develop-*  
20 *ment, Acquisition, and Operations” for air cargo research,*  
21 *\$15,000,000, to remain available until expended.*

22 *DOMESTIC NUCLEAR DETECTION OFFICE*23 *RESEARCH, DEVELOPMENT, AND OPERATIONS*

24 *For an additional amount for “Research, Develop-*  
25 *ment, and Operations” for non-container, rail, aviation*

1 *and intermodal radiation detection activities, \$39,000,000,*  
2 *to remain available until expended.*

3 **GENERAL PROVISIONS—THIS CHAPTER**

4 *SEC. 1501. None of the funds provided in this Act, or*  
5 *Public Law 109–295, shall be available to carry out section*  
6 *872 of Public Law 107–296.*

7 *SEC. 1502. Section 550 of the Department of Home-*  
8 *land Security Appropriations Act, 2007 (6 U.S.C. 121 note)*  
9 *is amended by adding at the end the following:*

10 *“(h) This section shall not preclude or deny any right*  
11 *of any State or political subdivision thereof to adopt or en-*  
12 *force any regulation, requirement, or standard of perform-*  
13 *ance with respect to chemical facility security that is more*  
14 *stringent than a regulation, requirement, or standard of*  
15 *performance issued under this section, or otherwise impair*  
16 *any right or jurisdiction of any State with respect to chem-*  
17 *ical facilities within that State, unless there is an actual*  
18 *conflict between this section and the law of that State.”.*

19 *SEC. 1503. LINKING OF AWARD FEES UNDER DE-*  
20 *PARTMENT OF HOMELAND SECURITY CONTRACTS TO SUC-*  
21 *CESSFUL ACQUISITION OUTCOMES. The Secretary of Home-*  
22 *land Security shall require that all contracts of the Depart-*  
23 *ment of Homeland Security that provide award fees link*  
24 *such fees to successful acquisition outcomes (which outcomes*

1 *shall be specified in terms of cost, schedule, and perform-*  
 2 *ance).*

3       *SEC. 1504. DOMESTIC PREPAREDNESS EQUIPMENT*  
 4 *TECHNICAL ASSISTANCE PROGRAM. (a) ADDITIONAL*  
 5 *AMOUNT FOR STATE AND LOCAL PROGRAMS.—The amount*  
 6 *appropriated or otherwise made available by this chapter*  
 7 *under the heading “STATE AND LOCAL PROGRAMS” is hereby*  
 8 *increased by \$5,000,000.*

9       *(b) AVAILABILITY FOR DOMESTIC PREPAREDNESS*  
 10 *EQUIPMENT TECHNICAL ASSISTANCE PROGRAM.—Of the*  
 11 *amount appropriated or otherwise made available by this*  
 12 *chapter under the heading “STATE AND LOCAL PROGRAMS”,*  
 13 *as increased by subsection (a), \$5,000,000 shall be available*  
 14 *for the Domestic Preparedness Equipment Technical Assist-*  
 15 *ance Program (DPETAP).*

16       *(c) OFFSET.—The amount appropriated or otherwise*  
 17 *made available by this chapter under the heading “UNITED*  
 18 *STATES CITIZENSHIP AND IMMIGRATION SERVICES” is*  
 19 *hereby reduced by \$5,000,000.*

## 20                                   *CHAPTER 6*

### 21                                   *MILITARY CONSTRUCTION*

#### 22                                   *MILITARY CONSTRUCTION, ARMY*

23       *For an additional amount for “Military Construction,*  
 24 *Army”, \$1,261,390,000, to remain available until Sep-*  
 25 *tember 30, 2008: Provided, That such funds may be obli-*

1 *gated and expended to carry out planning and design and*  
2 *military construction projects not otherwise authorized by*  
3 *law: Provided further, That of the funds provided under this*  
4 *heading, \$280,300,000 shall not be obligated or expended*  
5 *until the Secretary of Defense certifies that none of the*  
6 *funds are to be used for the purpose of providing facilities*  
7 *for the permanent basing of U.S. military personnel in*  
8 *Iraq.*

9 *MILITARY CONSTRUCTION, NAVY AND MARINE CORPS*

10 *For an additional amount for “Military Construction,*  
11 *Navy and Marine Corps”, \$347,890,000, to remain avail-*  
12 *able until September 30, 2008: Provided, That such funds*  
13 *may be obligated and expended to carry out planning and*  
14 *design and military construction projects not otherwise au-*  
15 *thorized by law.*

16 *MILITARY CONSTRUCTION, AIR FORCE*

17 *For an additional amount for “Military Construction,*  
18 *Air Force”, \$34,700,000, to remain available until Sep-*  
19 *tember 30, 2008: Provided, That such funds may be obli-*  
20 *gated and expended to carry out planning and design and*  
21 *military construction projects not otherwise authorized by*  
22 *law.*

## CHAPTER 7

## DEPARTMENT OF STATE AND RELATED AGENCY

## DEPARTMENT OF STATE

## ADMINISTRATION OF FOREIGN AFFAIRS

## DIPLOMATIC AND CONSULAR PROGRAMS

For an additional amount for “Diplomatic and Consular Programs”, \$815,796,000, to remain available until September 30, 2008, of which \$70,000,000 for World Wide Security Upgrades is available until expended: Provided, That of the funds appropriated under this heading, not more than \$20,000,000 shall be made available for public diplomacy programs: Provided further, That prior to the obligation of funds pursuant to the previous proviso, the Secretary of State shall submit a report to the Committees on Appropriations describing a comprehensive public diplomacy strategy, with goals and expected results, for fiscal years 2007 and 2008: Provided further, That within 15 days of enactment of this Act, the Office of Management and Budget shall apportion \$15,000,000 from amounts appropriated or otherwise made available by chapter 8 of title II of division B of Public Law 109–148 under the heading “Emergencies in the Diplomatic and Consular Service” for emergency evacuations: Provided further, That of the amount made available under this heading for Iraq, not to exceed \$20,000,000 may be transferred to, and merged

1 *with, funds in the “Emergencies in the Diplomatic and*  
2 *Consular Service” appropriations account, to be available*  
3 *only for emergency evacuations and terrorism rewards.*

4 *OFFICE OF INSPECTOR GENERAL*

5 *For an additional amount for “Office of Inspector*  
6 *General”, \$36,500,000, to remain available until December*  
7 *31, 2008: Provided, That of the funds appropriated under*  
8 *this heading, not less than \$1,500,000 shall be made avail-*  
9 *able for activities related to oversight of assistance furnished*  
10 *for Iraq and Afghanistan with funds appropriated in this*  
11 *Act and in prior appropriations Acts: Provided further,*  
12 *That \$35,000,000 of these funds shall be transferred to the*  
13 *Special Inspector General for Iraq Reconstruction for recon-*  
14 *struction oversight.*

15 *EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS*

16 *For an additional amount for “Educational and Cul-*  
17 *tural Exchange Programs”, \$25,000,000, to remain avail-*  
18 *able until expended.*

19 *INTERNATIONAL ORGANIZATIONS*

20 *CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS*

21 *For an additional amount for “Contributions to Inter-*  
22 *national Organizations”, \$59,000,000, to remain available*  
23 *until September 30, 2008.*

1       *CONTRIBUTIONS FOR INTERNATIONAL PEACEKEEPING*  
2                               *ACTIVITIES*

3       *For an additional amount for “Contributions for*  
4 *International Peacekeeping Activities”, \$200,000,000, to re-*  
5 *main available until September 30, 2008.*

6                               *RELATED AGENCY*

7                               *BROADCASTING BOARD OF GOVERNORS*

8                               *INTERNATIONAL BROADCASTING OPERATIONS*

9       *For an additional amount for “International Broad-*  
10 *casting Operations” for activities related to broadcasting to*  
11 *the Middle East, \$10,000,000, to remain available until*  
12 *September 30, 2008.*

13                               *FOREIGN OPERATIONS*

14                               *BILATERAL ECONOMIC ASSISTANCE*

15       *FUNDS APPROPRIATED TO THE PRESIDENT*

16                               *UNITED STATES AGENCY FOR INTERNATIONAL*

17                               *DEVELOPMENT*

18                               *CHILD SURVIVAL AND HEALTH PROGRAMS FUND*

19       *For an additional amount for “Child Survival and*  
20 *Health Programs Fund”, \$161,000,000, to remain available*  
21 *until September 30, 2008: Provided, That notwithstanding*  
22 *any other provision of law, funds made available under the*  
23 *heading “Millennium Challenge Corporation” and “Global*  
24 *HIV/AIDS Initiative” in prior Acts making appropri-*  
25 *ations for foreign operations, export financing and related*



1 *programs may be made available to combat the avian influ-*  
2 *enza, subject to the regular notification procedures of the*  
3 *Committees on Appropriations.*

4 *INTERNATIONAL DISASTER AND FAMINE ASSISTANCE*

5 *For an additional amount for “International Disaster*  
6 *and Famine Assistance”, \$187,000,000, to remain available*  
7 *until expended: Provided, That of the funds appropriated*  
8 *under this heading, not less than \$65,000,000 shall be made*  
9 *available for assistance for internally displaced persons in*  
10 *Iraq, not less than \$18,000,000 shall be made available for*  
11 *emergency shelter, fuel and other assistance for internally*  
12 *displaced persons in Afghanistan, not less than \$10,000,000*  
13 *shall be made available for assistance for northern Uganda,*  
14 *not less than \$10,000,000 shall be made available for assist-*  
15 *ance for eastern Democratic Republic of the Congo, and not*  
16 *less than \$10,000,000 shall be made available for assistance*  
17 *for Chad.*

18 *OPERATING EXPENSES OF THE UNITED STATES AGENCY*

19 *FOR INTERNATIONAL DEVELOPMENT*

20 *For an additional amount for “Operating Expenses of*  
21 *the United States Agency for International Development”,*  
22 *\$5,700,000, to remain available until September 30, 2008.*

1 OPERATING EXPENSES OF THE UNITED STATES AGENCY  
2 FOR INTERNATIONAL DEVELOPMENT OFFICE OF IN-  
3 SPECTOR GENERAL

4 For an additional amount for “Operating Expenses of  
5 the United States Agency for International Development  
6 Office of Inspector General”, \$4,000,000, to remain avail-  
7 able until September 30, 2008: Provided, That of the funds  
8 appropriated under this heading, not less than \$3,000,000  
9 shall be made available for activities related to oversight  
10 of assistance furnished for Iraq with funds appropriated in  
11 this Act and in prior appropriations Acts, and not less than  
12 \$1,000,000 shall be made available for activities related to  
13 oversight of assistance furnished for Afghanistan with funds  
14 appropriated in this Act and in prior appropriations Acts.

15 OTHER BILATERAL ECONOMIC ASSISTANCE

16 ECONOMIC SUPPORT FUND

17 For an additional amount for “Economic Support  
18 Fund”, \$2,602,200,000, to remain available until Sep-  
19 tember 30, 2008: Provided, That of the funds appropriated  
20 under this heading that are available for assistance for  
21 Iraq, not less than \$100,000,000 shall be made available  
22 to the United States Agency for International Development  
23 for continued support for its Community Action Program  
24 in Iraq, of which not less than \$5,000,000 shall be made  
25 available for the fund established by section 2108 of Public

1 *Law 109–13: Provided further, That of the funds appro-*  
2 *priated under this heading that are available for assistance*  
3 *for Afghanistan, not less than \$10,000,000 shall be made*  
4 *available to the United States Agency for International De-*  
5 *velopment for continued support for its Afghan Civilian As-*  
6 *sistance Program: Provided further, That of the funds ap-*  
7 *propriated under this heading, not less than \$6,000,000*  
8 *shall be made available for assistance for elections, re-*  
9 *integration of ex-combatants, and other assistance to sup-*  
10 *port the peace process in Nepal: Provided further, That of*  
11 *the funds appropriated under this heading, not less than*  
12 *\$3,200,000 shall be made available, notwithstanding any*  
13 *other provision of law, for assistance for Vietnam for envi-*  
14 *ronmental remediation of dioxin storage sites and to sup-*  
15 *port health programs in communities near those sites: Pro-*  
16 *vided further, That funds made available pursuant to the*  
17 *previous proviso should be matched, to the maximum extent*  
18 *possible, with contributions from other governments, multi-*  
19 *lateral organizations, and private sources: Provided further,*  
20 *That of the funds made available under this heading, not*  
21 *less than \$6,000,000 shall be made available for typhoon*  
22 *reconstruction assistance for the Philippines: Provided fur-*  
23 *ther, That of the funds made available under this heading,*  
24 *not less than \$110,000,000 shall be made available for as-*  
25 *sistance for Pakistan, of which not less than \$5,000,000*

1 *shall be made available for political party development and*  
2 *election monitoring activities: Provided further, That of the*  
3 *funds appropriated under this heading, not less than*  
4 *\$2,000,000 shall be made available to support the peace*  
5 *process in northern Uganda: Provided further, That of the*  
6 *funds made available under the heading “Economic Sup-*  
7 *port Fund” in Public Law 109–234 for Iraq to promote*  
8 *democracy, rule of law and reconciliation, \$2,000,000*  
9 *should be made available for the United States Institute of*  
10 *Peace for programs and activities in Afghanistan to remain*  
11 *available until September 30, 2008.*

12 *DEPARTMENT OF STATE*

13 *ASSISTANCE FOR EASTERN EUROPE AND THE BALTIC*

14 *STATES*

15 *For an additional amount for “Assistance for Eastern*  
16 *Europe and the Baltic States”, \$214,000,000, to remain*  
17 *available until September 30, 2008, for assistance for*  
18 *Kosovo.*

19 *DEMOCRACY FUND*

20 *For an additional amount for “Democracy Fund”,*  
21 *\$465,000,000, to remain available until September 30,*  
22 *2008: Provided, That of the funds appropriated under this*  
23 *heading, not less than \$385,000,000 shall be made available*  
24 *for the Human Rights and Democracy Fund of the Bureau*  
25 *of Democracy, Human Rights and Labor, Department of*

1 *State, for democracy, human rights, and rule of law pro-*  
2 *grams in Iraq: Provided further, That prior to the initial*  
3 *obligation of funds made available under this heading for*  
4 *Iraq for the Political Participation Fund or the National*  
5 *Institutions Fund, the Secretary of State shall submit a re-*  
6 *port to the Committees on Appropriations describing a com-*  
7 *prehensive, long-term strategy, with goals and expected re-*  
8 *sults, for strengthening and advancing democracy in Iraq:*  
9 *Provided further, That of the funds appropriated under this*  
10 *heading, not less than \$5,000,000 shall be made available*  
11 *for media and reconciliation programs in Somalia.*

12 *INTERNATIONAL NARCOTICS CONTROL AND LAW*

13 *ENFORCEMENT*

14 *(INCLUDING RESCISSION OF FUNDS)*

15 *For an additional amount for “International Nar-*  
16 *cotics Control and Law Enforcement”, \$210,000,000, to re-*  
17 *main available until September 30, 2008.*

18 *Of the amounts made available for procurement of a*  
19 *maritime patrol aircraft for the Colombian Navy under this*  
20 *heading in Public Law 109–234, \$13,000,000 are rescinded.*

21 *MIGRATION AND REFUGEE ASSISTANCE*

22 *For an additional amount for “Migration and Refugee*  
23 *Assistance”, \$143,000,000, to remain available until Sep-*  
24 *tember 30, 2008: Provided, That of the funds appropriated*  
25 *under this heading, not less than \$65,000,000 shall be made*

1 *available for assistance for Iraqi refugees including not less*  
2 *than \$5,000,000 to rescue Iraqi scholars, and not less than*  
3 *\$18,000,000 shall be made available for assistance for Af-*  
4 *ghan refugees.*

5 *UNITED STATES EMERGENCY REFUGEE AND MIGRATION*  
6 *ASSISTANCE FUND*

7 *For an additional amount for “United States Emer-*  
8 *gency Refugee and Migration Assistance Fund”,*  
9 *\$55,000,000, to remain available until expended.*

10 *NONPROLIFERATION, ANTI-TERRORISM, DEMINING AND*  
11 *RELATED PROGRAMS*

12 *For an additional amount for “Nonproliferation,*  
13 *Anti-Terrorism, Demining and Related Programs”,*  
14 *\$27,500,000, to remain available until September 30, 2008.*

15 *DEPARTMENT OF THE TREASURY*

16 *INTERNATIONAL AFFAIRS TECHNICAL ASSISTANCE*  
17 *PROGRAM*

18 *For an additional amount for “International Affairs*  
19 *Technical Assistance”, \$2,750,000, to remain available*  
20 *until September 30, 2008.*

1                                    *MILITARY ASSISTANCE*  
2                    *FUNDS APPROPRIATED TO THE PRESIDENT*  
3                                    *FOREIGN MILITARY FINANCING PROGRAM*

4            *For an additional amount for “Foreign Military Fi-*  
5 *nancing Program”, \$220,000,000, to remain available until*  
6 *September 30, 2008, for assistance for Lebanon.*

7                                    *PEACEKEEPING OPERATIONS*  
8                                    *(INCLUDING TRANSFER OF FUNDS)*

9            *For an additional amount for “Peacekeeping Oper-*  
10 *ations”, \$323,000,000, to remain available until September*  
11 *30, 2008, of which up to \$128,000,000 may be transferred,*  
12 *subject to the regular notification procedures of the Commit-*  
13 *tees on Appropriations, to “Contributions to International*  
14 *Peacekeeping Activities”, to be made available, notwith-*  
15 *standing any other provision of law, for assessed costs of*  
16 *United Nations Peacekeeping Missions: Provided, That of*  
17 *the funds appropriated under this heading, not less than*  
18 *\$45,000,000 shall be made available, notwithstanding sec-*  
19 *tion 660 of the Foreign Assistance Act of 1961, for assist-*  
20 *ance for Liberia for security sector reform.*

21                                    *GENERAL PROVISIONS—THIS CHAPTER*

22                                    *AUTHORIZATION OF FUNDS*

23            *SEC. 1701. Funds appropriated by this title may be*  
24 *obligated and expended notwithstanding section 10 of Pub-*  
25 *lic Law 91–672 (22 U.S.C. 2412), section 15 of the State*

1 *Department Basic Authorities Act of 1956 (22 U.S.C.*  
2 *2680), section 313 of the Foreign Relations Authorization*  
3 *Act, Fiscal Years 1994 and 1995 (22 U.S.C. 6212), and*  
4 *section 504(a)(1) of the National Security Act of 1947 (50*  
5 *U.S.C. 414(a)(1)).*

6 *EXTENSION OF AVAILABILITY OF FUNDS*

7 *SEC. 1702. Section 1302(a) of Public Law 109–234 is*  
8 *amended by striking “one additional year” and inserting*  
9 *in lieu thereof “two additional years”.*

10 *EXTENSION OF OVERSIGHT AUTHORITY*

11 *SEC. 1703. Section 3001(o)(1)(B) of the Emergency*  
12 *Supplemental Appropriations Act for Defense and for the*  
13 *Reconstruction of Iraq and Afghanistan, 2004 (Public Law*  
14 *108–106; 117 Stat. 1238; 5 U.S.C. App., note to section*  
15 *8G of Public Law 95–452), as amended by section 1054(b)*  
16 *of the John Warner National Defense Authorization Act for*  
17 *Fiscal Year 2007 (Public Law 109–364; 120 Stat. 2397)*  
18 *and section 2 of the Iraq Reconstruction Accountability Act*  
19 *of 2006 (Public Law 109–440), is amended by inserting “or*  
20 *fiscal year 2007” after “fiscal year 2006”.*

21 *DEBT RESTRUCTURING*

22 *SEC. 1704. Amounts appropriated for fiscal year 2007*  
23 *for “Bilateral Economic Assistance—Department of the*  
24 *Treasury—Debt Restructuring” may be used to assist Libe-*  
25 *ria in retiring its debt arrearages to the International Mon-*



1 *etary Fund, the International Bank for Reconstruction and*  
2 *Development, and the African Development Bank.*

3 *JORDAN*

4 *(INCLUDING TRANSFER OF FUNDS)*

5 *SEC. 1705. Of the funds appropriated by this Act for*  
6 *assistance for Iraq under the heading “Economic Support*  
7 *Fund” that are available to support Provincial Reconstruc-*  
8 *tion Team activities, up to \$100,000,000 may be transferred*  
9 *to, and merged with, funds appropriated by this Act under*  
10 *the headings “Foreign Military Financing Program” and*  
11 *“Nonproliferation, Anti-terrorism, Demining and Related*  
12 *Programs” for assistance for Jordan: Provided, That funds*  
13 *transferred pursuant to this section shall be subject to the*  
14 *regular notification procedures of the Committees on Appro-*  
15 *priations.*

16 *LEBANON*

17 *SEC. 1706. Prior to the initial obligation of funds*  
18 *made available in this Act for assistance for Lebanon under*  
19 *the headings “Foreign Military Financing Program” and*  
20 *“Nonproliferation, Anti-terrorism, Demining and Related*  
21 *Programs”, the Secretary of State shall certify to the Com-*  
22 *mittees on Appropriations that all practicable efforts have*  
23 *been made to ensure that such assistance is not provided*  
24 *to or through any individual, or private or government en-*  
25 *tity, that advocates, plans, sponsors, engages in, or has en-*  
26 *gaged in, terrorist activity: Provided, That this section shall*

1 *be effective notwithstanding section 534(a) of Public Law*  
2 *109–102, which is made applicable to funds appropriated*  
3 *for fiscal year 2007 by the Continuing Appropriations Res-*  
4 *olution, 2007, as amended.*

5 *HUMAN RIGHTS AND DEMOCRACY FUND*

6 *SEC. 1707. The Assistant Secretary of State for De-*  
7 *mocracy, Human Rights and Labor shall be responsible for*  
8 *all policy, funding, and programming decisions regarding*  
9 *funds made available under this Act and prior Acts making*  
10 *appropriations for foreign operations, export financing and*  
11 *related programs for the Human Rights and Democracy*  
12 *Fund of the Bureau of Democracy, Human Rights and*  
13 *Labor.*

14 *INSPECTOR GENERAL OVERSIGHT OF IRAQ AND*  
15 *AFGHANISTAN*

16 *SEC. 1708. (a) IN GENERAL.—Subject to paragraph*  
17 *(2), the Inspector General of the Department of State and*  
18 *the Broadcasting Board of Governors (referred to in this*  
19 *section as the “Inspector General”) may use personal serv-*  
20 *ices contracts to engage citizens of the United States to fa-*  
21 *cilitate and support the Office of the Inspector General’s*  
22 *oversight of programs and operations related to Iraq and*  
23 *Afghanistan. Individuals engaged by contract to perform*  
24 *such services shall not, by virtue of such contract, be consid-*  
25 *ered to be employees of the United States Government for*  
26 *purposes of any law administered by the Office of Personnel*

1 *Management. The Secretary of State may determine the ap-*  
2 *plicability to such individuals of any law administered by*  
3 *the Secretary concerning the performance of such services*  
4 *by such individuals.*

5 (b) *CONDITIONS.—The authority under paragraph (1)*  
6 *is subject to the following conditions:*

7 (1) *The Inspector General determines that exist-*  
8 *ing personnel resources are insufficient.*

9 (2) *The contract length for a personal services*  
10 *contractor, including options, may not exceed 1 year,*  
11 *unless the Inspector General makes a finding that ex-*  
12 *ceptional circumstances justify an extension of up to*  
13 *2 additional years.*

14 (3) *Not more than 20 individuals may be em-*  
15 *ployed at any time as personal services contractors*  
16 *under the program.*

17 (c) *TERMINATION OF AUTHORITY.—The authority to*  
18 *award personal services contracts under this section shall*  
19 *terminate on December 31, 2008. A contract entered into*  
20 *prior to the termination date under this paragraph may*  
21 *remain in effect until not later than December 31, 2009.*

22 (d) *OTHER AUTHORITIES NOT AFFECTED.—The au-*  
23 *thority under this section is in addition to any other au-*  
24 *thority of the Inspector General to hire personal services*  
25 *contractors.*

1 *FUNDING TABLES*

2 *SEC. 1709. (a) Funds provided in this Act for the fol-*  
3 *lowing accounts shall be made available for programs and*  
4 *countries in the amounts contained in the respective tables*  
5 *included in the report accompanying this Act:*

6 *“Diplomatic and Consular Programs”.*

7 *“Educational and Cultural Exchange Pro-*  
8 *grams”.*

9 *“International Disaster and Famine Assistance”.*

10 *“Economic Support Fund”.*

11 *“Assistance for Eastern Europe and Baltic*  
12 *States”.*

13 *“Democracy Fund”.*

14 *“Migration and Refugee Assistance”.*

15 *“Nonproliferation, Anti-Terrorism, Demining*  
16 *and Related Programs”.*

17 *“Peacekeeping Operations”.*

18 *(b) Any proposed increases or decreases to the amounts*  
19 *contained in the tables in the accompanying report shall*  
20 *be subject to the regular notification procedures of the Com-*  
21 *mittees on Appropriations and section 634A of the Foreign*  
22 *Assistance Act of 1961.*

23 *BENCHMARKS FOR CERTAIN RECONSTRUCTION ASSISTANCE*  
24 *FOR IRAQ*

25 *SEC. 1710. (a) BENCHMARKS.—Notwithstanding any*  
26 *other provision of law, fifty percent of the funds appro-*

1 *priated by this Act for assistance for Iraq under the head-*  
2 *ings “Economic Support Fund” and “International Nar-*  
3 *cotics and Law Enforcement” shall be withheld from obliga-*  
4 *tion until the President certifies to the Committees on Ap-*  
5 *propriations and Foreign Relations of the Senate and the*  
6 *Committees on Appropriations and Foreign Affairs of the*  
7 *House of Representatives that the Government of Iraq has—*

8           (1) *enacted a broadly accepted hydro-carbon law*  
9           *that equitably shares oil revenues among all Iraqis;*

10           (2) *adopted legislation necessary for the conduct*  
11 *of provincial and local elections, taken steps to imple-*  
12 *ment such legislation, and set a schedule to conduct*  
13 *provincial and local elections;*

14           (3) *reformed current laws governing the de-*  
15 *Baathification process to allow for more equitable*  
16 *treatment of individuals affected by such laws;*

17           (4) *amended the Constitution of Iraq consistent*  
18 *with the principles contained in Article 137 of such*  
19 *constitution; and*

20           (5) *allocated and begun expenditure of*  
21 *\$10,000,000,000 in Iraqi revenues for reconstruction*  
22 *projects, including delivery of essential services, on an*  
23 *equitable basis.*

24           (b) *EXEMPTIONS.—The requirement to withhold funds*  
25 *from obligation pursuant to subsection (a) shall not apply*

1 *with respect to funds made available under the heading*  
2 *“Economic Support Fund” that are administered by the*  
3 *United States Agency for International Development for*  
4 *continued support for the Community Action Program, as-*  
5 *sistance for civilian victims of the military operations, and*  
6 *the Community Stabilization Program in Iraq, or for pro-*  
7 *grams and activities to promote democracy, governance,*  
8 *human rights, and rule of law.*

9       (c) *REPORT.—At the time the President certifies to the*  
10 *Committees on Appropriations and Foreign Relations of the*  
11 *Senate and the Committees on Appropriations and Foreign*  
12 *Affairs of the House of Representatives that the Government*  
13 *of Iraq has met the benchmarks described in subsection (a),*  
14 *the President shall submit to such Committees a report that*  
15 *contains a detailed description of the specific actions that*  
16 *the Government of Iraq has taken to meet each of the bench-*  
17 *marks referenced in the certification.*

18       *SPENDING PLAN AND NOTIFICATION PROCEDURES*

19       *SEC. 1711. Not later than 45 days after enactment of*  
20 *this Act the Secretary of State shall submit to the Commit-*  
21 *tees on Appropriations a report detailing planned expendi-*  
22 *tures for funds appropriated under the headings in this*  
23 *chapter, except for funds appropriated under the headings*  
24 *“International Disaster and Famine Assistance”, “Office of*  
25 *the United States Agency for International Development*  
26 *Inspector General”, and “Office of the Inspector General”:*

1 *Provided, That funds appropriated under the headings in*  
2 *this chapter, except for funds appropriated under the head-*  
3 *ings named in this section, shall be subject to the regular*  
4 *notification procedures of the Committees on Appropria-*  
5 *tions.*

6 *CIVILIAN RESERVE CORPS*

7 *SEC. 1712. Of the funds appropriated by this Act*  
8 *under the headings “DIPLOMATIC AND CONSULAR PRO-*  
9 *GRAMS” and “ECONOMIC SUPPORT FUND” (except for the*  
10 *Community Action Program), up to \$50,000,000 may be*  
11 *made available to support and maintain a civilian reserve*  
12 *corps. Funds made available under this section shall be sub-*  
13 *ject to the regular notification procedures of the Committees*  
14 *on Appropriations.*

15 *TITLE II*  
16 *KATRINA RECOVERY, VETERANS’ CARE AND FOR*  
17 *OTHER PURPOSES*

18 *CHAPTER 1*  
19 *GENERAL PROVISION—THIS CHAPTER*

20 *EMERGENCY FORESTRY CONSERVATION RESERVE PROGRAM*  
21 *SEC. 2101. Section 1231(k)(2) of the Food Security Act*  
22 *of 1985 (16 U.S.C. 3831(k)(2)) is amended by striking*  
23 *“During calendar year 2006, the” and inserting “The”.*

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*CHAPTER 2*

*DEPARTMENT OF JUSTICE*

*OFFICE OF JUSTICE PROGRAMS*

*STATE AND LOCAL LAW ENFORCEMENT ASSISTANCE*

*For an additional amount for “State and Local Law Enforcement Assistance”, for discretionary grants authorized by subpart 2 of part E, of title I of the Omnibus Crime Control and Safe Streets Act of 1968, notwithstanding the provisions of section 511 of said Act, \$170,000,000, to remain available until September 30, 2008: Provided, That of the amount made available under this heading, \$70,000,000 shall be for local law enforcement initiatives in the gulf coast region related to the aftermath of Hurricanes Katrina and Rita, of which no less than \$55,000,000 shall be for the State of Louisiana: Provided further, That of the amount made available under this heading, \$100,000,000 shall be for reimbursing State and local law enforcement entities for security and related costs, including overtime, associated with the 2008 Presidential Candidate Nominating Conventions, of which \$50,000,000 shall be for the city of Denver, Colorado and \$50,000,000 shall be for the city of St. Paul, Minnesota: Provided further, That the Department of Justice shall report to the Committees on Appropriations of the House and the Senate on a quarterly*



1 *basis on the expenditure of the funds provided in the pre-*  
2 *vious proviso.*

3 *DEPARTMENT OF COMMERCE*

4 *NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION*  
5 *OPERATIONS, RESEARCH, AND FACILITIES*

6 *For an additional amount for “Operations, Research,*  
7 *and Facilities”, for necessary expenses related to fisheries*  
8 *disasters, \$165,900,000, to remain available until Sep-*  
9 *tember 30, 2008: Provided, That of the amount provided*  
10 *under this heading, the National Marine Fisheries Service*  
11 *shall cause \$60,400,000 to be distributed among eligible re-*  
12 *cipients of assistance for the commercial fishery failure des-*  
13 *ignated under section 312(a) of the Magnuson-Stevens Fish-*  
14 *ery Conservation and Management Act (16 U.S.C.*  
15 *1861a(a)) and declared by the Secretary of Commerce on*  
16 *August 10, 2006: Provided further, That of the amount pro-*  
17 *vided under this heading, \$105,500,000 shall be for nec-*  
18 *essary expenses related to the consequences of Hurricanes*  
19 *Katrina and Rita on shrimp and fishing industries.*

20 *PROCUREMENT, ACQUISITION, AND CONSTRUCTION*

21 *For an additional amount for “Procurement, Acquisi-*  
22 *tion and Construction”, for necessary expenses related to*  
23 *disaster response and preparedness of the Gulf of Mexico*  
24 *coast, \$6,000,000, to remain available until September 30,*  
25 *2008.*

1 *FISHERIES DISASTER MITIGATION FUND*

2 *For an additional amount for a “Fisheries Disaster*  
3 *Mitigation Fund”, \$50,000,000, to remain available until*  
4 *expended for use in mitigating the effects of commercial*  
5 *fisheries failures and fishery resource disasters as deter-*  
6 *mined under the Magnuson Stevens Act (16 U.S.C. 1801*  
7 *et seq.) or the Interjurisdictional Fisheries Act (16 U.S.C.*  
8 *4101 et seq.): Provided, That the Secretary of Commerce*  
9 *shall obligate funds provided under this heading according*  
10 *to the Magnuson Stevens Conservation Act, as amended, the*  
11 *Interjurisdictional Fisheries Act, as amended, or other Acts*  
12 *as the Secretary determines to be appropriate.*

13 *GENERAL PROVISION—THIS CHAPTER*

14 *SEC. 2201. Up to \$48,000,000 of amounts made avail-*  
15 *able to the National Aeronautics and Space Administration*  
16 *in Public Law 109–148 and Public Law 109–234 for emer-*  
17 *gency hurricane and other natural disaster-related expenses*  
18 *may be used to reimburse hurricane-related costs incurred*  
19 *by NASA in fiscal year 2005.*

1                                   CHAPTER 3  
2                   DEPARTMENT OF DEFENSE—CIVIL  
3                   DEPARTMENT OF THE ARMY  
4                   CORPS OF ENGINEERS—CIVIL  
5                   CONSTRUCTION

6           *For an additional amount for “Construction” for nec-*  
7 *essary expenses related to the consequences of Hurricane*  
8 *Katrina and other hurricanes of the 2005 season,*  
9 *\$150,000,000, to remain available until expended, which*  
10 *may be used to continue construction of projects related to*  
11 *interior drainage for the greater New Orleans metropolitan*  
12 *area.*

13                                   OPERATION AND MAINTENANCE

14           *For an additional amount for “Operation and Mainte-*  
15 *nance” to dredge navigation channels related to the con-*  
16 *sequences of Hurricane Katrina and other hurricanes of the*  
17 *2005 season, \$3,000,000, to remain available until ex-*  
18 *pended.*

19                                   FLOOD CONTROL AND COASTAL EMERGENCIES

20           *For an additional amount for “Flood Control and*  
21 *Coastal Emergencies”, as authorized by section 5 of the Act*  
22 *of August 18, 1941 (33 U.S.C. 701n), for necessary expenses*  
23 *relating to the consequences of Hurricanes Katrina and*  
24 *Rita and for other purposes, \$1,557,700,000, to remain*  
25 *available until expended: Provided, That \$1,300,000,000 of*  
26 *the amount provided may be used by the Secretary of the*

1 *Army to carry out projects and measures to provide the*  
2 *level of protection necessary to achieve the certification re-*  
3 *quired for the 100-year level of flood protection in accord-*  
4 *ance with the national flood insurance program under the*  
5 *base flood elevations in existence at the time of construction*  
6 *of the enhancements for the West Bank and Vicinity and*  
7 *Lake Ponchartrain and Vicinity, Louisiana, projects, as de-*  
8 *scribed under the heading “Flood Control and Coastal*  
9 *Emergencies”, in chapter 3 of Public Law 109–148: Pro-*  
10 *vided further, That \$150,000,000 of the amount provided*  
11 *may be used to support emergency operations, repairs and*  
12 *other activities in response to flood, drought and earthquake*  
13 *emergencies as authorized by law: Provided further, That*  
14 *\$107,700,000 of the amount provided may be used to imple-*  
15 *ment the projects for hurricane storm damage reduction,*  
16 *flood damage reduction, and ecosystem restoration within*  
17 *Hancock, Harrison, and Jackson Counties, Mississippi sub-*  
18 *stantially in accordance with the Report of the Chief of En-*  
19 *gineers dated December 31, 2006, and entitled “Mississippi,*  
20 *Coastal Improvements Program Interim Report, Hancock,*  
21 *Harrison, and Jackson Counties, Mississippi”: Provided*  
22 *further, That projects authorized for implementation under*  
23 *this Chief’s report shall be carried out at full Federal ex-*  
24 *pense, except that the non-Federal interests shall be respon-*  
25 *sible for providing any lands, easements, rights-of-way, dis-*

1 *posal areas, and relocations required for construction of the*  
2 *project and for all costs associated with operation and*  
3 *maintenance of the project: Provided further, That any*  
4 *project using funds appropriated under this heading shall*  
5 *be initiated only after non-Federal interests have entered*  
6 *into binding agreements with the Secretary requiring the*  
7 *non-Federal interests to pay 100 percent of the operation,*  
8 *maintenance, repair, replacement, and rehabilitation costs*  
9 *of the project and to hold and save the United States free*  
10 *from damages due to the construction or operation and*  
11 *maintenance of the project, except for damages due to the*  
12 *fault or negligence of the United States or its contractors.*

13 *DEPARTMENT OF INTERIOR*

14 *BUREAU OF RECLAMATION*

15 *WATER AND RELATED RESOURCES*

16 *For an additional amount for “Water and Related Re-*  
17 *sources”, \$18,000,000, to remain available until expended*  
18 *for drought assistance: Provided, That drought assistance*  
19 *may be provided under the Reclamation States Drought*  
20 *Emergency Act or other applicable Reclamation authorities*  
21 *to assist drought plagued areas of the West.*

22 *GENERAL PROVISIONS—THIS CHAPTER*

23 *SEC. 2301. The Secretary is authorized and directed*  
24 *to reimburse local governments for expenses they have in-*  
25 *curred in storm-proofing pumping stations, constructing*

1 *safe houses for operators, and other interim flood control*  
2 *measures in and around the New Orleans metropolitan*  
3 *area, provided the Secretary determines those elements of*  
4 *work and related expenses to be integral to the overall plan*  
5 *to ensure operability of the stations during hurricanes,*  
6 *storms and high water events and the flood control plan*  
7 *for the area.*

8       *SEC. 2302. The limitation concerning total project*  
9 *costs in section 902 of the Water Resources Development*  
10 *Act of 1986, as amended (33 U.S.C. 2280), shall not apply*  
11 *during fiscal year 2008 to any water resources project for*  
12 *which funds were made available during fiscal year 2007.*

13       *SEC. 2303. (a) The Secretary of the Army is author-*  
14 *ized and directed to utilize funds remaining available for*  
15 *obligation from the amounts appropriated in chapter 3 of*  
16 *Public Law 109–234 under the heading “Flood Control and*  
17 *Coastal Emergencies” for projects in the greater New Orle-*  
18 *ans metropolitan area to prosecute these projects in a man-*  
19 *ner which promotes the goal of continuing work at an opti-*  
20 *mal pace, while maximizing, to the greatest extent prac-*  
21 *ticable, levels of protection to reduce the risk of storm dam-*  
22 *age to people and property.*

23       *(b) The expenditure of funds as provided in subsection*  
24 *(a) may be made without regard to individual amounts or*  
25 *purposes specified in chapter 3 of Public Law 109–234.*

1       (c) Any reallocation of funds that are necessary to ac-  
2       complish the goal established in subsection (a) are author-  
3       ized. Reallocation of funds in excess of \$250,000,000 or 50  
4       percent, whichever is less, of the individual amounts speci-  
5       fied in chapter 3 of Public Law 109–234 require notifica-  
6       tions of the House and Senate Committees on Appropria-  
7       tion.

8       SEC. 2304. The Chief of Engineers shall investigate the  
9       overall technical advantages, disadvantages and operational  
10      effectiveness of operating the new pumping stations at the  
11      mouths of the 17th Street, Orleans Avenue and London Ave-  
12      nue canals in the New Orleans area directed for construc-  
13      tion in Public Law 109–234 concurrently or in series with  
14      existing pumping stations serving these canals and the ad-  
15      vantages, disadvantages and technical operational effective-  
16      ness of removing the existing pumping stations and config-  
17      uring the new pumping stations and associated canals to  
18      handle all needed discharges; and the advantages, disadvan-  
19      tages and technical operational effectiveness of replacing or  
20      improving the floodwalls and levees adjacent to the three  
21      outfall canals: Provided, That the analysis should be con-  
22      ducted at Federal expense: Provided further, That the anal-  
23      ysis shall be completed and furnished to the Congress not  
24      later than three months after enactment of this Act.

1        *SEC. 2305. Using funds made available in Chapter 3*  
2 *under title II of Public Law 109–234 (120 Stat. 453), under*  
3 *the heading “Investigations”, the Secretary of the Army, in*  
4 *consultation with other agencies and the State of Louisiana*  
5 *shall accelerate completion as practicable the final report*  
6 *of the Chief of Engineers recommending a comprehensive*  
7 *plan to deauthorize deep draft navigation on the Mis-*  
8 *issippi River Gulf Outlet: Provided, That the plan shall*  
9 *incorporate and build upon the Interim Mississippi River*  
10 *Gulf Outlet Deep-Draft De-Authorization Report submitted*  
11 *to Congress in December 2006 pursuant to Public Law 109–*  
12 *234.*

13        *SEC. 2306. (a) Section 111 of Public Law 108–137*  
14 *(117 Stat. 1835) is amended by—*

15                *(1) adding the following language at the end of*  
16 *subsection (a):*

17        *“Such activities also may include the provision of fi-*  
18 *nancial assistance to facilitate the buy-out of properties lo-*  
19 *cated in areas identified by the State of Oklahoma as areas*  
20 *that are or will be at risk of damage caused by land subsid-*  
21 *ence and other necessary and closely associated properties*  
22 *otherwise identified by the State of Oklahoma; however, any*  
23 *buyout of such properties shall not be considered to be part*  
24 *of a Federally assisted program or project for purposes of*



1 42 U.S.C. 4601 et. seq., consistent with section 2301 of Pub-  
 2 lic Law 109–234 (120 Stat. 455–456).”; and

3 (2) striking the first sentence of subsection (d)  
 4 and inserting the following language in lieu thereof:  
 5 “(d) Non-Federal interests shall be responsible for op-  
 6 erating and maintaining any restoration alternatives con-  
 7 structed or carried out pursuant to this section.”.

#### 8 CHAPTER 4

#### 9 SMALL BUSINESS ADMINISTRATION

#### 10 DISASTER LOANS PROGRAM ACCOUNT

#### 11 (INCLUDING TRANSFER OF FUNDS)

12 For an additional amount for “Disaster Loans Pro-  
 13 gram Account” for administrative expenses to carry out the  
 14 disaster loan program, \$25,069,000, to remain available  
 15 until expended, which may be transferred to and merged  
 16 with “Small Business Administration, Salaries and Ex-  
 17 penses”.

#### 18 GENERAL PROVISIONS—THIS CHAPTER

19 SEC. 2401. ECONOMIC INJURY DISASTER LOANS. (a)  
 20 DEFINITIONS.—In this section—

21 (1) the term “Administrator” means the Admin-  
 22 istrator of the Small Business Administration;

23 (2) the term “covered small business concern”  
 24 means a small business concern—

1           (A) that is located in any area in Lou-  
2           isiana or Mississippi for which the President de-  
3           clared a major disaster because of Hurricane  
4           Katrina of 2005 or Hurricane Rita of 2005;

5           (B) that has not more than 50 full-time em-  
6           ployees; and

7           (C) that—

8                 (i)(I) suffered a substantial economic  
9                 injury as a result of Hurricane Katrina of  
10                2005 or Hurricane Rita of 2005, because of  
11                a reduction in travel or tourism to the area  
12                described in subparagraph (A); and

13               (ii) demonstrates that, during the 1-  
14                year period ending on August 28, 2005, not  
15                less than 45 percent of the revenue of that  
16                small business concern resulted from tour-  
17                ism or travel related sales; or

18               (iii)(I) suffered a substantial economic  
19                injury as a result of Hurricane Katrina of  
20                2005 or Hurricane Rita of 2005; and

21               (ii) operates in a parish or county for  
22                which the population on the date of enact-  
23                ment of this Act, as determined by the Ad-  
24                ministrator, is not greater than 75 percent  
25                of the population of that parish or county

1           *before August 28, 2005, based on the most*  
2           *recent United States population estimate*  
3           *available before August 28, 2005;*

4           (3) *the term “major disaster” has the meaning*  
5           *given that term in section 102 of the Robert T. Staf-*  
6           *ford Disaster Relief and Emergency Assistance Act*  
7           *(42 U.S.C. 5122); and*

8           (4) *the term “small business concern” has the*  
9           *meaning given that term in section 3 of the Small*  
10          *Business Act (15 U.S.C. 632).*

11         (b) *APPROPRIATION.—*

12           (1) *IN GENERAL.—There are appropriated, out*  
13           *of any money in the Treasury not otherwise appro-*  
14           *priated, \$25,000,000 to the Administrator, which, ex-*  
15           *cept as provided in paragraph (2) or (3), shall be*  
16           *used for loans under section 7(b)(2) of the Small*  
17           *Business Act (15 U.S.C. 636(b)(2)) to covered small*  
18           *business concerns.*

19           (2) *ADMINISTRATIVE EXPENSES.—Of the*  
20           *amounts made available under paragraph (1), not*  
21           *more than \$8,750,000 may be transferred to and*  
22           *merged with “Salaries and Expenses” to carry out*  
23           *the disaster loan program of the Small Business Ad-*  
24           *ministration.*

1           (3) *OTHER USES OF FUNDS.*—*The Administrator*  
2           *may use amounts made available under paragraph*  
3           *(1) for other purposes authorized for amounts in the*  
4           *“Disaster Loans Program Account” or transfer such*  
5           *amounts to and merge such amounts with “Salaries*  
6           *and Expenses”, if—*

7                   (A) *such amounts are—*

8                           (i) *not obligated on the later of 5*  
9                           *months after the date of enactment of this*  
10                           *Act and August 29, 2007; or*

11                           (ii) *necessary to provide assistance in*  
12                           *the event of a major disaster; and*

13                   (B) *not later than 5 days before any such*  
14                   *use or transfer of amounts, the Administrator*  
15                   *provides written notification of such use or*  
16                   *transfer to the Committee on Appropriations of*  
17                   *the Senate and the Committee on Appropriations*  
18                   *of the House of Representatives.*

19           *SEC. 2402. OTHER PROGRAMS. (a) HUBZONES.*—*Sec-*  
20           *tion 3(p) of the Small Business Act (15 U.S.C. 632(p)) is*  
21           *amended—*

22                   (1) *in paragraph (1)—*

23                           (A) *in subparagraph (D), by striking “or”;*

24                           (B) *in subparagraph (E), by striking the*  
25                           *period at the end and inserting “; or”; and*

1                   (C) by adding at the end the following:

2                   “(F) an area in which the President has de-  
3                   clared a major disaster (as that term is defined  
4                   in section 102 of the Robert T. Stafford Disaster  
5                   Relief and Emergency Assistance Act (42 U.S.C.  
6                   5122)) as a result of Hurricane Katrina of Au-  
7                   gust 2005 or Hurricane Rita of September 2005,  
8                   during the time period described in paragraph  
9                   (8).”; and

10                  (2) by adding at the end the following:

11                  “(8) *TIME PERIOD.*—The time period for the  
12                  purposes of paragraph (1)(F)—

13                         “(A) shall be the 2-year period beginning on  
14                         the later of the date of enactment of this para-  
15                         graph and August 29, 2007; and

16                         “(B) may, at the discretion of the Adminis-  
17                         trator, be extended to be the 3-year period begin-  
18                         ning on the later of the date of enactment of this  
19                         paragraph and August 29, 2007.”.

20                  (b) *TERMINATION OF PROGRAM.*—Section 711(c) of the  
21                  Small Business Competitive Demonstration Program Act of  
22                  1988 (15 U.S.C. 644 note) is amended by inserting after  
23                  “January 1, 1989” the following: “, and shall terminate  
24                  on the date of enactment of the U.S. Troop Readiness, Vet-

1 *erans' Care, Katrina Recovery, and Iraq Accountability*  
2 *Appropriations Act, 2007*".

3 *SEC. 2403. RESERVIST PROGRAMS. (a) DEFINI-*  
4 *TIONS.—In this section—*

5 *(1) the term “activated” means receiving an*  
6 *order placing a Reservist on active duty;*

7 *(2) the term “active duty” has the meaning*  
8 *given that term in section 101 of title 10, United*  
9 *States Code;*

10 *(3) the terms “Administration” and “Adminis-*  
11 *trator” mean the Small Business Administration and*  
12 *the Administrator thereof, respectively;*

13 *(4) the term “Reservist” means a member of a*  
14 *reserve component of the Armed Forces, as described*  
15 *in section 10101 of title 10, United States Code;*

16 *(5) the term “Service Corps of Retired Execu-*  
17 *tives” means the Service Corps of Retired Executives*  
18 *authorized by section 8(b)(1) of the Small Business*  
19 *Act (15 U.S.C. 637(b)(1));*

20 *(6) the term “small business concern” has the*  
21 *meaning given that term in section 3 of the Small*  
22 *Business Act (15 U.S.C. 632);*

23 *(7) the term “small business development center”*  
24 *means a small business development center described*

1        *in section 21 of the Small Business Act (15 U.S.C.*  
2        *648); and*

3                *(8) the term “women’s business center” means a*  
4        *women’s business center described in section 29 of the*  
5        *Small Business Act (15 U.S.C. 656).*

6        *(b) APPLICATION PERIOD.—Section 7(b)(3)(C) of the*  
7        *Small Business Act (15 U.S.C. 636(b)(3)(C)) is amended*  
8        *by striking “90 days” and inserting “1 year”.*

9        *(c) PRE-CONSIDERATION PROCESS.—*

10                *(1) DEFINITION.—In this subsection, the term*  
11        *“eligible Reservist” means a Reservist who—*

12                        *(A) has not been ordered to active duty;*

13                        *(B) expects to be ordered to active duty dur-*  
14        *ing a period of military conflict; and*

15                        *(C) can reasonably demonstrate that the*  
16        *small business concern for which that Reservist*  
17        *is a key employee will suffer economic injury in*  
18        *the absence of that Reservist.*

19                *(2) ESTABLISHMENT.—Not later than 6 months*  
20        *after the date of enactment of this Act, the Adminis-*  
21        *trator shall establish a pre-consideration process,*  
22        *under which the Administrator—*

23                        *(A) may collect all relevant materials nec-*  
24        *essary for processing a loan to a small business*  
25        *concern under section 7(b)(3) of the Small Busi-*

1           *ness Act (15 U.S.C. 636(b)(3)) before an eligible*  
2           *Reservist employed by that small business con-*  
3           *cern is activated; and*

4                     *(B) shall distribute funds for any loan ap-*  
5           *proved under subparagraph (A) if that eligible*  
6           *Reservist is activated.*

7           *(d) OUTREACH AND TECHNICAL ASSISTANCE PRO-*  
8           *GRAM.—*

9                     *(1) IN GENERAL.—Not later than 6 months after*  
10          *the date of enactment of this Act, the Administrator,*  
11          *in consultation with the Secretary of Veterans Affairs*  
12          *and the Secretary of Defense, shall develop a com-*  
13          *prehensive outreach and technical assistance program*  
14          *(in this subsection referred to as the “program”) to—*

15                     *(A) market the loans available under section*  
16                     *7(b)(3) of the Small Business Act (15 U.S.C.*  
17                     *636(b)(3)) to Reservists, and family members of*  
18                     *Reservists, that are on active duty and that are*  
19                     *not on active duty; and*

20                     *(B) provide technical assistance to a small*  
21                     *business concern applying for a loan under that*  
22                     *section.*

23                     *(2) COMPONENTS.—The program shall—*

24                     *(A) incorporate appropriate websites main-*  
25                     *tained by the Administration, the Department of*



1           *Veterans Affairs, and the Department of Defense;*  
2           *and*

3           *(B) require that information on the pro-*  
4           *gram is made available to small business con-*  
5           *cerns directly through—*

6                     *(i) the district offices and resource*  
7                     *partners of the Administration, including*  
8                     *small business development centers, women’s*  
9                     *business centers, and the Service Corps of*  
10                    *Retired Executives; and*

11                    *(ii) other Federal agencies, including*  
12                    *the Department of Veterans Affairs and the*  
13                    *Department of Defense.*

14           *(3) REPORT.—*

15                    *(A) IN GENERAL.—Not later than 6 months*  
16                    *after the date of enactment of this Act, and every*  
17                    *6 months thereafter until the date that is 30*  
18                    *months after such date of enactment, the Admin-*  
19                    *istrator shall submit to Congress a report on the*  
20                    *status of the program.*

21                    *(B) CONTENTS.—Each report submitted*  
22                    *under subparagraph (A) shall include—*

23                             *(i) for the 6-month period ending on*  
24                             *the date of that report—*

1                   (I) the number of loans approved  
2                   under section 7(b)(3) of the Small  
3                   Business Act (15 U.S.C. 636(b)(3));

4                   (II) the number of loans disbursed  
5                   under that section; and

6                   (III) the total amount disbursed  
7                   under that section; and

8                   (ii) recommendations, if any, to make  
9                   the program more effective in serving small  
10                  business concerns that employ Reservists.

11                   CHAPTER 5

12                  DEPARTMENT OF HOMELAND SECURITY

13                  FEDERAL EMERGENCY MANAGEMENT AGENCY

14                  DISASTER RELIEF

15                  For an additional amount for “Disaster Relief” for  
16                  necessary expenses under the Robert T. Stafford Disaster  
17                  Relief and Emergency Assistance Act (42 U.S.C. 5121 et  
18                  seq.), \$4,310,000,000, to remain available until expended.

19                  GENERAL PROVISIONS—THIS CHAPTER

20                  SEC. 2501. (a) IN GENERAL.—Notwithstanding any  
21                  other provision of law, including any agreement, the Fed-  
22                  eral share of assistance, including direct Federal assistance,  
23                  provided for the States of Louisiana, Mississippi, Alabama,  
24                  and Texas in connection with Hurricanes Katrina and  
25                  Rita under sections 403, 406, 407, and 408 of the Robert

1 *T. Stafford Disaster Relief and Emergency Assistance Act*  
2 *(42 U.S.C. 5170b, 5172, 5173, and 5174) shall be 100 per-*  
3 *cent of the eligible costs under such sections.*

4 *(b) APPLICABILITY.—*

5 *(1) IN GENERAL.—Subject to paragraph (2), the*  
6 *Federal share provided by subsection (a) shall apply*  
7 *to disaster assistance applied for before the date of en-*  
8 *actment of this Act.*

9 *(2) LIMITATION.—In the case of disaster assist-*  
10 *ance provided under sections 403, 406, and 407 of the*  
11 *Robert T. Stafford Disaster Relief and Emergency As-*  
12 *sistance Act, the Federal share provided by subsection*  
13 *(a) shall be limited to assistance provided for projects*  
14 *for which applications have been prepared for the*  
15 *Federal Emergency Management Agency before the*  
16 *date of enactment of this Act.*

17 *SEC. 2502. (a) Section 2(a) of the Community Disaster*  
18 *Loan Act of 2005 (Public Law 109–88; 119 Stat. 2061) is*  
19 *amended by striking “: Provided further, That notwith-*  
20 *standing section 417(c)(1) of the Stafford Act, such loans*  
21 *may not be canceled”.*

22 *(b) Chapter 4 of title II of the Emergency Supple-*  
23 *mental Appropriations Act for Defense, the Global War on*  
24 *Terror, and Hurricane Recovery, 2006 (Public Law 109–*  
25 *234; 120 Stat. 471) is amended under the heading “Disaster*

1 *Assistance Direct Loan Program Account” under the head-*  
2 *ing “Federal Emergency Management Agency” under the*  
3 *heading “Department of Homeland Security”, by striking*  
4 *“Provided further, That notwithstanding section 417(c)(1)*  
5 *of such Act, such loans may not be canceled:”.*

6 *SEC. 2503. Section 2401 of the Emergency Supple-*  
7 *mental Appropriations Act for Defense, the Global War on*  
8 *Terror, and Hurricane Recovery, 2006 (Public Law 109–*  
9 *234; 120 Stat. 460) is amended by striking “12 months”*  
10 *and inserting “24 months”.*

## 11 *CHAPTER 6*

### 12 *DEPARTMENT OF THE INTERIOR*

#### 13 *BUREAU OF LAND MANAGEMENT*

#### 14 *WILDLAND FIRE MANAGEMENT*

#### 15 *(INCLUDING TRANSFER OF FUNDS)*

16 *For an additional amount for “Wildland Fire Man-*  
17 *agement”, \$100,000,000, to remain available until ex-*  
18 *pendent, for urgent wildland fire suppression activities: Pro-*  
19 *vided, That such funds shall only become available if funds*  
20 *previously provided for wildland fire suppression will be*  
21 *exhausted imminently and the Secretary of the Interior no-*  
22 *tifies the House and Senate Committees on Appropriations*  
23 *in writing of the need for these additional funds: Provided*  
24 *further, That such funds are also available for repayment*  
25 *to other appropriations accounts from which funds were*  
26 *transferred for wildfire suppression.*

1 *UNITED STATES FISH AND WILDLIFE SERVICE*2 *RESOURCE MANAGEMENT*

3 *For an additional amount for “Resource Manage-*  
4 *ment” for the detection of highly pathogenic avian influenza*  
5 *in wild birds, including the investigation of morbidity and*  
6 *mortality events, targeted surveillance in live wild birds,*  
7 *and targeted surveillance in hunter-taken birds, \$7,398,000,*  
8 *to remain available until September 30, 2008.*

9 *NATIONAL PARK SERVICE*10 *OPERATION OF THE NATIONAL PARK SYSTEM*

11 *For an additional amount for “Operation of the Na-*  
12 *tional Park System” for the detection of highly pathogenic*  
13 *avian influenza in wild birds, including the investigation*  
14 *of morbidity and mortality events, \$525,000, to remain*  
15 *available until September 30, 2008.*

16 *HISTORIC PRESERVATION FUND*

17 *For an additional amount for the “Historic Preserva-*  
18 *tion Fund” for necessary expenses related to the con-*  
19 *sequences of Hurricane Katrina and other hurricanes of the*  
20 *2005 season, \$15,000,000, to remain available until Sep-*  
21 *tember 30, 2008: Provided, That the funds provided under*  
22 *this heading shall be provided to the State Historic Preser-*  
23 *vation Officer, after consultation with the National Park*  
24 *Service, for grants for disaster relief in areas of Louisiana*  
25 *impacted by Hurricanes Katrina or Rita: Provided further,*  
26 *That grants shall be for the preservation, stabilization, re-*

1 *habilitation, and repair of historic properties listed in or*  
2 *eligible for the National Register of Historic Places, for*  
3 *planning and technical assistance: Provided further, That*  
4 *grants shall only be available for areas that the President*  
5 *determines to be a major disaster under section 102(2) of*  
6 *the Robert T. Stafford Disaster Relief and Emergency As-*  
7 *sistance Act (42 U.S.C. 5122(2)) due to Hurricanes*  
8 *Katrina or Rita: Provided further, That individual grants*  
9 *shall not be subject to a non-Federal matching requirement:*  
10 *Provided further, That no more than 5 percent of funds pro-*  
11 *vided under this heading for disaster relief grants may be*  
12 *used for administrative expenses.*

13 *UNITED STATES GEOLOGICAL SURVEY*

14 *SURVEYS, INVESTIGATIONS, AND RESEARCH*

15 *For an additional amount for “Surveys, Investiga-*  
16 *tions, and Research” for the detection of highly pathogenic*  
17 *avian influenza in wild birds, including the investigation*  
18 *of morbidity and mortality events, targeted surveillance in*  
19 *live wild birds, and targeted surveillance in hunter-taken*  
20 *birds, \$5,270,000, to remain available until September 30,*  
21 *2008.*

1                    *DEPARTMENT OF AGRICULTURE*2                                    *FOREST SERVICE*3    *NATIONAL FOREST SYSTEM*

4            *For an additional amount for “National Forest Sys-*  
5 *tem” for the implementation of a nationwide initiative to*  
6 *increase protection of national forest lands from foreign*  
7 *drug-trafficking organizations, including funding for addi-*  
8 *tional law enforcement personnel, training, equipment and*  
9 *cooperative agreements, \$12,000,000, to remain available*  
10 *until expended.*

11    *WILDLAND FIRE MANAGEMENT*12    *(INCLUDING TRANSFER OF FUNDS)*

13            *For an additional amount for “Wildland Fire Man-*  
14 *agement”, \$400,000,000, to remain available until ex-*  
15 *pended, for urgent wildland fire suppression activities: Pro-*  
16 *vided, That such funds shall only become available if funds*  
17 *provided previously for wildland fire suppression will be*  
18 *exhausted imminently and the Secretary of Agriculture no-*  
19 *tifies the House and Senate Committees on Appropriations*  
20 *in writing of the need for these additional funds: Provided*  
21 *further, That such funds are also available for repayment*  
22 *to other appropriation accounts from which funds were*  
23 *transferred for wildfire suppression.*

24    *GENERAL PROVISIONS—THIS CHAPTER*

25            *SEC. 2601. SECURE RURAL SCHOOLS AND COMMUNITY*  
26 *SELF-DETERMINATION PROGRAM. (a) REAUTHORIZATION*

1 *OF THE SECURE RURAL SCHOOLS AND COMMUNITY SELF-*  
2 *DETERMINATION ACT OF 2000.—The Secure Rural Schools*  
3 *and Community Self-Determination Act of 2000 (16 U.S.C.*  
4 *500 note; Public Law 106–393) is amended by striking sec-*  
5 *tions 1 through 403 and inserting the following:*

6 **“SECTION 1. SHORT TITLE.**

7 *“This Act may be cited as the ‘Secure Rural Schools*  
8 *and Community Self-Determination Act of 2000’.*

9 **“SEC. 2. PURPOSES.**

10 *“The purposes of this Act are—*

11 *“(1) to stabilize and transition payments to*  
12 *counties to provide funding for schools and roads that*  
13 *supplements other available funds;*

14 *“(2) to make additional investments in, and cre-*  
15 *ate additional employment opportunities through,*  
16 *projects that—*

17 *“(A)(i) improve the maintenance of existing*  
18 *infrastructure;*

19 *“(ii) implement stewardship objectives that*  
20 *enhance forest ecosystems; and*

21 *“(iii) restore and improve land health and*  
22 *water quality;*

23 *“(B) enjoy broad-based support; and*

24 *“(C) have objectives that may include—*



1                   “(i) road, trail, and infrastructure  
2 maintenance or obliteration;

3                   “(ii) soil productivity improvement;

4                   “(iii) improvements in forest ecosystem  
5 health;

6                   “(iv) watershed restoration and main-  
7 tenance;

8                   “(v) the restoration, maintenance, and  
9 improvement of wildlife and fish habitat;

10                   “(vi) the control of noxious and exotic  
11 weeds; and

12                   “(vii) the reestablishment of native spe-  
13 cies; and

14                   “(3) to improve cooperative relationships  
15 among—

16                   “(A) the people that use and care for Fed-  
17 eral land; and

18                   “(B) the agencies that manage the Federal  
19 land.

20 **“SEC. 3. DEFINITIONS.**

21                   *“In this Act:*

22                   “(1) *ADJUSTED SHARE.*—The term ‘adjusted  
23 share’ means the number equal to the quotient ob-  
24 tained by dividing—

1           “(A) the number equal to the quotient ob-  
2           tained by dividing—

3                   “(i) the base share for the eligible coun-  
4                   ty; by

5                   “(ii) the income adjustment for the eli-  
6                   gible county; by

7           “(B) the number equal to the sum of the  
8           quotients obtained under subparagraph (A) and  
9           paragraph (8)(A) for all eligible counties.

10           “(2) *BASE SHARE*.—The term ‘base share’ means  
11           the number equal to the average of—

12                   “(A) the quotient obtained by dividing—

13                           “(i) the number of acres of Federal  
14                           land described in paragraph (7)(A) in each  
15                           eligible county; by

16                           “(ii) the total number acres of Federal  
17                           land in all eligible counties in all eligible  
18                           States; and

19                   “(B) the quotient obtained by dividing—

20                           “(i) the amount equal to the average of  
21                           the 3 highest 25-percent payments and safe-  
22                           ty net payments made to each eligible State  
23                           for each eligible county during the eligi-  
24                           bility period; by

1                   “(i) the amount equal to the sum of  
2                   the averages calculated under clause (i) and  
3                   paragraph (9)(B)(i) for all eligible counties  
4                   in all eligible States during the eligibility  
5                   period.

6                   “(3) COUNTY PAYMENT.—The term ‘county pay-  
7                   ment’ means the payment for an eligible county cal-  
8                   culated under section 101(b).

9                   “(4) ELIGIBLE COUNTY.—The term ‘eligible  
10                  county’ means any county that—

11                   “(A) contains Federal land (as defined in  
12                   paragraph (7)); and

13                   “(B) elects to receive a share of the State  
14                   payment or the county payment under section  
15                   102(b).

16                   “(5) ELIGIBILITY PERIOD.—The term ‘eligibility  
17                   period’ means fiscal year 1986 through fiscal year  
18                   1999.

19                   “(6) ELIGIBLE STATE.—The term ‘eligible State’  
20                   means a State or territory of the United States that  
21                   received a 25-percent payment for 1 or more fiscal  
22                   years of the eligibility period.

23                   “(7) FEDERAL LAND.—The term ‘Federal land’  
24                   means—

1           “(A) *land within the National Forest Sys-*  
2           *tem, as defined in section 11(a) of the Forest and*  
3           *Rangeland Renewable Resources Planning Act of*  
4           *1974 (16 U.S.C. 1609(a)) exclusive of the Na-*  
5           *tional Grasslands and land utilization projects*  
6           *designated as National Grasslands administered*  
7           *pursuant to the Act of July 22, 1937 (7 U.S.C.*  
8           *1010–1012); and*

9           “(B) *such portions of the revested Oregon*  
10           *and California Railroad and reconveyed Coos*  
11           *Bay Wagon Road grant land as are or may*  
12           *hereafter come under the jurisdiction of the De-*  
13           *partment of the Interior, which have heretofore*  
14           *or may hereafter be classified as timberlands,*  
15           *and power-site land valuable for timber, that*  
16           *shall be managed, except as provided in the*  
17           *former section 3 of the Act of August 28, 1937*  
18           *(50 Stat. 875; 43 U.S.C. 1181c), for permanent*  
19           *forest production.*

20           “(8) *50-PERCENT ADJUSTED SHARE.—The term*  
21           *‘50-percent adjusted share’ means the number equal to*  
22           *the quotient obtained by dividing—*

23                   “(A) *the number equal to the quotient ob-*  
24                   *tained by dividing—*

1                   “(i) the 50-percent base share for the  
2                   eligible county; by

3                   “(ii) the income adjustment for the eli-  
4                   gible county; by

5                   “(B) the number equal to the sum of the  
6                   quotients obtained under subparagraph (A) and  
7                   paragraph (1)(A) for all eligible counties.

8                   “(9) 50-PERCENT BASE SHARE.—The term ‘50-  
9                   percent base share’ means the number equal to the av-  
10                  erage of—

11                  “(A) the quotient obtained by dividing—

12                   “(i) the number of acres of Federal  
13                   land described in paragraph (7)(B) in each  
14                   eligible county; by

15                   “(ii) the total number acres of Federal  
16                   land in all eligible counties in all eligible  
17                   States; and

18                  “(B) the quotient obtained by dividing—

19                   “(i) the amount equal to the average of  
20                   the 3 highest 50-percent payments made to  
21                   each eligible county during the eligibility  
22                   period; by

23                   “(ii) the amount equal to the sum of  
24                   the averages calculated under clause (i) and  
25                   paragraph (2)(B)(i) for all eligible counties

1           *in all eligible States during the eligibility*  
2           *period.*

3           “(10) *50-PERCENT PAYMENT.*—*The term ‘50-per-*  
4           *cent payment’ means the payment that is the sum of*  
5           *the 50-percent share otherwise paid to a county pur-*  
6           *suant to title II of the Act of August 28, 1937 (chap-*  
7           *ter 876; 50 Stat. 875; 43 U.S.C. 1181f), and the pay-*  
8           *ment made to a county pursuant to the Act of May*  
9           *24, 1939 (chapter 144; 53 Stat. 753; 43 U.S.C. 1181f-*  
10          *1 et seq.).*

11          “(11) *FULL FUNDING AMOUNT.*—*The term ‘full*  
12          *funding amount’ means—*

13                 “(A) \$526,079,656 for fiscal year 2007;

14                 “(B) \$520,000,000 for fiscal year 2008; and

15                 “(C) for fiscal year 2009 and each fiscal  
16                 *year thereafter, the amount that is equal to 90*  
17                 *percent of the full funding amount for the pre-*  
18                 *ceding fiscal year.*

19          “(12) *INCOME ADJUSTMENT.*—*The term ‘income*  
20          *adjustment’ means the square of the quotient obtained*  
21          *by dividing—*

22                 “(A) *the per capita personal income for*  
23                 *each eligible county; by*

24                 “(B) *the median per capita personal income*  
25                 *of all eligible counties.*

1           “(13) *PER CAPITA PERSONAL INCOME*.—*The*  
2 *term ‘per capita personal income’ means the most re-*  
3 *cent per capita personal income data, as determined*  
4 *by the Bureau of Economic Analysis.*

5           “(14) *SAFETY NET PAYMENTS*.—*The term ‘safety*  
6 *net payments’ means the special payment amounts*  
7 *paid to States and counties required by section 13982*  
8 *or 13983 of the Omnibus Budget Reconciliation Act*  
9 *of 1993 (Public Law 103–66; 16 U.S.C. 500 note; 43*  
10 *U.S.C. 1181f note).*

11           “(15) *SECRETARY CONCERNED*.—*The term ‘Sec-*  
12 *retary concerned’ means—*

13                   “(A) *the Secretary of Agriculture or the des-*  
14 *ignee of the Secretary of Agriculture with respect*  
15 *to the Federal land described in paragraph*  
16 *(7)(A); and*

17                   “(B) *the Secretary of the Interior or the des-*  
18 *ignee of the Secretary of the Interior with respect*  
19 *to the Federal land described in paragraph*  
20 *(7)(B).*

21           “(16) *STATE PAYMENT*.—*The term ‘State pay-*  
22 *ment’ means the payment for an eligible State cal-*  
23 *culated under section 101(a).*

24           “(17) *25-PERCENT PAYMENT*.—*The term ‘25-per-*  
25 *cent payment’ means the payment to States required*

1       *by the sixth paragraph under the heading of ‘FOREST*  
2       *SERVICE’ in the Act of May 23, 1908 (35 Stat. 260;*  
3       *16 U.S.C. 500), and section 13 of the Act of March*  
4       *1, 1911 (36 Stat. 963; 16 U.S.C. 500).*

5       **“TITLE I—SECURE PAYMENTS**  
6       **FOR STATES AND COUNTIES**  
7       **CONTAINING FEDERAL LAND**

8       **“SEC. 101. SECURE PAYMENTS FOR STATES CONTAINING**  
9               **FEDERAL LAND.**

10       *“(a) STATE PAYMENT.—For each of fiscal years 2007*  
11       *through 2011, the Secretary of Agriculture shall calculate*  
12       *for each eligible State an amount equal to the sum of the*  
13       *products obtained by multiplying—*

14               *“(1) the adjusted share for each eligible county*  
15               *within the eligible State; by*

16               *“(2) the full funding amount for the fiscal year.*

17       *“(b) COUNTY PAYMENT.—For each of fiscal years 2007*  
18       *through 2011, the Secretary of the Interior shall calculate*  
19       *for each eligible county that received a 50-percent payment*  
20       *during the eligibility period an amount equal to the product*  
21       *obtained by multiplying—*

22               *“(1) the 50-percent adjusted share for the eligible*  
23               *county; by*

24               *“(2) the full funding amount for the fiscal year.*



1 **“SEC. 102. PAYMENTS TO STATES AND COUNTIES.**

2 “(a) *PAYMENT AMOUNTS.*—*Except as provided in sec-*  
3 *tion 103, the Secretary of the Treasury shall pay to—*

4 “(1) *a State an amount equal to the sum of the*  
5 *amounts elected under subsection (b) by each county*  
6 *within the State for—*

7 “(A) *if the county is eligible for the 25-per-*  
8 *cent payment, the share of the 25-percent pay-*  
9 *ment; or*

10 “(B) *the share of the State payment of the*  
11 *eligible county; and*

12 “(2) *a county an amount equal to the amount*  
13 *elected under subsection (b) by each county for—*

14 “(A) *if the county is eligible for the 50-per-*  
15 *cent payment, the 50-percent payment; or*

16 “(B) *the county payment for the eligible*  
17 *county.*

18 “(b) *ELECTION TO RECEIVE PAYMENT AMOUNT.*—

19 “(1) *ELECTION; SUBMISSION OF RESULTS.*—

20 “(A) *IN GENERAL.*—*The election to receive*  
21 *a share of the State payment, the county pay-*  
22 *ment, a share of the State payment and the*  
23 *county payment, a share of the 25-percent pay-*  
24 *ment, the 50-percent payment, or a share of the*  
25 *25-percent payment and the 50-percent payment,*  
26 *as applicable, shall be made at the discretion of*

1           *each affected county by August 1, 2007, and Au-*  
2           *gust 1 of each second fiscal year thereafter, in ac-*  
3           *cordance with paragraph (2), and transmitted to*  
4           *the Secretary concerned by the Governor of each*  
5           *eligible State.*

6           “(B) *FAILURE TO TRANSMIT.*—*If an elec-*  
7           *tion for an affected county is not transmitted to*  
8           *the Secretary concerned by the date specified*  
9           *under subparagraph (A), the affected county*  
10           *shall be considered to have elected to receive a*  
11           *share of the State payment, the county payment,*  
12           *or a share of the State payment and the county*  
13           *payment, as applicable.*

14           “(2) *DURATION OF ELECTION.*—

15           “(A) *IN GENERAL.*—*A county election to re-*  
16           *ceive a share of the 25-percent payment or 50-*  
17           *percent payment, as applicable shall be effective*  
18           *for 2 fiscal years.*

19           “(B) *FULL FUNDING AMOUNT.*—*If a county*  
20           *elects to receive a share of the State payment or*  
21           *the county payment, the election shall be effective*  
22           *for all subsequent fiscal years through fiscal year*  
23           *2011.*

1           “(3) *SOURCE OF PAYMENT AMOUNTS.*—*The pay-*  
2           *ment to an eligible State or eligible county under this*  
3           *section for a fiscal year shall be derived from—*

4                   “(A) *any revenues, fees, penalties, or mis-*  
5                   *cellaneous receipts, exclusive of deposits to any*  
6                   *relevant trust fund, special account, or perma-*  
7                   *nent operating funds, received by the Federal*  
8                   *Government from activities by the Bureau of*  
9                   *Land Management or the Forest Service on the*  
10                  *applicable Federal land; and*

11                  “(B) *to the extent of any shortfall, out of*  
12                  *any amounts in the Treasury of the United*  
13                  *States not otherwise appropriated.*

14           “(c) *DISTRIBUTION AND EXPENDITURE OF PAY-*  
15           *MENTS.*—

16                   “(1) *DISTRIBUTION METHOD.*—*A State that re-*  
17                   *ceives a payment under subsection (a) for Federal*  
18                   *land described in section 3(7)(A) shall distribute the*  
19                   *appropriate payment amount among the appropriate*  
20                   *counties in the State in accordance with—*

21                           “(A) *the Act of May 23, 1908 (16 U.S.C.*  
22                           *500); and*

23                           “(B) *section 13 of the Act of March 1, 1911*  
24                           *(36 Stat. 963; 16 U.S.C. 500).*

1           “(2) *EXPENDITURE PURPOSES.*—Subject to sub-  
2           section (d), payments received by a State under sub-  
3           section (a) and distributed to counties in accordance  
4           with paragraph (1) shall be expended as required by  
5           the laws referred to in paragraph (1).

6           “(d) *EXPENDITURE RULES FOR ELIGIBLE COUN-*  
7 *TIES.*—

8           “(1) *ALLOCATIONS.*—

9           “(A) *USE OF PORTION IN SAME MANNER AS*  
10           *25-PERCENT PAYMENT OR 50-PERCENT PAYMENT,*  
11           *AS APPLICABLE.*—Except as provided in para-  
12           graph (3)(B), if an eligible county elects to re-  
13           ceive its share of the State payment or the coun-  
14           ty payment, not less than 80 percent, but not  
15           more than 85 percent, of the funds shall be ex-  
16           pended in the same manner in which the 25-per-  
17           cent payments or 50-percent payment, as appli-  
18           cable, are required to be expended.

19           “(B) *ELECTION AS TO USE OF BALANCE.*—  
20           Except as provided in subparagraph (C), an eli-  
21           gible county shall elect to do 1 or more of the fol-  
22           lowing with the balance of any funds not ex-  
23           pended pursuant to subparagraph (A):

24           “(i) Reserve any portion of the balance  
25           for projects in accordance with title II.

1           “(ii) Reserve not more than 7 percent  
2           of the total share for the eligible county of  
3           the State payment or the county payment  
4           for projects in accordance with title III.

5           “(iii) Return the portion of the balance  
6           not reserved under clauses (i) and (ii) to the  
7           Treasury of the United States.

8           “(C) COUNTIES WITH MODEST DISTRIBUTIONS.—In the case of each eligible county to  
9           which more than \$100,000, but less than  
10           \$350,000, is distributed for any fiscal year pur-  
11           suant to either or both of paragraphs (1)(B) and  
12           (2)(B) of subsection (a), the eligible county, with  
13           respect to the balance of any funds not expended  
14           pursuant to subparagraph (A) for that fiscal  
15           year, shall—

16           “(i) reserve any portion of the balance  
17           for—

18                   “(I) carrying out projects under  
19                   title II;

20                   “(II) carrying out projects under  
21                   title III; or

22                   “(III) a combination of the pur-  
23                   poses described in subclauses (I) and  
24                   (II); or  
25

1           “(ii) return the portion of the balance  
2           not reserved under clause (i) to the Treas-  
3           ury of the United States.

4           “(2) *DISTRIBUTION OF FUNDS.*—

5           “(A) *IN GENERAL.*—Funds reserved by an  
6           eligible county under subparagraph (B)(i) or  
7           (C)(i)(I) of paragraph (1) shall be deposited in  
8           a special account in the Treasury of the United  
9           States.

10          “(B) *AVAILABILITY.*—Amounts deposited  
11          under subparagraph (A) shall—

12                 “(i) be available for expenditure by the  
13                 Secretary concerned, without further appro-  
14                 priation; and

15                 “(ii) remain available until expended  
16                 in accordance with title II.

17          “(3) *ELECTION.*—

18                 “(A) *NOTIFICATION.*—

19                 “(i) *IN GENERAL.*—An eligible county  
20                 shall notify the Secretary concerned of an  
21                 election by the eligible county under this  
22                 subsection not later than September 30 of  
23                 each fiscal year.

24                 “(ii) *FAILURE TO ELECT.*—Except as  
25                 provided in subparagraph (B), if the eligi-

1            *ble county fails to make an election by the*  
2            *date specified in clause (i), the eligible*  
3            *county shall—*

4                    *“(I) be considered to have elected*  
5                    *to expend 85 percent of the funds in*  
6                    *accordance with paragraph (1)(A); and*

7                    *“(II) return the balance to the*  
8                    *Treasury of the United States.*

9                    *“(B) COUNTIES WITH MINOR DISTRIBUTIONS.—In the case of each eligible county to*  
10                    *which less than \$100,000 is distributed for any*  
11                    *fiscal year pursuant to either or both of para-*  
12                    *graphs (1)(B) and (2)(B) of subsection (a), the*  
13                    *eligible county may elect to expend all the funds*  
14                    *in the same manner in which the 25-percent*  
15                    *payments or 50-percent payments, as applicable,*  
16                    *are required to be expended.*

17                    *“(e) TIME FOR PAYMENT.—The payments required*  
18                    *under this section for a fiscal year shall be made as soon*  
19                    *as practicable after the end of that fiscal year.*

20                    **“SEC. 103. TRANSITION PAYMENTS TO THE STATES OF CALI-**  
21                    **FORNIA, OREGON, AND WASHINGTON.**

22                    *“(a) DEFINITIONS.—In this section:*

23                    *“(1) ADJUSTED AMOUNT.—The term ‘adjusted*  
24                    *amount’ means, with respect to a covered State—*  
25

1           “(A) for fiscal year 2007—

2                   “(i) the sum of the amounts paid in  
3           fiscal year 2006 under section 102(a)(2) (as  
4           in effect on September 29, 2006) for the eli-  
5           gible counties in the covered State that have  
6           elected under section 102(b) to receive a  
7           share of the State payment for fiscal year  
8           2007; and

9                   “(ii) the sum of the amounts paid in  
10           fiscal year 2006 under section 103(a)(2) (as  
11           in effect on September 29, 2006) for the eli-  
12           gible counties in the State of Oregon that  
13           have elected under section 102(b) to receive  
14           the county payment for fiscal year 2007;

15           “(B) for fiscal year 2008, 90 percent of—

16                   “(i) the sum of the amounts paid in  
17           fiscal year 2006 under section 102(a)(2) (as  
18           in effect on September 29, 2006) for the eli-  
19           gible counties in the covered State that have  
20           elected under section 102(b) to receive a  
21           share of the State payment for fiscal year  
22           2008; and

23                   “(ii) the sum of the amounts paid in  
24           fiscal year 2006 under section 103(a)(2) (as  
25           in effect on September 29, 2006) for the eli-



1            *gible counties in the State of Oregon that*  
2            *have elected under section 102(b) to receive*  
3            *the county payment for fiscal year 2008;*

4            *“(C) for fiscal year 2009, 81 percent of—*

5                    *“(i) the sum of the amounts paid in*  
6            *fiscal year 2006 under section 102(a)(2) (as*  
7            *in effect on September 29, 2006) for the eli-*  
8            *gible counties in the covered State that have*  
9            *elected under section 102(b) to receive a*  
10           *share of the State payment for fiscal year*  
11           *2009; and*

12                    *“(ii) the sum of the amounts paid in*  
13           *fiscal year 2006 under section 103(a)(2) (as*  
14           *in effect on September 29, 2006) for the eli-*  
15           *gible counties in the State of Oregon that*  
16           *have elected under section 102(b) to receive*  
17           *the county payment for fiscal year 2009;*  
18           *and*

19           *“(D) for fiscal year 2010, 73 percent of—*

20                    *“(i) the sum of the amounts paid in*  
21           *fiscal year 2006 under section 102(a)(2) (as*  
22           *in effect on September 29, 2006) for the eli-*  
23           *gible counties in the covered State that have*  
24           *elected under section 102(b) to receive a*

1           *share of the State payment for fiscal year*  
2           *2010; and*

3           “(ii) *the sum of the amounts paid in*  
4           *fiscal year 2006 under section 103(a)(2) (as*  
5           *in effect on September 29, 2006) for the eli-*  
6           *gible counties in the State of Oregon that*  
7           *have elected under section 102(b) to receive*  
8           *the county payment for fiscal year 2010.*

9           “(2) *COVERED STATE.*—*The term ‘covered State’*  
10          *means each of the States of California, Oregon, and*  
11          *Washington.*

12          “(b) *TRANSITION PAYMENTS.*—*For each of fiscal years*  
13          *2007 through 2010, in lieu of the payment amounts that*  
14          *otherwise would have been made under paragraphs (1)(B)*  
15          *and (2)(B) of section 102(a), the Secretary of the Treasury*  
16          *shall pay the adjusted amount to each covered State and*  
17          *the eligible counties within the covered State, as applicable,*  
18          *from funds in the Treasury of the United States not other-*  
19          *wise appropriated.*

20          “(c) *DISTRIBUTION OF ADJUSTED AMOUNT IN OREGON*  
21          *AND WASHINGTON.*—*It is the intent of Congress that the*  
22          *method of distributing the payments under subsection (b)*  
23          *among the counties in the States of Oregon and Washington*  
24          *for each of fiscal years 2007 through 2010 be in the same*

1 *proportion that the payments were distributed to the eligi-*  
2 *ble counties in fiscal year 2006.*

3       “(d) *DISTRIBUTION OF PAYMENTS IN CALIFORNIA.—*  
4 *The following payments shall be distributed among the eli-*  
5 *gible counties in the State of California in the same propor-*  
6 *tion that payments under section 102(a)(2) (as in effect on*  
7 *September 29, 2006) were distributed to the eligible counties*  
8 *in fiscal year 2006:*

9               “(1) *Payments to the State of California under*  
10 *subsection (b).*

11               “(2) *The shares of the eligible counties of the*  
12 *State payment for California under section 102 for*  
13 *fiscal year 2011.*

14       “(e) *TREATMENT OF PAYMENTS.—For purposes of this*  
15 *Act, any payment made under subsection (b) shall be con-*  
16 *sidered to be a payment made under section 102(a).*

17       **“TITLE II—SPECIAL PROJECTS**  
18               **ON FEDERAL LAND**

19       **“SEC. 201. DEFINITIONS.**

20       *“In this title:*

21               “(1) *PARTICIPATING COUNTY.—The term ‘par-*  
22 *ticipating county’ means an eligible county that elects*  
23 *under section 102(d) to expend a portion of the Fed-*  
24 *eral funds received under section 102 in accordance*  
25 *with this title.*

1           “(2) *PROJECT FUNDS*.—The term ‘project funds’  
2           means all funds an eligible county elects under section  
3           102(d) to reserve for expenditure in accordance with  
4           this title.

5           “(3) *RESOURCE ADVISORY COMMITTEE*.—The  
6           term ‘resource advisory committee’ means—

7                   “(A) an advisory committee established by  
8                   the Secretary concerned under section 205; or

9                   “(B) an advisory committee determined by  
10                  the Secretary concerned to meet the requirements  
11                  of section 205.

12          “(4) *RESOURCE MANAGEMENT PLAN*.—The term  
13          ‘resource management plan’ means—

14                   “(A) a land use plan prepared by the Bu-  
15                   reau of Land Management for units of the Fed-  
16                   eral land described in section 3(7)(B) pursuant  
17                   to section 202 of the Federal Land Policy and  
18                   Management Act of 1976 (43 U.S.C. 1712); or

19                   “(B) a land and resource management plan  
20                   prepared by the Forest Service for units of the  
21                   National Forest System pursuant to section 6 of  
22                   the Forest and Rangeland Renewable Resources  
23                   Planning Act of 1974 (16 U.S.C. 1604).

1 **“SEC. 202. GENERAL LIMITATION ON USE OF PROJECT**  
2 **FUNDS.**

3 *“(a) LIMITATION.—Project funds shall be expended*  
4 *solely on projects that meet the requirements of this title.*

5 *“(b) AUTHORIZED USES.—Project funds may be used*  
6 *by the Secretary concerned for the purpose of entering into*  
7 *and implementing cooperative agreements with willing*  
8 *Federal agencies, State and local governments, private and*  
9 *nonprofit entities, and landowners for protection, restora-*  
10 *tion, and enhancement of fish and wildlife habitat, and*  
11 *other resource objectives consistent with the purposes of this*  
12 *Act on Federal land and on non-Federal land where projects*  
13 *would benefit the resources on Federal land.*

14 **“SEC. 203. SUBMISSION OF PROJECT PROPOSALS.**

15 *“(a) SUBMISSION OF PROJECT PROPOSALS TO SEC-*  
16 *RETARY CONCERNED.—*

17 *“(1) PROJECTS FUNDED USING PROJECT*  
18 *FUNDS.—Not later than September 30 for fiscal year*  
19 *2007, and each September 30 thereafter for each suc-*  
20 *ceeding fiscal year through fiscal year 2011, each re-*  
21 *source advisory committee shall submit to the Sec-*  
22 *retary concerned a description of any projects that the*  
23 *resource advisory committee proposes the Secretary*  
24 *undertake using any project funds reserved by eligible*  
25 *counties in the area in which the resource advisory*  
26 *committee has geographic jurisdiction.*

1           “(2) *PROJECTS FUNDED USING OTHER FUNDS.*—  
2           *A resource advisory committee may submit to the Sec-*  
3           *retary concerned a description of any projects that the*  
4           *committee proposes the Secretary undertake using*  
5           *funds from State or local governments, or from the*  
6           *private sector, other than project funds and funds ap-*  
7           *propriated and otherwise available to do similar*  
8           *work.*

9           “(3) *JOINT PROJECTS.*—*Participating counties*  
10          *or other persons may propose to pool project funds or*  
11          *other funds, described in paragraph (2), and jointly*  
12          *propose a project or group of projects to a resource*  
13          *advisory committee established under section 205.*

14          “(b) *REQUIRED DESCRIPTION OF PROJECTS.*—*In sub-*  
15          *mitting proposed projects to the Secretary concerned under*  
16          *subsection (a), a resource advisory committee shall include*  
17          *in the description of each proposed project the following in-*  
18          *formation:*

19                  “(1) *The purpose of the project and a description*  
20                  *of how the project will meet the purposes of this title.*

21                  “(2) *The anticipated duration of the project.*

22                  “(3) *The anticipated cost of the project.*

23                  “(4) *The proposed source of funding for the*  
24                  *project, whether project funds or other funds.*

1           “(5)(A) *Expected outcomes, including how the*  
2           *project will meet or exceed desired ecological condi-*  
3           *tions, maintenance objectives, or stewardship objec-*  
4           *tives.*

5           “(B) *An estimate of the amount of any timber,*  
6           *forage, and other commodities and other economic ac-*  
7           *tivity, including jobs generated, if any, anticipated as*  
8           *part of the project.*

9           “(6) *A detailed monitoring plan, including fund-*  
10          *ing needs and sources, that—*

11           “(A) *tracks and identifies the positive or*  
12          *negative impacts of the project, implementation,*  
13          *and provides for validation monitoring; and*

14           “(B) *includes an assessment of the fol-*  
15          *lowing:*

16           “(i) *Whether or not the project met or*  
17          *exceeded desired ecological conditions; cre-*  
18          *ated local employment or training opportu-*  
19          *nities, including summer youth jobs pro-*  
20          *grams such as the Youth Conservation*  
21          *Corps where appropriate.*

22           “(ii) *Whether the project improved the*  
23          *use of, or added value to, any products re-*  
24          *moved from land consistent with the pur-*  
25          *poses of this title.*

1           “(7) *An assessment that the project is to be in*  
2           *the public interest.*

3           “(c) *AUTHORIZED PROJECTS.—Projects proposed*  
4           *under subsection (a) shall be consistent with section 2.*

5           “**SEC. 204. EVALUATION AND APPROVAL OF PROJECTS BY**  
6           **SECRETARY CONCERNED.**

7           “(a) *CONDITIONS FOR APPROVAL OF PROPOSED*  
8           *PROJECT.—The Secretary concerned may make a decision*  
9           *to approve a project submitted by a resource advisory com-*  
10           *mittee under section 203 only if the proposed project satis-*  
11           *fies each of the following conditions:*

12           “(1) *The project complies with all applicable*  
13           *Federal laws (including regulations).*

14           “(2) *The project is consistent with the applicable*  
15           *resource management plan and with any watershed*  
16           *or subsequent plan developed pursuant to the resource*  
17           *management plan and approved by the Secretary*  
18           *concerned.*

19           “(3) *The project has been approved by the re-*  
20           *source advisory committee in accordance with section*  
21           *205, including the procedures issued under subsection*  
22           *(e) of that section.*

23           “(4) *A project description has been submitted by*  
24           *the resource advisory committee to the Secretary con-*  
25           *cerned in accordance with section 203.*



1           “(5) *The project will improve the maintenance of*  
2           *existing infrastructure, implement stewardship objec-*  
3           *tives that enhance forest ecosystems, and restore and*  
4           *improve land health and water quality.*

5           “(b) *ENVIRONMENTAL REVIEWS.—*

6           “(1) *REQUEST FOR PAYMENT BY COUNTY.—The*  
7           *Secretary concerned may request the resource advi-*  
8           *sory committee submitting a proposed project to agree*  
9           *to the use of project funds to pay for any environ-*  
10           *mental review, consultation, or compliance with ap-*  
11           *plicable environmental laws required in connection*  
12           *with the project.*

13           “(2) *CONDUCT OF ENVIRONMENTAL REVIEW.—If*  
14           *a payment is requested under paragraph (1) and the*  
15           *resource advisory committee agrees to the expenditure*  
16           *of funds for this purpose, the Secretary concerned*  
17           *shall conduct environmental review, consultation, or*  
18           *other compliance responsibilities in accordance with*  
19           *Federal laws (including regulations).*

20           “(3) *EFFECT OF REFUSAL TO PAY.—*

21           “(A) *IN GENERAL.—If a resource advisory*  
22           *committee does not agree to the expenditure of*  
23           *funds under paragraph (1), the project shall be*  
24           *deemed withdrawn from further consideration by*  
25           *the Secretary concerned pursuant to this title.*

1           “(B) *EFFECT OF WITHDRAWAL.*—A with-  
2           drawal under subparagraph (A) shall be deemed  
3           to be a rejection of the project for purposes of sec-  
4           tion 207(c).

5           “(c) *DECISIONS OF SECRETARY CONCERNED.*—

6           “(1) *REJECTION OF PROJECTS.*—

7           “(A) *IN GENERAL.*—A decision by the Sec-  
8           retary concerned to reject a proposed project  
9           shall be at the sole discretion of the Secretary  
10          concerned.

11          “(B) *NO ADMINISTRATIVE APPEAL OR JUDI-*  
12          *CIAL REVIEW.*—Notwithstanding any other pro-  
13          vision of law, a decision by the Secretary con-  
14          cerned to reject a proposed project shall not be  
15          subject to administrative appeal or judicial re-  
16          view.

17          “(C) *NOTICE OF REJECTION.*—Not later  
18          than 30 days after the date on which the Sec-  
19          retary concerned makes the rejection decision, the  
20          Secretary concerned shall notify in writing the  
21          resource advisory committee that submitted the  
22          proposed project of the rejection and the reasons  
23          for rejection.

24          “(2) *NOTICE OF PROJECT APPROVAL.*—The Sec-  
25          retary concerned shall publish in the *Federal Register*

1       *notice of each project approved under subsection (a)*  
2       *if the notice would be required had the project origi-*  
3       *nated with the Secretary.*

4       “(d) *SOURCE AND CONDUCT OF PROJECT.*—Once the  
5       Secretary concerned accepts a project for review under sec-  
6       tion 203, the acceptance shall be deemed a Federal action  
7       for all purposes.

8       “(e) *IMPLEMENTATION OF APPROVED PROJECTS.*—

9               “(1) *COOPERATION.*—Notwithstanding chapter  
10       63 of title 31, United States Code, using project funds  
11       the Secretary concerned may enter into contracts,  
12       grants, and cooperative agreements with States and  
13       local governments, private and nonprofit entities, and  
14       landowners and other persons to assist the Secretary  
15       in carrying out an approved project.

16               “(2) *BEST VALUE CONTRACTING.*—

17                       “(A) *IN GENERAL.*—For any project involv-  
18       ing a contract authorized by paragraph (1) the  
19       Secretary concerned may elect a source for per-  
20       formance of the contract on a best value basis.

21                       “(B) *FACTORS.*—The Secretary concerned  
22       shall determine best value based on such factors  
23       as—

24                               “(i) *the technical demands and com-*  
25       *plexity of the work to be done;*

1                   “(ii)(I) *the ecological objectives of the*  
2                   *project; and*

3                   “(II) *the sensitivity of the resources*  
4                   *being treated;*

5                   “(iii) *the past experience by the con-*  
6                   *tractor with the type of work being done,*  
7                   *using the type of equipment proposed for*  
8                   *the project, and meeting or exceeding de-*  
9                   *sired ecological conditions; and*

10                  “(iv) *the commitment of the contractor*  
11                  *to hiring highly qualified workers and local*  
12                  *residents.*

13                  “(3) *MERCHANTABLE TIMBER CONTRACTING*  
14                  *PILOT PROGRAM.—*

15                  “(A) *ESTABLISHMENT.—The Secretary con-*  
16                  *cerned shall establish a pilot program to imple-*  
17                  *ment a certain percentage of approved projects*  
18                  *involving the sale of merchantable timber using*  
19                  *separate contracts for—*

20                         “(i) *the harvesting or collection of mer-*  
21                         *chantable timber; and*

22                         “(ii) *the sale of the timber.*

23                  “(B) *ANNUAL PERCENTAGES.—Under the*  
24                  *pilot program, the Secretary concerned shall en-*  
25                  *sure that, on a nationwide basis, not less than*

1           *the following percentage of all approved projects*  
2           *involving the sale of merchantable timber are*  
3           *implemented using separate contracts:*

4                     “(i) *For fiscal year 2007, 25 percent.*

5                     “(ii) *For fiscal year 2008, 35 percent.*

6                     “(iii) *For fiscal year 2009, 45 percent.*

7                     “(iv) *For each of fiscal years 2010 and*  
8                     *2011, 50 percent.*

9                     “(C) *INCLUSION IN PILOT PROGRAM.—The*  
10                    *decision whether to use separate contracts to im-*  
11                    *plement a project involving the sale of merchant-*  
12                    *able timber shall be made by the Secretary con-*  
13                    *cerned after the approval of the project under*  
14                    *this title.*

15                    “(D) *ASSISTANCE.—*

16                    “(i) *IN GENERAL.—The Secretary con-*  
17                    *cerned may use funds from any appro-*  
18                    *priated account available to the Secretary*  
19                    *for the Federal land to assist in the admin-*  
20                    *istration of projects conducted under the*  
21                    *pilot program.*

22                    “(ii) *MAXIMUM AMOUNT OF ASSIST-*  
23                    *ANCE.—The total amount obligated under*  
24                    *this subparagraph may not exceed*

1           \$1,000,000 for any fiscal year during which  
2           the pilot program is in effect.

3           “(E) REVIEW AND REPORT.—

4                   “(i) INITIAL REPORT.—Not later than  
5                   September 30, 2009, the Comptroller Gen-  
6                   eral shall submit to the Committees on Ag-  
7                   riculture, Nutrition, and Forestry and En-  
8                   ergy and Natural Resources of the Senate  
9                   and the Committees on Agriculture and  
10                  Natural Resources of the House of Rep-  
11                  resentatives a report assessing the pilot pro-  
12                  gram.

13                   “(ii) ANNUAL REPORT.—The Secretary  
14                   concerned shall submit to the Committees on  
15                   Agriculture, Nutrition, and Forestry and  
16                   Energy and Natural Resources of the Senate  
17                   and the Committees on Agriculture and  
18                   Natural Resources of the House of Rep-  
19                   resentatives an annual report describing the  
20                   results of the pilot program.

21           “(f) REQUIREMENTS FOR PROJECT FUNDS.—The Sec-  
22           retary shall ensure that at least 50 percent of all project  
23           funds be used for projects that are primarily dedicated—

24                   “(1) to road maintenance, decommissioning, or  
25                   obliteration; or

1           “(2) to restoration of streams and watersheds.

2   **“SEC. 205. RESOURCE ADVISORY COMMITTEES.**

3           “(a) *ESTABLISHMENT AND PURPOSE OF RESOURCE*  
4 *ADVISORY COMMITTEES.—*

5           “(1) *ESTABLISHMENT.—The Secretary concerned*  
6 *shall establish and maintain resource advisory com-*  
7 *mittees to perform the duties in subsection (b), except*  
8 *as provided in paragraph (4).*

9           “(2) *PURPOSE.—The purpose of a resource advi-*  
10 *sory committee shall be—*

11           “(A) *to improve collaborative relationships;*  
12 *and*

13           “(B) *to provide advice and recommenda-*  
14 *tions to the land management agencies consistent*  
15 *with the purposes of this title.*

16           “(3) *ACCESS TO RESOURCE ADVISORY COMMIT-*  
17 *TEES.—To ensure that each unit of Federal land has*  
18 *access to a resource advisory committee, and that*  
19 *there is sufficient interest in participation on a com-*  
20 *mittee to ensure that membership can be balanced in*  
21 *terms of the points of view represented and the func-*  
22 *tions to be performed, the Secretary concerned may,*  
23 *establish resource advisory committees for part of, or*  
24 *1 or more, units of Federal land.*

25           “(4) *EXISTING ADVISORY COMMITTEES.—*

1           “(A) *IN GENERAL.*—An advisory committee  
2           that meets the requirements of this section, an  
3           advisory committee established before the date of  
4           enactment of this Act, or an advisory committee  
5           determined by the Secretary concerned to meet  
6           the requirements of this section before the date of  
7           enactment of this Act may be deemed by the Sec-  
8           retary concerned to be a resource advisory com-  
9           mittee for the purposes of this title.

10           “(B) *CHARTER.*—A charter for a committee  
11           described in subparagraph (A) that was filed on  
12           or before September 29, 2006, shall be considered  
13           to be filed for purposes of this Act.

14           “(C) *BUREAU OF LAND MANAGEMENT ADVI-*  
15           *SORY COMMITTEES.*—The Secretary of the Inte-  
16           rior may deem a resource advisory committee  
17           meeting the requirements of subpart 1784 of part  
18           1780 of title 43, Code of Federal Regulations, as  
19           a resource advisory committee for the purposes of  
20           this title.

21           “(b) *DUTIES.*—A resource advisory committee shall—

22           “(1) review projects proposed under this title by  
23           participating counties and other persons;

24           “(2) propose projects and funding to the Sec-  
25           retary concerned under section 203;



1           “(3) provide early and continuous coordination  
2           with appropriate land management agency officials  
3           in recommending projects consistent with purposes of  
4           this Act under this title;

5           “(4) provide frequent opportunities for citizens,  
6           organizations, tribes, land management agencies, and  
7           other interested parties to participate openly and  
8           meaningfully, beginning at the early stages of the  
9           project development process under this title;

10           “(5)(A) monitor projects that have been approved  
11           under section 204; and

12           “(B) advise the designated Federal official on the  
13           progress of the monitoring efforts under subparagraph  
14           (A); and

15           “(6) make recommendations to the Secretary  
16           concerned for any appropriate changes or adjustments  
17           to the projects being monitored by the resource advi-  
18           sory committee.

19           “(c) APPOINTMENT BY THE SECRETARY.—

20           “(1) APPOINTMENT AND TERM.—

21           “(A) IN GENERAL.—The Secretary con-  
22           cerned, shall appoint the members of resource ad-  
23           visory committees for a term of 4 years begin-  
24           ning on the date of appointment.

1                   “(B) REAPPOINTMENT.—The Secretary con-  
2                   cerned may reappoint members to subsequent 4-  
3                   year terms.

4                   “(2) BASIC REQUIREMENTS.—The Secretary con-  
5                   cerned shall ensure that each resource advisory com-  
6                   mittee established meets the requirements of subsection  
7                   (d).

8                   “(3) INITIAL APPOINTMENT.—Not later than 180  
9                   days after the date of the enactment of this Act, the  
10                  Secretary concerned shall make initial appointments  
11                  to the resource advisory committees.

12                  “(4) VACANCIES.—The Secretary concerned shall  
13                  make appointments to fill vacancies on any resource  
14                  advisory committee as soon as practicable after the  
15                  vacancy has occurred.

16                  “(5) COMPENSATION.—Members of the resource  
17                  advisory committees shall not receive any compensa-  
18                  tion.

19                  “(d) COMPOSITION OF ADVISORY COMMITTEE.—

20                  “(1) NUMBER.—Each resource advisory com-  
21                  mittee shall be comprised of 15 members.

22                  “(2) COMMUNITY INTERESTS REPRESENTED.—  
23                  Committee members shall be representative of the in-  
24                  terests of the following 3 categories:

25                  “(A) 5 persons that—

1           “(i) represent organized labor or non-  
2 timber forest product harvester groups;

3           “(ii) represent developed outdoor recre-  
4 ation, off highway vehicle users, or commer-  
5 cial recreation activities;

6           “(iii) represent—

7                 “(I) energy and mineral develop-  
8 ment interests; or

9                 “(II) commercial or recreational  
10 fishing interests;

11           “(iv) represent the commercial timber  
12 industry; or

13           “(v) hold Federal grazing or other land  
14 use permits, or represent nonindustrial pri-  
15 vate forest land owners, within the area for  
16 which the committee is organized.

17           “(B) 5 persons that represent—

18                 “(i) nationally recognized environ-  
19 mental organizations;

20                 “(ii) regionally or locally recognized  
21 environmental organizations;

22                 “(iii) dispersed recreational activities;

23                 “(iv) archaeological and historical in-  
24 terests; or

1           “(v) nationally or regionally recog-  
2           nized wild horse and burro interest groups,  
3           wildlife or hunting organizations, or water-  
4           shed associations.

5           “(C) 5 persons that—

6           “(i) hold State elected office (or a des-  
7           ignee);

8           “(ii) hold county or local elected office;

9           “(iii) represent American Indian tribes  
10          within or adjacent to the area for which the  
11          committee is organized;

12          “(iv) are school officials or teachers; or

13          “(v) represent the affected public at  
14          large.

15          “(3) *BALANCED REPRESENTATION.*—*In appoint-*  
16          *ing committee members from the 3 categories in para-*  
17          *graph (2), the Secretary concerned shall provide for*  
18          *balanced and broad representation from within each*  
19          *category.*

20          “(4) *GEOGRAPHIC DISTRIBUTION.*—*The members*  
21          *of a resource advisory committee shall reside within*  
22          *the State in which the committee has jurisdiction*  
23          *and, to extent practicable, the Secretary concerned*  
24          *shall ensure local representation in each category in*  
25          *paragraph (2).*

1           “(5) *CHAIRPERSON.*—A majority on each re-  
2           source advisory committee shall select the chairperson  
3           of the committee.

4           “(e) *APPROVAL PROCEDURES.*—

5           “(1) *IN GENERAL.*—Subject to paragraph (3),  
6           each resource advisory committee shall establish pro-  
7           cedures for proposing projects to the Secretary con-  
8           cerned under this title.

9           “(2) *QUORUM.*—A quorum must be present to  
10          constitute an official meeting of the committee.

11          “(3) *APPROVAL BY MAJORITY OF MEMBERS.*—A  
12          project may be proposed by a resource advisory com-  
13          mittee to the Secretary concerned under section  
14          203(a), if the project has been approved by a majority  
15          of members of the committee from each of the 3 cat-  
16          egories in subsection (d)(2).

17          “(f) *OTHER COMMITTEE AUTHORITIES AND REQUIRE-*  
18          *MENTS.*—

19          “(1) *STAFF ASSISTANCE.*—A resource advisory  
20          committee may submit to the Secretary concerned a  
21          request for periodic staff assistance from Federal em-  
22          ployees under the jurisdiction of the Secretary.

23          “(2) *MEETINGS.*—All meetings of a resource ad-  
24          visory committee shall be announced at least 1 week

1       *in advance in a local newspaper of record and shall*  
2       *be open to the public.*

3               “(3) *RECORDS.*—*A resource advisory committee*  
4       *shall maintain records of the meetings of the com-*  
5       *mittee and make the records available for public in-*  
6       *spection.*

7       **“SEC. 206. USE OF PROJECT FUNDS.**

8               “(a) *AGREEMENT REGARDING SCHEDULE AND COST*  
9       *OF PROJECT.*—

10              “(1) *AGREEMENT BETWEEN PARTIES.*—*The Sec-*  
11       *retary concerned may carry out a project submitted*  
12       *by a resource advisory committee under section*  
13       *203(a) using project funds or other funds described in*  
14       *section 203(a)(2), if, as soon as practicable after the*  
15       *issuance of a decision document for the project and*  
16       *the exhaustion of all administrative appeals and judi-*  
17       *cial review of the project decision, the Secretary con-*  
18       *cerned and the resource advisory committee enter into*  
19       *an agreement addressing, at a minimum, the fol-*  
20       *lowing:*

21              “(A) *The schedule for completing the*  
22       *project.*

23              “(B) *The total cost of the project, including*  
24       *the level of agency overhead to be assessed*  
25       *against the project.*

1           “(C) *For a multiyear project, the estimated*  
2           *cost of the project for each of the fiscal years in*  
3           *which it will be carried out.*

4           “(D) *The remedies for failure of the Sec-*  
5           *retary concerned to comply with the terms of the*  
6           *agreement consistent with current Federal law.*

7           “(2) *LIMITED USE OF FEDERAL FUNDS.—The*  
8           *Secretary concerned may decide, at the sole discretion*  
9           *of the Secretary concerned, to cover the costs of a por-*  
10          *tion of an approved project using Federal funds ap-*  
11          *propriated or otherwise available to the Secretary for*  
12          *the same purposes as the project.*

13          “(b) *TRANSFER OF PROJECT FUNDS.—*

14                 “(1) *INITIAL TRANSFER REQUIRED.—As soon as*  
15                 *practicable after the agreement is reached under sub-*  
16                 *section (a) with regard to a project to be funded in*  
17                 *whole or in part using project funds, or other funds*  
18                 *described in section 203(a)(2), the Secretary con-*  
19                 *cerned shall transfer to the applicable unit of Na-*  
20                 *tional Forest System land or Bureau of Land Man-*  
21                 *agement District an amount of project funds equal*  
22                 *to—*

23                         “(A) *in the case of a project to be completed*  
24                         *in a single fiscal year, the total amount specified*

1           *in the agreement to be paid using project funds,*  
2           *or other funds described in section 203(a)(2); or*

3           “(B) *in the case of a multiyear project, the*  
4           *amount specified in the agreement to be paid*  
5           *using project funds, or other funds described in*  
6           *section 203(a)(2) for the first fiscal year.*

7           “(2) *CONDITION ON PROJECT COMMENCEMENT.—*

8           *The unit of National Forest System land or Bureau*  
9           *of Land Management District concerned, shall not*  
10           *commence a project until the project funds, or other*  
11           *funds described in section 203(a)(2) required to be*  
12           *transferred under paragraph (1) for the project, have*  
13           *been made available by the Secretary concerned.*

14           “(3) *SUBSEQUENT TRANSFERS FOR MULTIYEAR*  
15           *PROJECTS.—*

16           “(A) *IN GENERAL.—For the second and sub-*  
17           *sequent fiscal years of a multiyear project to be*  
18           *funded in whole or in part using project funds,*  
19           *the unit of National Forest System land or Bu-*  
20           *reau of Land Management District concerned*  
21           *shall use the amount of project funds required to*  
22           *continue the project in that fiscal year according*  
23           *to the agreement entered into under subsection*  
24           *(a).*



1           “(B) *SUSPENSION OF WORK.*—*The Sec-*  
2           *retary concerned shall suspend work on the*  
3           *project if the project funds required by the agree-*  
4           *ment in the second and subsequent fiscal years*  
5           *are not available.*

6   **“SEC. 207. AVAILABILITY OF PROJECT FUNDS.**

7           “(a) *SUBMISSION OF PROPOSED PROJECTS TO OBLI-*  
8           *GATE FUNDS.*—*By September 30 of each fiscal year through*  
9           *fiscal year 2011, a resource advisory committee shall submit*  
10          *to the Secretary concerned pursuant to section 203(a)(1) a*  
11          *sufficient number of project proposals that, if approved,*  
12          *would result in the obligation of at least the full amount*  
13          *of the project funds reserved by the participating county*  
14          *in the preceding fiscal year.*

15          “(b) *USE OR TRANSFER OF UNOBLIGATED FUNDS.*—  
16          *Subject to section 208, if a resource advisory committee fails*  
17          *to comply with subsection (a) for a fiscal year, any project*  
18          *funds reserved by the participating county in the preceding*  
19          *fiscal year and remaining unobligated shall be available for*  
20          *use as part of the project submissions in the next fiscal year.*

21          “(c) *EFFECT OF REJECTION OF PROJECTS.*—*Subject*  
22          *to section 208, any project funds reserved by a partici-*  
23          *pating county in the preceding fiscal year that are unobli-*  
24          *gated at the end of a fiscal year because the Secretary con-*  
25          *cerned has rejected one or more proposed projects shall be*

1 *available for use as part of the project submissions in the*  
2 *next fiscal year.*

3 “(d) *EFFECT OF COURT ORDERS.*—

4 “(1) *IN GENERAL.*—*If an approved project under*  
5 *this Act is enjoined or prohibited by a Federal court,*  
6 *the Secretary concerned shall return the unobligated*  
7 *project funds related to the project to the partici-*  
8 *parting county or counties that reserved the funds.*

9 “(2) *EXPENDITURE OF FUNDS.*—*The returned*  
10 *funds shall be available for the county to expend in*  
11 *the same manner as the funds reserved by the county*  
12 *under subparagraph (B) or (C)(i) of section*  
13 *102(d)(1).*

14 “**SEC. 208. TERMINATION OF AUTHORITY.**

15 “(a) *IN GENERAL.*—*The authority to initiate projects*  
16 *under this title shall terminate on September 30, 2011.*

17 “(b) *DEPOSITS IN TREASURY.*—*Any project funds not*  
18 *obligated by September 30, 2012, shall be deposited in the*  
19 *Treasury of the United States.*

## 20 “**TITLE III—COUNTY FUNDS**

21 “**SEC. 301. DEFINITIONS.**

22 “*In this title:*

23 “(1) *COUNTY FUNDS.*—*The term ‘county funds’*  
24 *means all funds an eligible county elects under section*

1       102(d) to reserve for expenditure in accordance with  
2       this title.

3               “(2) *PARTICIPATING COUNTY*.—The term ‘par-  
4       *participating county*’ means an eligible county that elects  
5       under section 102(d) to expend a portion of the Fed-  
6       eral funds received under section 102 in accordance  
7       with this title.

8       **“SEC. 302. USE.**

9               “(a) *AUTHORIZED USES*.—A participating county,  
10       including any applicable agencies of the participating  
11       county, shall use county funds, in accordance with this title,  
12       only—

13               “(1) to carry out activities under the Firewise  
14       Communities program to provide to homeowners in  
15       fire-sensitive ecosystems education on, and assistance  
16       with implementing, techniques in home siting, home  
17       construction, and home landscaping that can increase  
18       the protection of people and property from wildfires;

19               “(2) to reimburse the participating county for  
20       search and rescue and other emergency services, in-  
21       cluding firefighting, that are—

22               “(A) performed on Federal land after the  
23       date on which the use was approved under sub-  
24       section (b);

1                   “(B) paid for by the participating county;

2                   and

3                   “(3) to develop community wildfire protection  
4                   plans in coordination with the appropriate Secretary  
5                   concerned.

6                   “(b) PROPOSALS.—A participating county shall use  
7                   county funds for a use described in subsection (a) only after  
8                   a 45-day public comment period, at the beginning of which  
9                   the participating county shall—

10                   “(1) publish in any publications of local record  
11                   a proposal that describes the proposed use of the coun-  
12                   ty funds; and

13                   “(2) submit the proposal to any resource advi-  
14                   sory committee established under section 205 for the  
15                   participating county.

16                   **“SEC. 303. CERTIFICATION.**

17                   “(a) IN GENERAL.—Not later than February 1 of the  
18                   year after the year in which any county funds were ex-  
19                   pended by a participating county, the appropriate official  
20                   of the participating county shall submit to the Secretary  
21                   concerned a certification that the county funds expended in  
22                   the applicable year have been used for the uses authorized  
23                   under section 302(a), including a description of the  
24                   amounts expended and the uses for which the amounts were  
25                   expended.

1       “(b) *REVIEW.*—*The Secretary concerned shall review*  
2 *the certifications submitted under subsection (a) as the Sec-*  
3 *retary concerned determines to be appropriate.*

4       “**SEC. 304. TERMINATION OF AUTHORITY.**

5       “(a) *IN GENERAL.*—*The authority to initiate projects*  
6 *under this title terminates on September 30, 2011.*

7       “(b) *AVAILABILITY.*—*Any county funds not obligated*  
8 *by September 30, 2012, shall be deposited in the Treasury*  
9 *of the United States.*

10       “**TITLE IV—MISCELLANEOUS**  
11                                   **PROVISIONS**

12       “**SEC. 401. REGULATIONS.**

13       “*The Secretary of Agriculture and the Secretary of the*  
14 *Interior shall jointly issue regulations to carry out the pur-*  
15 *poses of this Act.*

16       “**SEC. 402. AUTHORIZATION OF APPROPRIATIONS.**

17       “(a) *IN GENERAL.*—*There are authorized to be appro-*  
18 *priated such sums as are necessary to carry out this Act*  
19 *for each of fiscal years 2007 through 2011.*

20       “(b) *EMERGENCY DESIGNATION.*—*Of the amounts au-*  
21 *thorized to be appropriated under subsection (a) for fiscal*  
22 *year 2007, \$425,000,000 is designated as an emergency re-*  
23 *quirement pursuant to section 402 of H. Con. Res. 95*  
24 *(109th Congress).*

1 **“SEC. 403. TREATMENT OF FUNDS AND REVENUES.**

2       “(a) *RELATION TO OTHER APPROPRIATIONS.*—*Funds*  
3 *made available under section 402 and funds made available*  
4 *to a Secretary concerned under section 206 shall be in addi-*  
5 *tion to any other annual appropriations for the Forest*  
6 *Service and the Bureau of Land Management.*

7       “(b) *DEPOSIT OF REVENUES AND OTHER FUNDS.*—  
8 *All revenues generated from projects pursuant to title II,*  
9 *including any interest accrued from the revenues, shall be*  
10 *deposited in the Treasury of the United States.”.*

11       (b) *FOREST RECEIPT PAYMENTS TO ELIGIBLE STATES*  
12 *AND COUNTIES.*—

13             (1) *ACT OF MAY 23, 1908.*—*The sixth paragraph*  
14 *under the heading “FOREST SERVICE” in the Act of*  
15 *May 23, 1908 (16 U.S.C. 500) is amended in the first*  
16 *sentence by striking “twenty-five percentum” and all*  
17 *that follows through “shall be paid” and inserting the*  
18 *following: “an amount equal to the annual average of*  
19 *25 percent of all amounts received for the applicable*  
20 *fiscal year and each of the preceding 6 fiscal years*  
21 *from each national forest shall be paid”.*

22             (2) *WEEKS LAW.*—*Section 13 of the Act of*  
23 *March 1, 1911 (commonly known as the “Weeks*  
24 *Law”)* (16 U.S.C. 500) *is amended in the first sen-*  
25 *tence by striking “twenty-five percentum” and all*  
26 *that follows through “shall be paid” and inserting the*

1 following: “an amount equal to the annual average of  
2 25 percent of all amounts received for the applicable  
3 fiscal year and each of the preceding 6 fiscal years  
4 from each national forest shall be paid”.

5 (c) *PAYMENTS IN LIEU OF TAXES.*—

6 (1) *IN GENERAL.*—Section 6906 of title 31,  
7 United States Code, is amended to read as follows:

8 **“§ 6906. Funding**

9 “For each of fiscal years 2008 through 2012, such sums  
10 as are authorized under this chapter shall be made available  
11 to the Secretary of the Interior, out of any amounts in the  
12 Treasury not otherwise appropriated, for obligation or ex-  
13 penditure in accordance with this chapter.”.

14 (2) *CONFORMING AMENDMENT.*—The table of sec-  
15 tions for chapter 69 of title 31, United States Code,  
16 is amended by striking the item relating to section  
17 6906 and inserting the following:

“6906. Funding.”.

18 (d) *INCREASE IN INFORMATION RETURN PEN-*  
19 *ALTIES.*—

20 (1) *FAILURE TO FILE CORRECT INFORMATION*  
21 *RETURNS.*—

22 (A) *IN GENERAL.*—Section 6721(a)(1) of the  
23 Internal Revenue Code of 1986 is amended—

24 (i) by striking “\$50” and inserting  
25 “\$250”, and

1                   (ii) by striking “\$250,000” and insert-  
2                   ing “\$3,000,000”.

3                   (B) REDUCTION WHERE CORRECTION IN  
4                   SPECIFIED PERIOD.—

5                   (i) CORRECTION WITHIN 30 DAYS.—  
6                   Section 6721(b)(1) of such Code is amend-  
7                   ed—

8                   (I) by striking “\$15” and insert-  
9                   ing “\$50”,

10                  (II) by striking “\$50” and insert-  
11                  ing “\$250”, and

12                  (III) by striking “\$75,000” and  
13                  inserting “\$500,000”.

14                  (ii) FAILURES CORRECTED ON OR BE-  
15                  FORE AUGUST 1.—Section 6721(b)(2) of  
16                  such Code is amended—

17                  (I) by striking “\$30” and insert-  
18                  ing “\$100”,

19                  (II) by striking “\$50” and insert-  
20                  ing “\$250”, and

21                  (III) by striking “\$150,000” and  
22                  inserting “\$1,500,000”.

23                  (C) LOWER LIMITATION FOR PERSONS WITH  
24                  GROSS RECEIPTS OF NOT MORE THAN



1           \$5,000,000.—Section 6721(d)(1) of such Code is  
2           amended—

3                   (i) in subparagraph (A)—

4                           (I) by striking “\$100,000” and  
5                           inserting “\$1,000,000”, and

6                           (II) by striking “\$250,000” and  
7                           inserting “\$3,000,000”,

8                   (ii) in subparagraph (B)—

9                           (I) by striking “\$25,000” and in-  
10                          serting “\$175,000”, and

11                          (II) by striking “\$75,000” and in-  
12                          serting “\$500,000”, and

13                   (iii) in subparagraph (C)—

14                          (I) by striking “\$50,000” and in-  
15                          serting “\$500,000”, and

16                          (II) by striking “\$150,000” and  
17                          inserting “\$1,500,000”.

18                   (D) PENALTY IN CASE OF INTENTIONAL DIS-  
19                   REGARD.—Section 6721(e) of such Code is  
20                   amended—

21                          (i) by striking “\$100” in paragraph  
22                          (2) and inserting “\$500”,

23                          (ii) by striking “\$250,000” in para-  
24                          graph (3)(A) and inserting “\$3,000,000”.

1           (2) *FAILURE TO FURNISH CORRECT PAYEE*  
2     *STATEMENTS.*—

3           (A) *IN GENERAL.*—Section 6722(a) of the  
4     *Internal Revenue Code of 1986 is amended—*

5           (i) *by striking “\$50” and inserting*  
6     *“\$250”, and*

7           (ii) *by striking “\$100,000” and insert-*  
8     *ing “\$1,000,000”.*

9           (B) *PENALTY IN CASE OF INTENTIONAL DIS-*  
10    *REGARD.*—Section 6722(c) of such Code is  
11    *amended—*

12           (i) *by striking “\$100” in paragraph*  
13    *(1) and inserting “\$500”, and*

14           (ii) *by striking “\$100,000” in para-*  
15    *graph (2)(A) and inserting “\$1,000,000”.*

16           (3) *FAILURE TO COMPLY WITH OTHER INFORMA-*  
17    *TION REPORTING REQUIREMENTS.*—Section 6723 of  
18    *the Internal Revenue Code of 1986 is amended—*

19           (A) *by striking “\$50” and inserting*  
20    *“\$250”, and*

21           (B) *by striking “\$100,000” and inserting*  
22    *“\$1,000,000”.*

23           (4) *EFFECTIVE DATE.*—*The amendments made*  
24    *by this section shall apply with respect to informa-*

1        *tion returns required to be filed on or after January*  
2        *1, 2008.*

3        *(e) REPEAL OF SUSPENSION OF CERTAIN PENALTIES*  
4        *AND INTEREST.—*

5                *(1) IN GENERAL.—Section 6404 of the Internal*  
6        *Revenue Code of 1986 is amended by striking sub-*  
7        *section (g).*

8                *(2) EFFECTIVE DATE.—*

9                        *(A) IN GENERAL.—Except as provided in*  
10        *paragraph (2), the amendment made by this sec-*  
11        *tion shall apply to notices provided by the Sec-*  
12        *retary of the Treasury, or his delegate after the*  
13        *date which is 6 months after the date of the en-*  
14        *actment of this Act.*

15                        *(B) EXCEPTION FOR CERTAIN TAX-*  
16        *PAYERS.—The amendment made by this section*  
17        *shall not apply to any taxpayer with respect to*  
18        *whom a suspension of any interest, penalty, ad-*  
19        *dition to tax, or other amount is in effect on the*  
20        *date which is 6 months after the date of the en-*  
21        *actment of this Act.*

22        *(f) PARTICIPANTS IN GOVERNMENT SECTION 457*  
23        *PLANS ALLOWED TO TREAT ELECTIVE DEFERRALS AS*  
24        *ROTH CONTRIBUTIONS.—*

1           (1) *IN GENERAL.*—Section 402A(e)(1) of the In-  
2           ternal Revenue Code of 1986 (defining applicable re-  
3           tirement plan) is amended by striking “and” at the  
4           end of subparagraph (A), by striking the period at the  
5           end of subparagraph (B) and inserting “, and”, and  
6           by adding at the end the following:

7                     “(C) an eligible deferred compensation plan  
8                     (as defined in section 457(b)) of an eligible em-  
9                     ployer described in section 457(e)(1)(A).”.

10          (2) *ELECTIVE DEFERRALS.*—Section 402A(e)(2)  
11          of the Internal Revenue Code of 1986 (defining elec-  
12          tive deferral) is amended to read as follows:

13                   “(2) *ELECTIVE DEFERRAL.*—The term ‘elective  
14                   deferral’ means—

15                             “(A) any elective deferral described in sub-  
16                             paragraph (A) or (C) of section 402(g)(3), and

17                             “(B) any elective deferral of compensation  
18                             by an individual under an eligible deferred com-  
19                             pensation plan (as defined in section 457(b)) of  
20                             an eligible employer described in section  
21                             457(e)(1)(A).”.

22          (3) *EFFECTIVE DATE.*—The amendments made  
23          by this subsection shall apply to taxable years begin-  
24          ning after December 31, 2007.

1       *SEC. 2602. Disaster relief funds from Public Law 109–*  
2 *234, 120 Stat. 418, 461, (June 30, 2006), chapter 5, “Na-*  
3 *tional Park Service—Historic Preservation Fund,” for nec-*  
4 *essary expenses related to the consequences of Hurricane*  
5 *Katrina and other hurricanes of the 2005 season, may be*  
6 *used to reconstruct destroyed properties that at the time of*  
7 *destruction were listed in the National Register of Historic*  
8 *Places and are otherwise qualified to receive these funds:*  
9 *Provided, That the State Historic Preservation Officer cer-*  
10 *tifies that, for the community where that destroyed property*  
11 *was located, that the property is iconic to or essential to*  
12 *illustrating that community’s historic identity, that no*  
13 *other property in that community with the same associative*  
14 *historic value has survived, and that sufficient historical*  
15 *documentation exists to ensure an accurate reproduction.*

16    *CHAPTER 7*  
17    *DEPARTMENT OF HEALTH AND HUMAN*  
18    *SERVICES*  
19    *CENTERS FOR DISEASE CONTROL AND PREVENTION*  
20    *DISEASE CONTROL, RESEARCH AND TRAINING*

21       *For an additional amount for “Department of Health*  
22 *and Human Services, Centers for Disease Control and Pre-*  
23 *vention, Disease Control, Research and Training”, to carry*  
24 *out section 501 of the Federal Mine Safety and Health Act*  
25 *of 1977 and section 6 of the Mine Improvement and New*

1 *Emergency Response Act of 2006, \$13,000,000 for research*  
2 *to develop mine safety technology, including necessary re-*  
3 *pairs and improvements to leased laboratories: Provided,*  
4 *That progress reports on technology development shall be*  
5 *submitted to the House and Senate Committees on Appro-*  
6 *priations and the Committee on Health, Education, Labor*  
7 *and Pensions of the Senate and the Committee on Edu-*  
8 *cation and Labor of the House of Representatives on a quar-*  
9 *terly basis: Provided further, That the amount provided*  
10 *under this heading shall remain available until September*  
11 *30, 2008.*

12 *ADMINISTRATION FOR CHILDREN AND FAMILIES*

13 *LOW-INCOME HOME ENERGY ASSISTANCE*

14 *For an additional amount for “Low-Income Home En-*  
15 *ergy Assistance” under section 2604(a) through (d) of the*  
16 *Low-Income Home Energy Assistance Act of 1981 (42*  
17 *U.S.C. 8623(a) through (d)), \$320,000,000.*

18 *For an additional amount for “Low-Income Home En-*  
19 *ergy Assistance” under section 2604(e) of the Low-Income*  
20 *Home Energy Assistance Act of 1981 (42 U.S.C. 8623(e)),*  
21 *\$320,000,000.*

22 *OFFICE OF THE SECRETARY*

23 *PUBLIC HEALTH AND SOCIAL SERVICES EMERGENCY FUND*

24 *(INCLUDING TRANSFER OF FUNDS)*

25 *For an additional amount for “Public Health and So-*  
26 *cial Services Emergency Fund” to prepare for and respond*

1 to an influenza pandemic, \$820,000,000, to remain avail-  
2 able until expended: Provided, That this amount shall be  
3 for activities including the development and purchase of  
4 vaccine, antivirals, necessary medical supplies, diagnostics,  
5 and other surveillance tools: Provided further, That prod-  
6 ucts purchased with these funds may, at the discretion of  
7 the Secretary of Health and Human Services, be deposited  
8 in the Strategic National Stockpile: Provided further, That  
9 notwithstanding section 496(b) of the Public Health Service  
10 Act, funds may be used for the construction or renovation  
11 of privately owned facilities for the production of pandemic  
12 vaccine and other biologicals, where the Secretary finds  
13 such a contract necessary to secure sufficient supplies of  
14 such vaccines or biologicals: Provided further, That funds  
15 appropriated herein may be transferred to other appropria-  
16 tion accounts of the Department of Health and Human  
17 Services, as determined by the Secretary to be appropriate,  
18 to be used for the purposes specified in this sentence.

19 *COVERED COUNTERMEASURE PROCESS FUND*

20 *For carrying out section 319F-4 of the Public Health*  
21 *Service Act (42 U.S.C. 247d-6e) to compensate individuals*  
22 *for injuries caused by H5N1 vaccine, in accordance with*  
23 *the declaration regarding avian influenza viruses issued by*  
24 *the Secretary of Health and Human Services on January*  
25 *26, 2007, pursuant to section 319F-3(b) of such Act (42*

1 *U.S.C. 247d–6d(b)), \$50,000,000, to remain available until*  
2 *expended.*

3 *DEPARTMENT OF EDUCATION*

4 *HIGHER EDUCATION*

5 *For an additional amount under part B of title VII*  
6 *of the Higher Education Act of 1965 (“HEA”) for institu-*  
7 *tions of higher education (as defined in section 102 of that*  
8 *Act) that are located in an area in which a major disaster*  
9 *was declared in accordance with section 401 of the Robert*  
10 *T. Stafford Disaster Relief and Emergency Assistance Act*  
11 *related to hurricanes in the Gulf of Mexico in calendar year*  
12 *2005, \$30,000,000: Provided, That such funds shall be*  
13 *available to the Secretary of Education only for payments*  
14 *to help defray the expenses (which may include lost revenue,*  
15 *reimbursement for expenses already incurred, and construc-*  
16 *tion) incurred by such institutions of higher education that*  
17 *were forced to close, relocate or significantly curtail their*  
18 *activities as a result of damage directly caused by such hur-*  
19 *ricanes and for payments to enable such institutions to pro-*  
20 *vide grants to students who attend such institutions for aca-*  
21 *demic years beginning on or after July 1, 2006: Provided*  
22 *further, That such payments shall be made in accordance*  
23 *with criteria established by the Secretary and made pub-*  
24 *licly available without regard to section 437 of the General*



1 *Education Provisions Act, section 553 of title 5, United*  
2 *States Code, or part B of title VII of the HEA.*

3 *HURRICANE EDUCATION RECOVERY*

4 *For carrying out activities authorized by subpart 1 of*  
5 *part D of title V of the Elementary and Secondary Edu-*  
6 *cation Act of 1965, \$30,000,000, to remain available until*  
7 *expended, for use by the States of Louisiana, Mississippi,*  
8 *and Alabama primarily for recruiting, retaining, and com-*  
9 *pensating new and current teachers, principals, school lead-*  
10 *ers, and other educators for positions in public elementary*  
11 *and secondary schools located in an area with respect to*  
12 *which a major disaster was declared under section 401 of*  
13 *the Robert T. Stafford Disaster Relief and Emergency As-*  
14 *sistance Act (42 U.S.C. 5170) by reason of Hurricane*  
15 *Katrina or Hurricane Rita, including through such mecha-*  
16 *nisms as paying salary premiums, performance bonuses,*  
17 *housing subsidies, and relocation costs, with priority given*  
18 *to teachers and school leaders who were displaced from, or*  
19 *lost employment in, Louisiana, Mississippi, or Alabama by*  
20 *reason of Hurricane Katrina or Hurricane Rita and who*  
21 *return to and are rehired by such State or local educational*  
22 *agency; Provided, That funds available under this heading*  
23 *to such States may also be used for 1 or more of the fol-*  
24 *lowing activities: (1) to build the capacity of such public*  
25 *elementary and secondary schools to provide an effective*

1 *education, including the design, adaptation, and implemen-*  
2 *tation of high-quality formative assessments; (2) the estab-*  
3 *lishment of partnerships with nonprofit entities with a*  
4 *demonstrated track record in recruiting and retaining out-*  
5 *standing teachers and other school leaders; and (3) paid re-*  
6 *lease time for teachers and principals to identify and rep-*  
7 *licate successful practices from the fastest-improving and*  
8 *highest-performing schools: Provided further, That the Sec-*  
9 *retary of Education shall allocate amounts available under*  
10 *this heading among such States that submit applications;*  
11 *that such allocation shall be based on the number of public*  
12 *elementary and secondary schools in each State that were*  
13 *closed for 19 days or more during the period beginning on*  
14 *August 29, 2005, and ending on December 31, 2005, due*  
15 *to Hurricane Katrina or Hurricane Rita; and that such*  
16 *States shall in turn allocate funds, on a competitive basis,*  
17 *to local educational agencies, with priority given first to*  
18 *such agencies with the highest percentages of public elemen-*  
19 *tary and secondary schools that are closed as a result of*  
20 *such hurricanes as of the date of enactment of this Act and*  
21 *then to such agencies with the highest percentages of public*  
22 *elementary and secondary schools with a student-teacher*  
23 *ratio of at least 25 to 1, and with any remaining amounts*  
24 *to be distributed to such agencies with demonstrated need,*  
25 *as determined by the State educational agency: Provided*

1 *further, That, in the case of a State that chooses to use*  
2 *amounts available under this heading for performance bo-*  
3 *nuses, not later than 60 days after the date of enactment*  
4 *of this Act and after consultation with, as applicable, local*  
5 *educational agencies, teachers' unions, local principals' or-*  
6 *ganizations, local parents' organizations, local business or-*  
7 *ganizations, and local charter schools organizations, such*  
8 *State shall establish and implement a rating system for*  
9 *such performance bonuses based on strong learning gains*  
10 *for students and growth in student achievement, based on*  
11 *classroom observation and feedback at least 4 times annu-*  
12 *ally, conducted by multiple sources (including principals*  
13 *and master teachers), and evaluated against research-vali-*  
14 *dated rubrics that use planning, instructional, and learn-*  
15 *ing environment standards to measure teaching perform-*  
16 *ance: Provided further, That the amount provided under*  
17 *this heading is designated as an emergency requirement*  
18 *pursuant to section 402 of H. Con. Res. 95 (109th Con-*  
19 *gress).*

20 *HURRICANE EDUCATION RECOVERY*

21 *PROGRAMS TO RESTART SCHOOL OPERATIONS*

22 *Funds made available under section 102 of the Hurri-*  
23 *cane Education Recovery Act (title IV of division B of Pub-*  
24 *lic Law 109–148) may be used by the States of Louisiana,*  
25 *Mississippi, Alabama, and Texas, in addition to the uses*

1 of funds described in section 102(e) for the following costs:  
2 (1) recruiting, retaining and compensating new and cur-  
3 rent teachers, principals, school leaders, other school admin-  
4 istrators, and other educators for positions in reopening  
5 public elementary and secondary schools impacted by Hur-  
6 ricane Katrina or Hurricane Rita, including through such  
7 mechanisms as paying salary premiums, performance bo-  
8 nuses, housing subsidies and relocation costs; and (2) activi-  
9 ties to build the capacity of reopening such public elemen-  
10 tary and secondary schools to provide an effective edu-  
11 cation, including the design, adaptation, and implementa-  
12 tion of high-quality formative assessments; the establish-  
13 ment of partnerships with nonprofit entities with a dem-  
14 onstrated track record in recruiting and retaining out-  
15 standing teachers and other school leaders; and paid release  
16 time for teachers and principals to identify and replicate  
17 successful practices from the fastest-improving and highest-  
18 performing schools: Provided further, That in the case of  
19 a State that chooses to use amounts available under this  
20 heading for performance bonuses, not later than 60 days  
21 after the date of enactment of this Act and after consulta-  
22 tion with, as applicable, local educational agencies, teach-  
23 ers' unions, local principals' organizations, local parents'  
24 organizations, local business organizations, and local char-  
25 ter schools organizations, such State shall establish and im-

1 *plement a rating system that shall be based on strong learn-*  
2 *ing gains for students and growth in student achievement,*  
3 *based on classroom observation and feedback at least 4 times*  
4 *annually, conducted by multiple sources (including prin-*  
5 *cipals and master teachers), and evaluated against re-*  
6 *search-validated rubrics that use planning, instructional,*  
7 *and learning environment standards to measure teaching*  
8 *performance: Provided further, That the amount provided*  
9 *under this heading is designated as an emergency require-*  
10 *ment pursuant to section 402 of H. Con. Res. 95 (109th*  
11 *Congress).*

12 *GENERAL PROVISIONS—THIS CHAPTER*

13 *SEC. 2701. Section 105(b) of title IV of division B of*  
14 *Public Law 109–148 is amended by adding at the end the*  
15 *following new sentence: “With respect to the program au-*  
16 *thorized by section 102 of this Act, the waiver authority*  
17 *in subsection (a) of this section shall be available until the*  
18 *end of fiscal year 2008.”*

19 *(INCLUDING RESCISSION)*

20 *SEC. 2702. (a) From unexpended balances of the*  
21 *amounts made available in the 2001 Emergency Supple-*  
22 *mental Appropriations Act for Recovery from and Response*  
23 *to Terrorist Attacks on the United States (Public Law 107–*  
24 *38) for the Employment Training Administration, Train-*  
25 *ing and Employment Services under the Department of*  
26 *Labor, \$3,589,000 are rescinded.*

1           (b) For an additional amount for the Centers for Dis-  
2 ease Control and Prevention for carrying out activities  
3 under section 5011(b) of the Emergency Supplemental Ap-  
4 propriations Act to Address Hurricanes in the Gulf of Mex-  
5 ico and Pandemic Influenza, 2006 (Public Law 109–148),  
6 \$3,589,000.

7           SEC. 2703. Notwithstanding section 2002(c) of the So-  
8 cial Security Act (42 U.S.C. 1397a(c)), funds made avail-  
9 able under the heading “Social Services Block Grant” in  
10 division B of Public Law 109–148 shall be available for  
11 expenditure by the States through the end of fiscal year  
12 2008.

13           SEC. 2704. ELIMINATION OF REMAINDER OF SCHIP  
14 FUNDING SHORTFALLS FOR FISCAL YEAR 2007. (a) ELIMI-  
15 NATION OF REMAINDER OF FUNDING SHORTFALLS, TIERED  
16 MATCH, AND OTHER LIMITATION ON EXPENDITURES.—  
17 Section 2104(h) of the Social Security Act (42 U.S.C.  
18 1397dd(h)), as added by section 201(a) of the National In-  
19 stitutes of Health Reform Act of 2006 (Public Law 109–  
20 482), is amended—

21                   (1) in the heading for paragraph (2), by striking  
22           “REMAINDER OF REDUCTION” and inserting “PART”;  
23           and

24                   (2) by striking paragraph (4) and inserting the  
25           following:

1           “(4) *ADDITIONAL AMOUNTS TO ELIMINATE RE-*  
2           *MAINDER OF FISCAL YEAR 2007 FUNDING SHORT-*  
3           *FALLS.—*

4           “(A) *IN GENERAL.—The Secretary shall*  
5           *allot to each remaining shortfall State described*  
6           *in subparagraph (B) such amount as the Sec-*  
7           *retary determines will eliminate the estimated*  
8           *shortfall described in such subparagraph for the*  
9           *State for fiscal year 2007.*

10          “(B) *REMAINING SHORTFALL STATE DE-*  
11          *SCRIBED.—For purposes of subparagraph (A), a*  
12          *remaining shortfall State is a State with a State*  
13          *child health plan approved under this title for*  
14          *which the Secretary estimates, on the basis of the*  
15          *most recent data available to the Secretary as of*  
16          *the date of the enactment of this paragraph, that*  
17          *the projected federal expenditures under such*  
18          *plan for the State for fiscal year 2007 will exceed*  
19          *the sum of—*

20                 “(i) *the amount of the State’s allot-*  
21                 *ments for each of fiscal years 2005 and*  
22                 *2006 that will not be expended by the end*  
23                 *of fiscal year 2006;*

24                 “(ii) *the amount of the State’s allot-*  
25                 *ment for fiscal year 2007; and*

1                   “(iii) the amounts, if any, that are to  
2                   be redistributed to the State during fiscal  
3                   year 2007 in accordance with paragraphs  
4                   (1) and (2).

5                   “(C) APPROPRIATION; ALLOTMENT AUTHOR-  
6                   ITY.—For the purpose of providing additional  
7                   allotments to remaining shortfall States under  
8                   this paragraph there is appropriated, out of any  
9                   funds in the Treasury not otherwise appro-  
10                  priated, such sums as are necessary for fiscal  
11                  year 2007.”.

12                  (b) CONFORMING AMENDMENTS.—Section 2104(h) of  
13                  such Act (42 U.S.C. 1397dd(h)) (as so added), is amend-  
14                  ed—

15                   (1) in paragraph (1)(B), by striking “subject to  
16                   paragraph (4)(B) and”;

17                   (2) in paragraph (2)(B), by striking “subject to  
18                   paragraph (4)(B) and”;

19                   (3) in paragraph (5)(A), by striking “and (3)”  
20                   and inserting “(3), and (4)”; and

21                   (4) in paragraph (6)—

22                   (A) in the first sentence—

23                   (i) by inserting “or allotted” after “re-  
24                   distributed”; and



1                   (ii) by inserting “or allotments” after  
2                   “redistributions”; and  
3                   (B) by striking “and (3)” and inserting  
4                   “(3), and (4)”.

5           (c) *GENERAL EFFECTIVE DATE; APPLICABILITY.*—*Ex-*  
6 *cept as otherwise provided, the amendments made by this*  
7 *section take effect on the date of enactment of this Act and*  
8 *apply without fiscal year limitation.*

9           *SEC. 2705. Notwithstanding any other provision of*  
10 *law, the Secretary of Health and Human Services shall not,*  
11 *prior to the date that is 2 years after the date of enactment*  
12 *of this Act, take any action to finalize, or otherwise imple-*  
13 *ment provisions—*

14                   (1) *contained in the proposed rule published on*  
15 *January 18, 2007, on pages 2236 through 2258 of*  
16 *volume 72, Federal Register (relating to parts 433,*  
17 *447, and 457 of title 42, Code of Federal Regulations)*  
18 *or any other rule that would affect the Medicaid pro-*  
19 *gram established under title XIX of the Social Secu-*  
20 *rity Act or the State Children’s Health Insurance*  
21 *Program established under title XXI of such Act in a*  
22 *similar manner; or*

23                   (2) *restricting payments for graduate medical*  
24 *education under the Medicaid program.*

1           (a) *MEDICARE CRITICAL ACCESS HOSPITAL DESIGNA-*  
2 *TION.—Section 405(h) of the Medicare Prescription Drug,*  
3 *Improvement, and Modernization Act of 2003 (Public Law*  
4 *108–173; 117 Stat. 2269) is amended by adding at the end*  
5 *the following new paragraph:*

6           “(3) *EXCEPTION.—*

7                   “(A) *STATE OF MINNESOTA.—The amend-*  
8 *ment made by paragraph (1) shall not apply to*  
9 *the certification by the State of Minnesota on or*  
10 *after January 1, 2006, under section*  
11 *1820(c)(2)(B)(i)(II) of the Social Security Act*  
12 *(42 U.S.C. 1395i–4(c)(2)(B)(i)(II)) of one hos-*  
13 *pital that meets the criteria described in sub-*  
14 *paragraph (B) and is located in Cass County,*  
15 *Minnesota, as a necessary provider of health care*  
16 *services to residents in the area of the hospital.*

17                   “(B) *CRITERIA DESCRIBED FOR HOSPITAL*  
18 *IN MINNESOTA.—A hospital meets the criteria de-*  
19 *scribed in this subparagraph if the hospital—*

20                           “(i) *has been granted an exception by*  
21 *the State to an otherwise applicable statu-*  
22 *tory restriction on hospital construction or*  
23 *licensing prior to the date of enactment of*  
24 *this subparagraph; and*

1           “(i) is located on property which the  
2           State has approved for conveyance to a  
3           county within the State prior to such date  
4           of enactment.

5           “(C) STATE OF MISSISSIPPI.—The amend-  
6           ment made by paragraph (1) shall not apply to  
7           the certification by the State of Mississippi on or  
8           after April 1, 2007, under section  
9           1820(c)(2)(b)(i)(II) of the Social Security Act  
10          (42 U.S.C. 1395i–4(c)(2)(B)(i)(II)) of one hos-  
11          pital that meets the criteria described in sub-  
12          paragraph (D) and is located in Kemper Coun-  
13          ty, Mississippi, as a necessary provider of health  
14          care services to residents in the area of the hos-  
15          pital.

16          “(D) CRITERIA DESCRIBED FOR HOSPITAL  
17          IN MISSISSIPPI.—A hospital meets the criteria  
18          described in this subparagraph if the hospital—

19                 “(i) meets all other criteria for des-  
20                 ignation as a critical access hospital under  
21                 section 1820(c)(2)(b) of the Social Security  
22                 Act (42 U.S.C. 1395i–4(c)(2)(B));

23                 “(ii) has satisfied the requirement of  
24                 the certificate of need laws and regulations  
25                 of the State of Mississippi; and

1                   “(iii) will be constructed on property  
2                   that will be conveyed by the Kemper County  
3                   Board of Supervisors within the State of  
4                   Mississippi.”.

5           (b) INCREASE IN BASIC REBATE FOR SINGLE SOURCE  
6 DRUGS AND INNOVATOR MULTIPLE SOURCE DRUGS.—Sec-  
7 tion 1927(c)(1)(B)(i) of the Social Security Act (42 U.S.C.  
8 1396r–8(c)(1)(B)(i)) is amended—

9                   (1) in subclause (IV), by striking “and” after the  
10                  semicolon;

11                  (2) in subclause (V)—

12                               (A) by inserting “and before April 1, 2007,”  
13                               after “1995,”; and

14                               (B) by striking the period and inserting “;  
15                               and”; and

16                  (3) by adding at the end the following:

17   “(VI) after March 31, 2007, is 20  
18   percent.”.

19           SEC. 2705. (a) For grant years beginning in 2006–  
20 2007, the Secretary of Health and Human Services may  
21 waive the requirements of, with respect to Louisiana, Mis-  
22 sissippi, Alabama, and Texas and any eligible metropolitan  
23 area in Louisiana, Mississippi, Alabama, and Texas, the  
24 following sections of the Public Health Service Act:

1           (1) *Section 2612(e)(1) of such Act (42 U.S.C.*  
2 *300ff–21(b)(1)).*

3           (2) *Section 2617(b)(7)(E) of such Act (42 U.S.C.*  
4 *300ff–27(b)(7)(E)).*

5           (3) *Section 2617(d) of such Act (42 U.S.C.*  
6 *300ff–27(d)), except that such waiver shall apply so*  
7 *that the matching requirement is reduced to \$1 for*  
8 *each \$4 of Federal funds provided under the grant in-*  
9 *volved.*

10          **(b)** *If the Secretary of Health and Human Services*  
11 *grants a waiver under subsection (b), the Secretary—*

12           (1) *may not prevent Louisiana, Mississippi, Ala-*  
13 *bama, and Texas or any eligible metropolitan area in*  
14 *Louisiana, Mississippi, Alabama, and Texas from re-*  
15 *ceiving or utilizing, or both, funds granted or distrib-*  
16 *uted, or both, pursuant to title XXVI of the Public*  
17 *Health Service Act (42 U.S.C. 300ff–11 et seq.) be-*  
18 *cause of the failure of Louisiana, Mississippi, Ala-*  
19 *bama, and Texas or any eligible metropolitan area in*  
20 *Louisiana, Mississippi, Alabama, and Texas to com-*  
21 *ply with the requirements of the sections listed in*  
22 *paragraphs (1) through (3) of subsection (a);*

23           (2) *may not take action due to such noncompli-*  
24 *ance; and*

1           (3) shall assess, evaluate, and review Louisiana,  
2           Mississippi, Alabama, and Texas or any eligible met-  
3           ropolitan area's eligibility for funds under such title  
4           XXVI as if Louisiana, Mississippi, Alabama, and  
5           Texas or such eligible metropolitan area had fully  
6           complied with the requirements of the sections listed  
7           in paragraphs (1) through (3) of subsection (a).

8           (c) For grant years beginning in 2008, Louisiana,  
9           Mississippi, Alabama, and Texas and any eligible metro-  
10          politan area in Louisiana, Mississippi, Alabama, and  
11          Texas shall comply with each of the applicable requirements  
12          under title XXVI of the Public Health Service Act (42  
13          U.S.C. 300ff-11 et seq.).

14    CHAPTER 8

15    LEGISLATIVE BRANCH

16                                  ARCHITECT OF THE CAPITOL

17    CAPITOL POWER PLANT

18          For an additional amount for "Capitol Power Plant",  
19          \$25,000,000, for emergency utility tunnel repairs and as-  
20          bestos abatement, to remain available until September 30,  
21          2011: Provided, That the Architect of the Capitol may not  
22          obligate any of the funds appropriated under this heading  
23          without approval of an obligation plan by the Committees  
24          on Appropriations of the Senate and House of Representa-  
25          tives.

1            *GOVERNMENT ACCOUNTABILITY OFFICE*2                            *SALARIES AND EXPENSES*

3            *For an additional amount for “Salaries and Ex-*  
4 *penses” of the Government Accountability Office, \$374,000,*  
5 *to remain available until expended.*

6                            *CHAPTER 9*7                            *DEPARTMENT OF DEFENSE*8                            *MILITARY CONSTRUCTION*9                            *MILITARY CONSTRUCTION, AIR FORCE RESERVE*10                            *(INCLUDING RESCISSION OF FUNDS)*

11            *For an additional amount for “Military Construction,*  
12 *Air Force Reserve”, \$3,096,000, to remain available until*  
13 *September 30, 2011: Provided, That such funds may be obli-*  
14 *gated and expended to carry out planning and design and*  
15 *military construction projects not otherwise authorized by*  
16 *law.*

17            *Of the funds appropriated for “Military Construction,*  
18 *Air Force Reserve” under Public Law 109–114, \$3,096,000*  
19 *are hereby rescinded.*

20                            *DEPARTMENT OF DEFENSE BASE CLOSURE ACCOUNT,*21    *2005*

22            *For deposit into the Department of Defense Base Clo-*  
23 *sure Account 2005, established by section 2906(a)(1) of the*  
24 *Defense Base Closure and Realignment Act of 1990 (10*

1 *U.S.C. 2687 note), \$3,136,802,000, to remain available*  
2 *until expended.*

3 *DEPARTMENT OF VETERANS AFFAIRS*

4 *VETERANS HEALTH ADMINISTRATION*

5 *MEDICAL SERVICES*

6 *For an additional amount for “Medical Services”,*  
7 *\$454,131,000, to remain available until expended, of which*  
8 *\$50,000,000 shall be for the establishment of new Level I*  
9 *comprehensive polytrauma centers; \$9,440,000 shall be for*  
10 *the establishment of polytrauma residential transitional re-*  
11 *habilitation programs; \$20,000,000 shall be for additional*  
12 *transition caseworkers; \$30,000,000 shall be for substance*  
13 *abuse treatment programs; \$20,000,000 for readjustment*  
14 *counseling; \$10,000,000 shall be for blind rehabilitation*  
15 *services; \$100,000,000 shall be for enhancements to mental*  
16 *health services; \$8,000,000 shall be for polytrauma support*  
17 *clinic teams; \$5,356,000 for additional polytrauma points*  
18 *of contacts; and \$201,335,000 shall be for treatment of Op-*  
19 *eration Enduring Freedom and Operation Iraqi Freedom*  
20 *veterans.*

21 *MEDICAL ADMINISTRATION*

22 *For an additional amount for “Medical Administra-*  
23 *tion”, \$250,000,000, to remain available until expended.*

24 *MEDICAL FACILITIES*

25 *For an additional amount for “Medical Facilities”,*  
26 *\$595,000,000, to remain available until expended, of which*



1 \$45,000,000 shall be used for facility and equipment up-  
2 grades at the Department of Veterans Affairs polytrauma  
3 rehabilitation centers and the polytrauma network sites;  
4 and \$550,000,000 shall be for non-recurring maintenance  
5 as identified in the Department of Veterans Affairs Facility  
6 Condition Assessment report: Provided, That the amount  
7 provided under this heading for non-recurring maintenance  
8 shall be allocated in a manner outside of the Veterans Equi-  
9 table Resource Allocation and specific to the needs and geo-  
10 graphic distribution of Operation Enduring Freedom and  
11 Operation Iraqi Freedom veterans: Provided further, That  
12 within 30 days of enactment of this Act the Secretary shall  
13 submit to the Committees on Appropriations of both Houses  
14 of Congress an expenditure plan for non-recurring mainte-  
15 nance prior to obligation.

16 *MEDICAL AND PROSTHETIC RESEARCH*

17 *For an additional amount for “Medical and Prosthetic*  
18 *Research”, \$30,000,000, to remain available until ex-*  
19 *pended, which shall be used for research related to the*  
20 *unique medical needs of returning Operation Enduring*  
21 *Freedom and Operation Iraqi Freedom veterans.*

22 *DEPARTMENTAL ADMINISTRATION*

23 *GENERAL OPERATING EXPENSES*

24 *For an additional amount for “General Operating Ex-*  
25 *penses”, \$46,000,000, to remain available until expended,*

1 *for the hiring and training of new pension and compensa-*  
2 *tion claims processing personnel.*

3 *INFORMATION TECHNOLOGY SYSTEMS*

4 *For an additional amount for “Information Tech-*  
5 *nology Systems”, \$36,100,000, to remain available until ex-*  
6 *pended, of which \$20,000,000 shall be for information tech-*  
7 *nology support and improvements for processing of OIF/*  
8 *OEF veterans benefits claims, including making electronic*  
9 *DOD medical records available for claims processing and*  
10 *enabling electronic benefits applications by veterans;*  
11 *\$1,000,000 shall be for the digitization of benefits records;*  
12 *and \$15,100,000 shall be for electronic data breach and re-*  
13 *mediation and prevention.*

14 *CONSTRUCTION, MINOR PROJECTS*

15 *For an additional amount for “Construction, Minor*  
16 *Projects”, \$355,907,000, to remain available until ex-*  
17 *pended, of which \$36,000,000 shall be for construction costs*  
18 *associated with the establishment of polytrauma residential*  
19 *transitional rehabilitation programs.*

20 *GENERAL PROVISIONS—THIS CHAPTER*

21 *SEC. 2901. (a) Notwithstanding any other provision*  
22 *of law, none of the funds in this or any other Act shall*  
23 *be used to downsize staff or to close, realign or phase out*  
24 *essential services at Walter Reed Army Medical Center until*  
25 *equivalent medical facilities at the Walter Reed National*  
26 *Military Medical Center at Naval Medical Center, Bethesda,*

1 *Maryland, and/or the Fort Belvoir, Virginia, Community*  
2 *Hospital have been constructed and equipped, and until the*  
3 *Secretary of Defense has certified in writing to the Congress*  
4 *that:*

5           (1) *the new facilities at Walter Reed National*  
6 *Military Medical Center at Bethesda and/or the Fort*  
7 *Belvoir Community Hospital are complete and fully*  
8 *operational, and*

9           (2) *replacement medical facilities at Walter Reed*  
10 *National Military Medical Center at Bethesda have*  
11 *adequate capacity to meet both the existing and pro-*  
12 *jected demand for complex medical care and services,*  
13 *including outpatient and medical hold facilities, for*  
14 *combat veterans and other military personnel.*

15           (b) *Not later than 30 days after enactment of this Act,*  
16 *the Secretary of Defense shall provide to the Committees on*  
17 *Appropriations of the Senate and House of Representatives*  
18 *a report and proposed timetable outlining the Department's*  
19 *plan to transition patients, staff and medical services to*  
20 *the new facilities at Bethesda and Fort Belvoir without*  
21 *compromising patient care, staffing requirements or facility*  
22 *maintenance at the Walter Reed Medical Center.*

23           (c) *To ensure that the quality of care provided by the*  
24 *Military Health System is not diminished during this tran-*  
25 *sition, the Walter Reed Army Medical Center shall be ade-*

1 *quately funded, to include necessary renovation and main-*  
2 *tenance of existing facilities, to continue the maximum level*  
3 *of inpatient and outpatient services.*

4       *SEC. 2902. Notwithstanding any other provision of*  
5 *law, none of the funds in this or any other Act shall be*  
6 *used to reorganize or relocate the functions of the Armed*  
7 *Forces Institute of Pathology (AFIP) until the Secretary*  
8 *of Defense has submitted, not later than December 31, 2007,*  
9 *a detailed plan and timetable for the proposed reorganiza-*  
10 *tion and relocation to the Committees on Appropriations*  
11 *and Armed Services of the Senate and House of Representa-*  
12 *tives. The plan shall take into consideration the rec-*  
13 *ommendations of a study being prepared by the Govern-*  
14 *ment Accountability Office (GAO), provided that such study*  
15 *is available not later than 45 days before the date specified*  
16 *in this section, on the impact of dispersing selected func-*  
17 *tions of AFIP among several locations, and the possibility*  
18 *of consolidating those functions at one location. The plan*  
19 *shall include an analysis of the options for the location and*  
20 *operation of the Program Management Office for second*  
21 *opinion consults that are consistent with the recommenda-*  
22 *tions of the Base Realignment and Closure Commission, to-*  
23 *gether with the rationale for the option selected by the Sec-*  
24 *retary.*

1        *SEC. 2903. Within existing funds appropriated to De-*  
2 *partmental Administration, General Operating Expenses*  
3 *for fiscal year 2007, and within 30 days after enactment*  
4 *of this Act, the Department of Veterans Affairs shall con-*  
5 *tract with the National Academy of Public Administration*  
6 *for the purpose of conducting an independent study and*  
7 *analysis of the organizational structure, management and*  
8 *coordination processes, including Seamless Transition, uti-*  
9 *lized by the Department of Veterans affairs to:*

10            *(1) provide health care to active duty and vet-*  
11 *erans of Operation Enduring Freedom and Operation*  
12 *Iraqi Freedom; and*

13            *(2) provide benefits to veterans of Operation En-*  
14 *during Freedom and Operation Iraqi Freedom.*

15        *SEC. 2904. The Director of the Congressional Budget*  
16 *Office shall, not later than November 15, 2007, submit to*  
17 *the Committees on Appropriations of the House of Rep-*  
18 *resentatives and the Senate a report projecting appropria-*  
19 *tions necessary for the Departments of Defense and Veterans*  
20 *Affairs to continue providing necessary health care to vet-*  
21 *erans of the conflicts in Iraq and Afghanistan. The projec-*  
22 *tions should span several scenarios for the duration and*  
23 *number of forces deployed in Iraq and Afghanistan, and*  
24 *more generally, for the long-term health care needs of de-*

1 *ployed troops engaged in the global war on terrorism over*  
2 *the next ten years.*

3 *CHAPTER 10*

4 *DEPARTMENT OF TRANSPORTATION*

5 *FEDERAL HIGHWAY ADMINISTRATION*

6 *FEDERAL-AID HIGHWAYS*

7 *EMERGENCY RELIEF PROGRAM*

8 *(INCLUDING RESCISSION OF FUNDS)*

9 *For an additional amount for the Emergency Relief*  
10 *Program as authorized under section 125 of title 23, United*  
11 *States Code, \$388,903,000, to remain available until ex-*  
12 *pended: Provided, That of the unobligated balances of funds*  
13 *apportioned to each State under chapter 1 of title 23,*  
14 *United States Code, \$388,903,000 are rescinded: Provided*  
15 *further, That such rescission shall not apply to the funds*  
16 *distributed in accordance with sections 130(f) and*  
17 *104(b)(5) of title 23, United States Code; sections 133(d)(1)*  
18 *and 163 of such title, as in effect on the day before the date*  
19 *of enactment of Public Law 109–59; and the first sentence*  
20 *of section 133(d)(3)(A) of such title: Provided further, That*  
21 *section 4103 of title III of this Act shall not apply to the*  
22 *first proviso under this paragraph.*

23 *FEDERAL TRANSIT ADMINISTRATION*

24 *FORMULA GRANTS*

25 *For an additional amount to be allocated by the Sec-*  
26 *retary to recipients of assistance under chapter 53 of title*

1 49, *United States Code*, directly affected by Hurricanes  
2 *Katrina and Rita*, \$75,000,000, for the operating and cap-  
3 ital costs of transit services, to remain available until ex-  
4 pended: *Provided, That the Federal share for any project*  
5 *funded from this amount shall be 100 percent.*

6 *DEPARTMENT OF HOUSING AND URBAN*

7 *DEVELOPMENT*

8 *OFFICE OF INSPECTOR GENERAL*

9 *For an additional amount for the Office of Inspector*  
10 *General, for the necessary costs related to the consequences*  
11 *of Hurricanes Katrina and Rita, \$5,000,000, to remain*  
12 *available until expended.*

13 *GENERAL PROVISIONS—THIS CHAPTER*

14 *SEC. 3001. Section 21033 of the Continuing Appro-*  
15 *priations Resolution, 2007 (division B of Public Law 109-*  
16 *289, as amended by Public Law 110-5) is amended by add-*  
17 *ing after the third proviso: “: Provided further, That not-*  
18 *withstanding the previous proviso, except for applying the*  
19 *2007 Annual Adjustment Factor and making any other*  
20 *specified adjustments, public housing agencies that are eli-*  
21 *gible for assistance under section 901 in Public Law 109-*  
22 *148 (119 Stat. 2781) shall receive funding for calendar year*  
23 *2007 based on the amount such public housing agencies*  
24 *were eligible to receive in calendar year 2006”.*

1                                    *TITLE III*  
2                                    *OTHER MATTERS*  
3                                    *CHAPTER 1*  
4                                    *DEPARTMENT OF AGRICULTURE*  
5                                    *FARM SERVICE AGENCY*  
6                                    *SALARIES AND EXPENSES*

7            *For an additional amount for “Salaries and Ex-*  
8 *penses” of the Farm Service Agency, \$75,000,000, to remain*  
9 *available until expended: Provided, That this amount shall*  
10 *only be available for the modernization and repair of the*  
11 *computer systems used by the Farm Service Agency (includ-*  
12 *ing all software, hardware, and personnel required for mod-*  
13 *ernization and repair): Provided further, That of this*  
14 *amount \$27,000,000 shall be made available 60 days after*  
15 *the date on which the Farm Service Agency submits to the*  
16 *Committee on Appropriations of the Senate, the Committee*  
17 *on Appropriations of the House of Representatives, and the*  
18 *Government Accountability Office a spending plan for the*  
19 *funds.*

20                                    *GENERAL PROVISIONS—THIS CHAPTER*

21                                    *(RESCISSION)*

22            *SEC. 3101. Of the unobligated balances of funds made*  
23 *available pursuant to section 298(a) of the Trade Act of*  
24 *1974 (19 U.S.C. 2401G(a)), \$75,000,000 are rescinded.*



1        *SEC. 3102. (a) Section 1237A(f) of the Food Security*  
2 *Act of 1985 (16 U.S.C. 3837a(f)) is amended in the first*  
3 *sentence by striking “fair market value of the land less the*  
4 *fair market value of such land encumbered by the easement”*  
5 *and inserting “fair market value of the land as determined*  
6 *in accordance with the method of valuation used by the Sec-*  
7 *retary as of January 1, 2003”.*

8        *(b) Section 1238I(c)(1) of the Food Security Act of*  
9 *1985 (16 U.S.C. 3838i(c)(1)) is amended by inserting at*  
10 *the end the following:*

11                    *“(C) VALUATION.—The Secretary shall de-*  
12                    *termine fair market value under this paragraph*  
13                    *in accordance with the method of valuation used*  
14                    *by the Secretary as of January 1, 2003.”.*

15        *SEC. 3103. Subsection (b)(1) of section 313A of the*  
16 *Rural Electrification Act shall not apply in the case of a*  
17 *cooperative lender that has previously received a guarantee*  
18 *under section 313A and such additional guarantees shall*  
19 *not exceed the amount provided for in Public Law 110–*  
20 *5.*

21        *SEC. 3104. SPINACH. No funds made available under*  
22 *this Act shall be used to make payments to growers and*  
23 *first handlers, as defined by the Secretary of Health and*  
24 *Human Services, of fresh spinach that were unable to mar-*  
25 *ket spinach crops as a result of the Food and Drug Admin-*

1 *istration Public Health Advisory issued on September 14,*  
2 *2006.*

3 *CHAPTER 2*

4 *GENERAL PROVISIONS—THIS CHAPTER*

5 *SEC. 3201. Section 20314 of the Continuing Appro-*  
6 *priations Resolution, 2007 (division B of Public Law 109-*  
7 *289, as amended by Public Law 110-5) is amended by*  
8 *striking “Resources.” and inserting in lieu thereof: “Re-*  
9 *sources: Provided, That \$22,762,000 of the amount provided*  
10 *be for geothermal research and development activities: Pro-*  
11 *vided further, That \$229,500,000 of the amount provided*  
12 *shall be used for the weatherization assistance program of*  
13 *the Department of Energy.”.*

14 *SEC. 3202. Hereafter, federal employees at the Na-*  
15 *tional Energy Technology Laboratory shall be classified as*  
16 *inherently governmental for the purpose of the Federal Ac-*  
17 *tivities Inventory Reform Act of 1998 (31 U.S.C. 501 note).*

18 *SEC. 3203. PROHIBITION ON CERTAIN USES OF FUNDS*  
19 *BY BPA. None of the funds made available under this or*  
20 *any other Act shall be used during fiscal year 2007 to make,*  
21 *or plan or prepare to make, any payment on bonds issued*  
22 *by the Administrator of the Bonneville Power Administra-*  
23 *tion (referred in this section as the “Administrator”) or for*  
24 *an appropriated Federal Columbia River Power System in-*  
25 *vestment, if the payment is both—*



1 *ing, evaluation, research, and capacity building to commu-*  
2 *nity anti-drug coalitions; (2) with authorization from Con-*  
3 *gress, both prior to fiscal year 2007, and in fiscal years*  
4 *2008 through 2012, to perform the duties described in sub-*  
5 *section (1) of this section; and (3) that has previously re-*  
6 *ceived funding from Congress, including through a competi-*  
7 *tive process as well as direct funding, for providing the du-*  
8 *ties described in subsection (1) of this section: Provided,*  
9 *That funds appropriated in section 21075 shall be obligated*  
10 *within sixty days after enactment of this Act.*

11 *SEC. 3303. Funds made available under section 613*  
12 *of Public Law 109–108 (119 Stat. 2338) for Nevada’s Com-*  
13 *mission on Economic Development shall be made available*  
14 *to the Nevada Center for Entrepreneurship and Technology*  
15 *(CET).*

16 *SEC. 3304. From the amount provided by section*  
17 *21067 of the Continuing Appropriations Resolution, 2007*  
18 *(Public Law 110–5), the National Archives and Records*  
19 *Administration may obligate monies necessary to carry out*  
20 *the activities of the Public Interest Declassification Board.*

21 *SEC. 3305. None of the funds appropriated or other-*  
22 *wise made available in section 21063 of the Continuing Ap-*  
23 *propriations Resolution, 2007 (Public Law 110–5) for the*  
24 *“General Services Administration, Real Property Activi-*  
25 *ties, Federal Buildings Fund”, may be obligated for design,*

1 *construction, or acquisition until the House and Senate*  
2 *Committees on Appropriations approve a revised detailed*  
3 *plan, by project, on the use of such funds: Provided, That*  
4 *the new plan shall include funding for completion of court-*  
5 *house construction projects which received funding in fiscal*  
6 *year 2006 above a level of \$5,000,000: Provided further,*  
7 *That such plan shall be provided by the Administrator of*  
8 *the General Services Administration to the House of Rep-*  
9 *resentatives and the Senate Committees on Appropriations*  
10 *within seven days of enactment.*

11 *SEC. 3306. Notwithstanding the notice requirement of*  
12 *the Transportation, Treasury, Housing and Urban Devel-*  
13 *opment, the Judiciary, the District of Columbia, and Inde-*  
14 *pendent Agencies Appropriations Act, 2006, 119 Stat. 2509*  
15 *(Public Law 109–115), as continued in section 104 of the*  
16 *Continuing Appropriations Resolution, 2007 (Public Law*  
17 *110–5), the District of Columbia Courts may reallocate not*  
18 *more than \$1,000,000 of the funds provided for fiscal year*  
19 *2007 under the Federal Payment to the District of Colum-*  
20 *bia Courts for facilities among the items and entities funded*  
21 *under that heading for operations.*

22 *SEC. 3307. (a) Not later than 90 days after the date*  
23 *of enactment of this Act, the Secretary of the Treasury, in*  
24 *coordination with the Securities and Exchange Commission*  
25 *and in consultation with the Departments of State and En-*

1 *ergy, shall prepare and submit to the Senate Committee on*  
2 *Appropriations, the House of Representatives Committee on*  
3 *Appropriations, the Senate Foreign Relations Committee,*  
4 *and the House Foreign Affairs Committee an unclassified*  
5 *report, suitable to be made public, that contains the names*  
6 *of (1) all companies trading in securities that are registered*  
7 *under section 12 of the Securities Exchange Act of 1934*  
8 *(15 U.S.C. 781) which either directly or through a parent*  
9 *or subsidiary company, including partly-owned subsidi-*  
10 *aries, conduct business operations in Sudan relating to nat-*  
11 *ural resource extraction, including oil-related activities and*  
12 *mining of minerals; and (2) the names of all other compa-*  
13 *nies, which either directly or through a parent or subsidiary*  
14 *company, including partly-owned subsidiaries, conduct*  
15 *business operations in Sudan relating to natural resource*  
16 *extraction, including oil-related activities and mining of*  
17 *minerals. The reporting provision shall not apply to com-*  
18 *panies operating under licenses from the Office of Foreign*  
19 *Assets Control or otherwise expressly exempted under*  
20 *United States law from having to obtain such licenses in*  
21 *order to operate in Sudan.*

22 *(b) Not later than 20 days after enactment, the Sec-*  
23 *retary of the Treasury shall inform the aforementioned com-*  
24 *mittees of Congress of any statutory or other legal impedi-*  
25 *ments to the successful completion of this report.*

1           (c) Not later than 45 days following the submission  
2 to Congress of the list of companies conducting business op-  
3 erations in Sudan relating to natural resource extraction  
4 required above, the General Services Administration shall  
5 determine whether the United States Government has an  
6 active contract for the procurement of goods or services with  
7 any of the identified companies, and provide notification  
8 to the appropriate committees of Congress of the companies,  
9 nature of the contract, and dollar amounts involved.

10                               (INCLUDING RESCISSION)

11           SEC. 3308. (a) Of the funds provided for the General  
12 Services Administration, “Office of Inspector General” in  
13 section 21061 of the Continuing Appropriations Resolution,  
14 2007 (division B of Public Law 109–289, as amended by  
15 Public Law 110–5), \$8,000,000 are rescinded.

16           (b) For an additional amount for the General Services  
17 Administration, “Office of Inspector General”, \$8,000,000,  
18 to remain available until September 30, 2008.

19           SEC. 3309. Section 21073 of the Continuing Appro-  
20 priations Resolution, 2007 (Public Law 110–5) is amended  
21 by adding a new subsection (j) as follows:

22           “(j) Notwithstanding section 101, any appropriation  
23 or funds made available to the District of Columbia pursu-  
24 ant to this division for ‘Federal Payment for Foster Care  
25 Improvement in the District of Columbia’ shall be available  
26 in accordance with an expenditure plan submitted by the

1 *Mayor of the District of Columbia not later than 60 days*  
2 *after the enactment of this section which details the activi-*  
3 *ties to be carried out with such Federal Payment.”.*

4 *SEC. 3310. Pursuant to section 140 of Public Law 97–*  
5 *92, justices and judges of the United States are authorized*  
6 *during fiscal year 2007 to receive a salary adjustment in*  
7 *accordance with section 461 of title 28, United States Code.*

8 *CHAPTER 4*

9 *GENERAL PROVISIONS—THIS CHAPTER*

10 *SEC. 3401. Any unobligated balances remaining from*  
11 *prior appropriations for United States Coast Guard, “Re-*  
12 *tired Pay” shall remain available until expended in the ac-*  
13 *count and for the purposes for which the appropriations*  
14 *were provided, including the payment of obligations other-*  
15 *wise chargeable to lapsed or current appropriations for this*  
16 *purpose.*

17 *SEC. 3402. INTEGRATED DEEPWATER SYSTEM. (a)*  
18 *COMPETITION FOR ACQUISITION AND MODIFICATION OF AS-*  
19 *SETS.—*

20 *(1) IN GENERAL.—The Commandant of the*  
21 *Coast Guard shall utilize full and open competition*  
22 *for any contract entered into after the date of enact-*  
23 *ment of this Act that provides for the acquisition or*  
24 *modification of assets under, or in support of, the In-*



1 *tegrated Deepwater System Program of the Coast*  
2 *Guard.*

3 (2) *EXCEPTIONS.—Paragraph (1) shall not*  
4 *apply to the following:*

5 (A) *The acquisition or modification of the*  
6 *following asset classes for which assets of the*  
7 *class and related systems and components under*  
8 *the Integrated Deepwater System are under a*  
9 *contract for production:*

10 (i) *National Security Cutter;*

11 (ii) *Maritime Patrol Aircraft;*

12 (iii) *Deepwater Command, Control,*  
13 *Communications, Computer, Intelligence,*  
14 *Surveillance, and Reconnaissance (C4ISR)*  
15 *System; and*

16 (iv) *HC-130J Fleet Introduction.*

17 (B) *The modification of any legacy asset*  
18 *class under the Integrated Deepwater System*  
19 *Program being performed by a Coast Guard en-*  
20 *tity.*

21 (b) *CHAIR OF PRODUCT AND OVERSIGHT TEAMS.—*

22 *The Commandant of the Coast Guard shall assign an ap-*  
23 *propriate officer or employee of the Coast Guard to act as*  
24 *chair of each of the following:*

1           (1) *Each integrated product team under the In-*  
2           *tegrated Deepwater System Program.*

3           (2) *Each higher-level team assigned to the over-*  
4           *sight of a product team referred to in paragraph (1).*

5           (c) *LIFE-CYCLE COST ESTIMATE.*—*The Commandant*  
6           *of the Coast Guard may not enter into a contract for lead*  
7           *asset production under the Integrated Deepwater System*  
8           *Program until the Commandant obtains an independent es-*  
9           *timate of life-cycle costs of the asset concerned.*

10          (d) *REVIEW OF ACQUISITIONS AND MAJOR DESIGN*  
11          *CHANGES.*—

12           (1) *IN GENERAL.*—*With the exception of assets*  
13           *covered under (a)(2) of this section, the Commandant*  
14           *of the Coast Guard may not carry out an action de-*  
15           *scribed in paragraph (2) unless an independent third*  
16           *party with no financial interest in the development,*  
17           *construction, or modification of any component of the*  
18           *Integrated Deepwater System Program, selected by*  
19           *the Commandant for purposes of the subsection, deter-*  
20           *mines that such action is advisable.*

21           (2) *COVERED ACTIONS.*—*The actions described*  
22           *in the paragraph are as follows:*

23           (A) *The acquisition or modification of an*  
24           *asset under the Integrated Deepwater System*  
25           *Program.*

1           (B) *The implementation of a major design*  
2           *change for an asset under the Integrated Deep-*  
3           *water System Program.*

4           (e) *LINKING OF AWARD FEES TO SUCCESSFUL ACQUI-*  
5           *SITION OUTCOMES.—The Commandant of the Coast Guard*  
6           *shall require that all contracts under the Integrated Deep-*  
7           *water System Program that provide award fees link such*  
8           *fees to successful acquisition outcomes (which shall be de-*  
9           *finied in terms of cost, schedule, and performance).*

10          (f) *CONTRACTUAL AGREEMENTS.—*

11           (1) *IN GENERAL.—The Commandant of the*  
12           *Coast Guard may not award or issue any contract,*  
13           *task or delivery order, letter contract modification*  
14           *thereof, or other similar contract, for the acquisition*  
15           *or modification of an asset under the Integrated*  
16           *Deepwater System Program unless the Coast Guard*  
17           *and the contractor concerned have formally agreed to*  
18           *all terms and conditions.*

19           (2) *EXCEPTION.—A contract, task or delivery*  
20           *order, letter contract, modification thereof, or other*  
21           *similar contract described in paragraph (1) may be*  
22           *awarded or issued if the head of contracting activity*  
23           *of the Coast Guard determines that a compelling need*  
24           *exists for the award or issue of such instrument.*

1           (g) *DESIGNATION OF TECHNICAL AUTHORITY.*—The  
2 *Commandant of the Coast Guard shall designate the Assist-*  
3 *ant Commandant of the Coast Guard for Engineering and*  
4 *Logistics as the technical authority for all engineering, de-*  
5 *sign, and logistics decisions pertaining to the Integrated*  
6 *Deepwater System Program.*

7           (h) *REPORT ON PERSONNEL REQUIRED FOR ACQUI-*  
8 *SITION MANAGEMENT.*—Not later than 30 days after the date  
9 of the enactment of this Act, the Commandant of the Coast  
10 Guard shall submit to the Committees on Appropriations  
11 of the Senate and the House of Representatives; the Com-  
12 mittee on Commerce, Science and Transportation of the  
13 Senate; and the Committee on Transportation and Infra-  
14 structure of the House of Representatives a report on the  
15 resources (including training, staff, and expertise) required  
16 by the Coast Guard to provide appropriate management  
17 and oversight of the Integrated Deepwater System Program.

18           (i) *COMPTROLLER GENERAL REPORT ON*  
19 *PROGRESS.*—Not later than 60 days after the date of enact-  
20 ment of this Act, the Comptroller General of the United  
21 States shall submit to the Committees on Appropriations  
22 of the Senate and the House of Representatives; the Com-  
23 mittee on Commerce, Science and Transportation of the  
24 Senate; and the Committee on Transportation and Infra-  
25 structure of the House of Representatives a report describing

1 *and assessing the progress of the Coast Guard in complying*  
 2 *with the requirements of this section.*

3       *SEC. 3403. None of the funds provided in this Act or*  
 4 *any other Act may be used to alter or reduce operations*  
 5 *within the Civil Engineering Program of the Coast Guard*  
 6 *nationwide, including the civil engineering units, facilities,*  
 7 *design and construction centers, maintenance and logistics*  
 8 *command centers, the Coast Guard Academy and the Coast*  
 9 *Guard Research and Development Center, except as specifi-*  
 10 *cally authorized by a statute enacted after the date of enact-*  
 11 *ment of this Act.*

12    *CHAPTER 5*

13                    *GENERAL PROVISIONS—THIS CHAPTER*

14       *SEC. 3501. Section 20515 of the Continuing Appro-*  
 15 *priations Resolution, 2007 (division B of Public Law 109–*  
 16 *289, as amended by Public Law 110–5) is amended by in-*  
 17 *serting before the period: “; and of which, not to exceed*  
 18 *\$143,628,000 shall be available for contract support costs*  
 19 *under the terms and conditions contained in Public Law*  
 20 *109–54”.*

21       *SEC. 3502. Section 20512 of the Continuing Appro-*  
 22 *priations Resolution, 2007 (division B of Public Law 109–*  
 23 *289, as amended by Public Law 110–5) is amended by in-*  
 24 *serting after the first dollar amount: “, of which not to ex-*  
 25 *ceed \$7,300,000 shall be transferred to the ‘Indian Health*

1 *Facilities’ account; the amount in the second proviso shall*  
2 *be \$18,000,000; the amount in the third proviso shall be*  
3 *\$525,099,000; the amount in the ninth proviso shall be*  
4 *\$269,730,000; and the \$15,000,000 allocation of funding*  
5 *under the eleventh proviso shall not be required”.*

6       *SEC. 3503. Section 20501 of the Continuing Appro-*  
7 *priations Resolution, 2007 (division B of Public Law 109–*  
8 *289, as amended by Public Law 110–5) is amended by in-*  
9 *serting after \$55,663,000: “of which \$13,000,000 shall be*  
10 *for Save America’s Treasures”.*

11       *SEC. 3504. Of the funds made available to the United*  
12 *States Fish and Wildlife Service for fiscal year 2007 under*  
13 *the heading “Land Acquisition”, not to exceed \$1,980,000*  
14 *may be used for land conservation partnerships authorized*  
15 *by the Highlands Conservation Act of 2004.*

16       *SEC. 3505. The Administrator of the Environmental*  
17 *Protection Agency shall grant to the Water Environment*  
18 *Research Foundation (WERF) such sums as were directed*  
19 *in fiscal year 2005 and fiscal year 2006 for the On-Farm*  
20 *Assessment and Environmental Review program: Provided,*  
21 *That not less than 95 percent of funds made available shall*  
22 *be used by WERF to award competitively a contract to per-*  
23 *form the program’s environmental assessments: Provided*  
24 *further, That WERF shall not retain more than 5 percent*  
25 *of such sums for administrative expenses.*

1       *SEC. 3506. In providing any grants for small and*  
 2 *rural community technical and compliance assistance*  
 3 *under the Fiscal Year 2007 Operating Plan of the Environ-*  
 4 *mental Protection Agency, the Administrator of the Envi-*  
 5 *ronmental Protection Agency shall give priority to small*  
 6 *systems and qualified (as determined by the Administrator)*  
 7 *organizations that have the most need (or a majority of*  
 8 *need) from small communities in each State.*

## 9   CHAPTER 6

### 10                   DEPARTMENT OF HEALTH AND HUMAN

#### 11   SERVICES

#### 12   NATIONAL INSTITUTES OF HEALTH

#### 13   NATIONAL INSTITUTE OF ALLERGY AND INFECTIOUS

#### 14   DISEASES

#### 15   (TRANSFER OF FUNDS)

16       *Of the amount provided by the Continuing Appropria-*  
 17 *tions Resolution, 2007 for “National Institute of Allergy*  
 18 *and Infectious Diseases”, \$49,500,000 shall be transferred*  
 19 *to “Public Health and Social Services Emergency Fund”*  
 20 *to carry out activities relating to advanced research and*  
 21 *development as provided by section 319L of the Public*  
 22 *Health Service Act.*

#### 23   GENERAL PROVISIONS—THIS CHAPTER

#### 24   (TRANSFER OF FUNDS)

25       *SEC. 3601. Section 20602 of the Continuing Appro-*  
 26 *priations Resolution, 2007 (division B of Public Law 109—*

1 289, as amended by Public Law 110–5) is amended by in-  
2 serting the following after “\$5,000,000”: “(together with an  
3 additional \$7,000,000 which shall be transferred by the  
4 Pension Benefit Guaranty Corporation as an authorized  
5 administrative cost)”.

6 SEC. 3602. Section 20625(b)(1) of the Continuing Ap-  
7 propriations Resolution, 2007 (division B of Public Law  
8 109–289, as amended by Public Law 110–5) is amended  
9 by—

10 (1) striking “\$7,172,994,000” and inserting  
11 “\$7,176,431,000”;

12 (2) amending subparagraph (A) to read as fol-  
13 lows:

14 “(A) \$5,454,824,000 shall be for basic  
15 grants under section 1124 of the Elementary and  
16 Secondary Education Act of 1965 (ESEA), of  
17 which up to \$3,437,000 shall be available to the  
18 Secretary of Education on October 1, 2006, to  
19 obtain annually updated educational-agency-  
20 level census poverty data from the Bureau of the  
21 Census;” and

22 (3) amending subparagraph (C) to read as fol-  
23 lows:

24 “(C) not to exceed \$2,352,000 may be avail-  
25 able for section 1608 of the ESEA and for a



1           *clearinghouse on comprehensive school reform*  
2           *under part D of title V of the ESEA;”.*

3           *SEC. 3603. (a) From the amounts available for De-*  
4           *partment of Education, Safe Schools and Citizenship Edu-*  
5           *cation as provided by the Continuing Appropriations Reso-*  
6           *lution, 2007, \$321,500,000 shall be available for Safe and*  
7           *Drug-Free Schools State Grants and \$247,335,000 shall be*  
8           *available for Safe and Drug-Free Schools National Pro-*  
9           *grams.*

10          *(b) Of the amount available for Safe and Drug-Free*  
11          *National Programs, not less than \$25,000,000 shall be for*  
12          *competitive grants to local educational agencies to address*  
13          *youth violence and related issues.*

14          *(c) The competition under subsection (b) shall be lim-*  
15          *ited to local educational agencies that operate schools cur-*  
16          *rently identified as persistently dangerous under section*  
17          *9532 of the Elementary and Secondary Education Act of*  
18          *1965.*

19          *SEC. 3604. The provision in the first proviso under*  
20          *the heading “Rehabilitation Services and Disability Re-*  
21          *search” in the Department of Education Appropriations*  
22          *Act, 2006, relating to alternative financing programs under*  
23          *section 4(b)(2)(D) of the Assistive Technology Act of 1998*  
24          *shall not apply to funds appropriated by the Continuing*  
25          *Appropriations Resolution, 2007.*

*(TRANSFER OF FUNDS)*

1  
2       *SEC. 3605. Notwithstanding sections 20639 and 20640*  
3 *of the Continuing Appropriations Resolution, 2007, as*  
4 *amended by section 2 of the Revised Continuing Appropria-*  
5 *tions Resolution, 2007 (Public Law 110–5), the Chief Exec-*  
6 *utive Officer of the Corporation for National and Commu-*  
7 *nity Service may transfer an amount of not more than*  
8 *\$1,360,000 from the account under the heading “National*  
9 *and Community Service Programs, Operating Expenses”*  
10 *under the heading “Corporation for National and Commu-*  
11 *nity Service”, to the account under the heading “Salaries*  
12 *and Expenses” under the heading “Corporation for Na-*  
13 *tional and Community Service”.*

14       *SEC. 3606. Section 1310.12(a) of title 45 of the Code*  
15 *of Federal Regulations (October 1, 2004) shall be effective*  
16 *30 days after enactment of this Act except that any vehicles*  
17 *in use to transport Head Start children as of January 1,*  
18 *2007, shall not be subject to a requirement under that part*  
19 *regarding rear emergency exit doors for two years after the*  
20 *date of enactment.*

21       *The Secretary of Health and Human Services shall re-*  
22 *visе the allowable alternate vehicle standards described in*  
23 *that part 1310 (or any corresponding similar regulation*  
24 *or ruling) to exempt from Federal seat spacing require-*  
25 *ments and supporting seating requirements related to*

1 *compartmentalization any vehicle used to transport chil-*  
2 *dren for a Head Start program if the vehicle meets federal*  
3 *motor vehicle safety standards for seating systems, occupant*  
4 *crash protection, seat belt assemblies, and child restraint*  
5 *anchorage systems consistent with that part 1310 (or any*  
6 *corresponding similar regulation or ruling). Such revision*  
7 *shall be made in a manner consistent with the findings of*  
8 *the National Highway Traffic Safety Administration, pur-*  
9 *suant to its study on occupant protection on Head Start*  
10 *transit vehicles, related to the Government Accountability*  
11 *Office report GAO–06–767R.*

12 *(INCLUDING RESCISSION)*

13 *SEC. 3607. (a) From the amounts made available by*  
14 *the Continuing Appropriations Resolution, 2007 (Public*  
15 *Law 109–289, as amended by the Revised Continuing Ap-*  
16 *propriations Resolution, 2007 (Public Law 110–5)) for the*  
17 *Office of the Secretary, General Departmental Management*  
18 *under the Department of Health and Human Services,*  
19 *\$1,000,000 are rescinded.*

20 *(b) For the activities carried out by the Secretary of*  
21 *Education under section 3(a) of Public Law 108–406 (42*  
22 *U.S.C. 15001 note), \$1,000,000.*

23 *(INCLUDING RESCISSION)*

24 *SEC. 3608. (a) From the amounts made available by*  
25 *the Continuing Appropriations Resolution, 2007 for “De-*

1 *partment of Education, Student Aid Administration*”,  
2 \$2,000,000 are rescinded.

3 (b) *For an additional amount for “Department of*  
4 *Education, Higher Education” under part B of title VII*  
5 *of the Higher Education Act of 1965 which shall be used*  
6 *to make a grant to the University of Vermont for the Edu-*  
7 *cational Excellence Program, \$2,000,000.*

8 *SEC. 3609. Section 1820 of the Social Security Act (42*  
9 *U.S.C. 1395i–4) is amended—*

10 (1) *by redesignating subsection (j) as subsection*  
11 *(k); and*

12 (2) *by inserting after subsection (i) the following*  
13 *new subsection:*

14 *“(j) DELTA HEALTH INITIATIVE.—*

15 *“(1) IN GENERAL.—The Secretary is authorized*  
16 *to award a grant to the Delta Health Alliance, a non-*  
17 *profit alliance of academic institutions in the Mis-*  
18 *issippi Delta region, to solicit and fund proposals*  
19 *from local governments, hospitals, health care clinics,*  
20 *academic institutions, and rural public health-related*  
21 *entities and organizations for research development,*  
22 *educational programs, health care services, job train-*  
23 *ing, planning, construction, and the equipment of*  
24 *public health-related facilities in the Mississippi*  
25 *Delta region.*

1           “(2) *FEDERAL INTEREST IN PROPERTY.*—*With*  
 2           *respect to funds used under this subsection for con-*  
 3           *struction or alteration of property, the Federal inter-*  
 4           *est in the property shall last for a period of 1 year*  
 5           *following completion or until the Federal Government*  
 6           *is compensated for its proportionate interest in the*  
 7           *property if the property use changes or the property*  
 8           *is transferred or sold, whichever time period is less.*  
 9           *At the conclusion of such period, the Notice of Federal*  
 10          *Interest in such property shall be removed.*

11           “(3) *AUTHORIZATION OF APPROPRIATIONS.*—  
 12          *There are authorized to be appropriated such sums as*  
 13          *may be necessary to carry out this subsection in fiscal*  
 14          *year 2007 and in each of the five succeeding fiscal*  
 15          *years.”.*

16          *SEC. 3610. Notwithstanding any other provision of*  
 17          *this Act, section 3608(b) of this Act shall not take effect.*

## 18                                   CHAPTER 7

### 19           *GENERAL PROVISIONS—THIS CHAPTER*

20          *SEC. 3701. Section 2(c) of the Legislative Branch Ap-*  
 21          *propriations Act, 1993 (2 U.S.C. 121d(c)) is amended by*  
 22          *adding at the end the following:*

23           “(3) *The Secretary of the Senate may transfer*  
 24           *from the fund to the Senate Employee Child Care*  
 25           *Center proceeds from the sale of holiday ornaments by*



## CHAPTER 9

## GENERAL PROVISIONS—THIS CHAPTER

## CONSULTATION REQUIREMENT

1  
2           *SEC. 3901. Of the funds provided in the Revised Con-*  
3  
4           *tinuing Appropriations Resolution, 2007 (Public Law 110-*  
5           *5) for the United States-China Economic and Security Re-*  
6           *view Commission, \$1,000,000 shall be available for obliga-*  
7           *tion only in accordance with a spending plan submitted*  
8           *to and approved by the Committees on Appropriations*  
9           *which addresses the recommendations of the Government*  
10           *Accountability Office's audit of the Commission.*

## TECHNICAL AMENDMENT

11  
12           *SEC. 3902. (a) Notwithstanding any other provision*  
13           *of law, subsection (c) under the heading "Assistance for the*  
14           *Independent States of the Former Soviet Union" in Public*  
15           *Law 109-102, shall not apply to funds appropriated by the*  
16           *Continuing Appropriations Resolution, 2007 (Public Law*  
17           *109-289, division B) as amended by Public Laws 109-369,*  
18           *109-383, and 110-5.*

19           *(b) Section 534(k) of the Foreign Operations, Export*  
20           *Financing, and Related Programs Appropriations Act,*  
21           *2006 (Public Law 109-102) is amended, in the second pro-*  
22           *viso, by inserting after "subsection (b) of that section" the*  
23           *following: "and the requirement that a majority of the*  
24           *members of the board of directors be United States citizens*  
25           *provided in subsection (d)(3)(B) of that section".*  
26

1           (c) Subject to section 101(c)(2) of the Continuing Ap-  
2 propriations Resolution, 2007 (division B of Public Law  
3 109–289, as amended by Public Law 110–5), the amount  
4 of funds appropriated for “Foreign Military Financing  
5 Program” pursuant to such Resolution shall be construed  
6 to be the total of the amount appropriated for such program  
7 by section 20401 of that Resolution and the amount made  
8 available for such program by section 591 of the Foreign  
9 Operations, Export Financing, and Related Programs Ap-  
10 propriations Act, 2006 (Public Law 109–102) which is  
11 made applicable to the fiscal year 2007 by the provisions  
12 of such Resolution.

13                                   CHAPTER 10

14                   DEPARTMENT OF HOUSING AND URBAN

15                                   DEVELOPMENT

16           OFFICE OF FEDERAL HOUSING ENTERPRISE OVERSIGHT

17                                   SALARIES AND EXPENSES

18                                   (INCLUDING TRANSFER OF FUNDS)

19           For an additional amount to carry out the Federal  
20 Housing Enterprises Financial Safety and Soundness Act  
21 of 1992, \$4,800,000, to remain available until expended, to  
22 be derived from the Federal Housing Enterprises Oversight  
23 Fund and to be subject to the same terms and conditions  
24 pertaining to funds provided under this heading in Public  
25 Law 109–115: Provided, That not to exceed the total  
26 amount provided for these activities for fiscal year 2007



1 *shall be available from the general fund of the Treasury to*  
2 *the extent necessary to incur obligations and make expendi-*  
3 *tures pending the receipt of collections to the Fund: Pro-*  
4 *vided further, That the general fund amount shall be re-*  
5 *duced as collections are received during the fiscal year so*  
6 *as to result in a final appropriation from the general fund*  
7 *estimated at not more than \$0.*

8           *GENERAL PROVISIONS—THIS CHAPTER*

9           *SEC. 4001. Hereafter, funds limited or appropriated*  
10 *for the Department of Transportation may be obligated or*  
11 *expended to grant authority to a Mexican motor carrier to*  
12 *operate beyond United States municipalities and commer-*  
13 *cial zones on the United States-Mexico border only to the*  
14 *extent that—*

15           *(1) granting such authority is first tested as part*  
16 *of a pilot program;*

17           *(2) such pilot program complies with the re-*  
18 *quirements of section 350 of Public Law 107–87 and*  
19 *the requirements of section 31315(c) of title 49,*  
20 *United States Code, related to pilot programs; and*

21           *(3) simultaneous and comparable authority to*  
22 *operate within Mexico is made available to motor car-*  
23 *riers domiciled in the United States.*

24           *SEC. 4002. Section 21033 of the Continuing Appro-*  
25 *priations Resolution, 2007 (division B of Public Law 109–*

1 289, as amended by Public Law 110–5) is amended by add-  
2 ing after the second proviso: “: Provided further, That para-  
3 graph (2) under such heading in Public Law 109–115 (119  
4 Stat. 2441) shall be funded at \$149,300,000, but additional  
5 section 8 tenant protection rental assistance costs may be  
6 funded in 2007 by using unobligated balances, notwith-  
7 standing the purposes for which such amounts were appro-  
8 priated, including recaptures and carryover, remaining  
9 from funds appropriated to the Department of Housing and  
10 Urban Development under this heading, the heading “An-  
11 nual Contributions for Assisted Housing”, the heading  
12 “Housing Certificate Fund”, and the heading “Project-  
13 Based Rental Assistance” for fiscal year 2006 and prior  
14 fiscal years: Provided further, That paragraph (3) under  
15 such heading in Public Law 109–115 (119 Stat. 2441) shall  
16 be funded at \$47,500,000: Provided further, That para-  
17 graph (4) under such heading in Public Law 109–115 (119  
18 Stat. 2441) shall be funded at \$5,900,000: Provided further,  
19 That paragraph (5) under such heading in Public Law  
20 109–115 (119 Stat. 2441) shall be funded at  
21 \$1,281,100,000, of which \$1,251,100,000 shall be allocated  
22 for the calendar year 2007 funding cycle on a pro rata basis  
23 to public housing agencies based on the amount public hous-  
24 ing agencies were eligible to receive in calendar year 2006,  
25 and of which up to \$30,000,000 shall be available to the



1 402 of H. Con. Res. 95 (109th Congress), the concurrent  
2 resolution on the budget for fiscal year 2006.

3 *EMERGENCY DESIGNATION FOR TITLE II*

4 *SEC. 4103. Amounts provided in title II of this Act*  
5 *are designated as emergency requirements pursuant to sec-*  
6 *tion 402 of H. Con. Res. 95 (109th Congress), the concur-*  
7 *rent resolution on the budget for fiscal year 2006.*

8 ***TITLE IV—EMERGENCY FARM***  
9 ***RELIEF***

10 ***SEC. 401. SHORT TITLE.***

11 *This title may be cited as the “Emergency Farm Relief*  
12 *Act of 2007”.*

13 ***SEC. 402. DEFINITIONS.***

14 *In this title:*

15 (1) *ADDITIONAL COVERAGE.*—*The term “addi-*  
16 *tional coverage” has the meaning given the term in*  
17 *section 502(b)(1) of the Federal Crop Insurance Act*  
18 *(7 U.S.C. 1502(b)(1)).*

19 (2) *APPLICABLE CROP.*—*The term “applicable*  
20 *crop” means 1 or more crops planted, or prevented*  
21 *from being planted, during, as elected by the pro-*  
22 *ducers on a farm, 1 of—*

23 (A) *the 2005 crop year;*

24 (B) *the 2006 crop year; or*

1           (C) that part of the 2007 crop year that  
2           takes place before the end of the applicable pe-  
3           riod.

4           (3) *APPLICABLE PERIOD.*—The term “applicable  
5           period” means the period beginning on January 1,  
6           2005 and ending on February 28, 2007.

7           (4) *DISASTER COUNTY.*—The term “disaster  
8           county” means—

9                   (A) a county included in the geographic  
10                  area covered by a natural disaster declaration;  
11                  and

12                   (B) each county contiguous to a county de-  
13                  scribed in subparagraph (A).

14           (5) *HURRICANE-AFFECTED COUNTY.*—The term  
15           “hurricane-affected county” means—

16                   (A) a county included in the geographic  
17                  area covered by a natural disaster declaration  
18                  related to Hurricane Katrina, Hurricane Rita,  
19                  Hurricane Wilma, or a related condition; and

20                   (B) each county contiguous to a county de-  
21                  scribed in subparagraph (A).

22           (6) *INSURABLE COMMODITY.*—The term “insur-  
23           able commodity” means an agricultural commodity  
24           (excluding livestock) for which the producers on a  
25           farm are eligible to obtain a policy or plan of insur-

1        *ance under the Federal Crop Insurance Act (7 U.S.C.*  
2        *1501 et seq.).*

3            (7) *LIVESTOCK.—The term “livestock” in-*  
4        *cludes—*

5            (A) *cattle (including dairy cattle);*

6            (B) *bison;*

7            (C) *poultry;*

8            (D) *sheep;*

9            (E) *swine; and*

10            (F) *other livestock, as determined by the*  
11        *Secretary.*

12            (8) *NATURAL DISASTER DECLARATION.—The*  
13        *term “natural disaster declaration” means a natural*  
14        *disaster declared by the Secretary during the applica-*  
15        *ble period under section 321(a) of the Consolidated*  
16        *Farm and Rural Development Act (7 U.S.C.*  
17        *1961(a)).*

18            (9) *NONINSURABLE COMMODITY.—The term*  
19        *“noninsurable commodity” means a crop for which*  
20        *the producers on a farm are eligible to obtain assist-*  
21        *ance under section 196 of the Federal Agriculture Im-*  
22        *provement and Reform Act of 1996 (7 U.S.C. 7333).*

23            (10) *SECRETARY.—The term “Secretary” means*  
24        *the Secretary of Agriculture.*

1                   **Subtitle A—Agricultural**  
2                   **Production Losses**

3 **SEC. 411. CROP DISASTER ASSISTANCE.**

4           (a) *IN GENERAL.*—*The Secretary shall use such sums*  
5 *as are necessary of funds of the Commodity Credit Corpora-*  
6 *tion to make emergency financial assistance authorized*  
7 *under this section available to producers on a farm that*  
8 *have incurred qualifying losses described in subsection (c).*

9           (b) *ADMINISTRATION.*—

10           (1) *IN GENERAL.*—*Except as provided in para-*  
11 *graph (2), the Secretary shall make assistance avail-*  
12 *able under this section in the same manner as pro-*  
13 *vided under section 815 of the Agriculture, Rural De-*  
14 *velopment, Food and Drug Administration and Re-*  
15 *lated Agencies Appropriations Act, 2001 (Public Law*  
16 *106–387; 114 Stat. 1549A–55), including using the*  
17 *same loss thresholds for quantity and economic losses*  
18 *as were used in administering that section, except*  
19 *that the payment rate shall be 55 percent of the estab-*  
20 *lished price, instead of 65 percent.*

21           (2) *NONINSURED PRODUCERS.*—*For producers*  
22 *on a farm that were eligible to acquire crop insurance*  
23 *for the applicable production loss and failed to do so*  
24 *or failed to submit an application for the noninsured*  
25 *assistance program for the loss, the Secretary shall*

1       *make assistance in accordance with paragraph (1),*  
2       *except that the payment rate shall be 20 percent of the*  
3       *established price, instead of 50 percent.*

4       *(c) QUALIFYING LOSSES.—Assistance under this sec-*  
5       *tion shall be made available to producers on farms, other*  
6       *than producers of sugar beets, that incurred qualifying*  
7       *quantity or quality losses for the applicable crop due to*  
8       *damaging weather or any related condition (including*  
9       *losses due to crop diseases, insects, and delayed harvest),*  
10      *as determined by the Secretary.*

11      *(d) QUALITY LOSSES.—*

12           *(1) IN GENERAL.—In addition to any payment*  
13      *received under subsection (b), the Secretary shall use*  
14      *such sums as are necessary of funds of the Commodity*  
15      *Credit Corporation to make payments to producers on*  
16      *a farm described in subsection (a) that incurred a*  
17      *quality loss for the applicable crop of a commodity in*  
18      *an amount equal to the product obtained by multi-*  
19      *plying—*

20                   *(A) the payment quantity determined under*  
21                   *paragraph (2);*

22                   *(B)(i) in the case of an insurable com-*  
23                   *modity, the coverage level elected by the insured*  
24                   *under the policy or plan of insurance under the*



1           *Federal Crop Insurance Act (7 U.S.C. 1501 et*  
2           *seq.); or*

3                     *(ii) in the case of a noninsurable com-*  
4                     *modity, the applicable coverage level for the pay-*  
5                     *ment quantity determined under paragraph (2);*  
6           *by*

7                     *(C) 55 percent of the payment rate deter-*  
8                     *mined under paragraph (3).*

9           (2) *PAYMENT QUANTITY.—For the purpose of*  
10           *paragraph (1)(A), the payment quantity for quality*  
11           *losses for a crop of a commodity on a farm shall*  
12           *equal the lesser of—*

13                     *(A) the actual production of the crop af-*  
14                     *ected by a quality loss of the commodity on the*  
15                     *farm; or*

16                     *(B)(i) in the case of an insurable com-*  
17                     *modity, the actual production history for the*  
18                     *commodity by the producers on the farm under*  
19                     *the Federal Crop Insurance Act (7 U.S.C. 1501*  
20                     *et seq.); or*

21                     *(ii) in the case of a noninsurable com-*  
22                     *modity, the established yield for the crop for the*  
23                     *producers on the farm under section 196 of the*  
24                     *Federal Agriculture Improvement and Reform*  
25                     *Act of 1996 (7 U.S.C. 7333).*

1           (3) *PAYMENT RATE.*—

2                   (A) *IN GENERAL.*—*For the purpose of para-*  
3 *graph (1)(B), the payment rate for quality losses*  
4 *for a crop of a commodity on a farm shall be*  
5 *equal to the difference between (as determined by*  
6 *the applicable State committee of the Farm Serv-*  
7 *ice Agency)—*

8                           (i) *the per unit market value that the*  
9 *units of the crop affected by the quality loss*  
10 *would have had if the crop had not suffered*  
11 *a quality loss; and*

12                           (ii) *the per unit market value of the*  
13 *units of the crop affected by the quality loss.*

14                   (B) *FACTORS.*—*In determining the pay-*  
15 *ment rate for quality losses for a crop of a com-*  
16 *modity on a farm, the applicable State com-*  
17 *mittee of the Farm Service Agency shall take*  
18 *into account—*

19                           (i) *the average local market quality*  
20 *discounts that purchasers applied to the*  
21 *commodity during the first 2 months fol-*  
22 *lowing the normal harvest period for the*  
23 *commodity;*

24                           (ii) *the loan rate and repayment rate*  
25 *established for the commodity under the*

1           *marketing loan program established for the*  
2           *commodity under subtitle B of title I of the*  
3           *Farm Security and Rural Investment Act of*  
4           *2002 (7 U.S.C. 7931 et seq.);*

5                   *(iii) the market value of the commodity*  
6           *if sold into a secondary market; and*

7                   *(iv) other factors determined appro-*  
8           *priate by the committee.*

9           (4) *ELIGIBILITY.—*

10                   (A) *IN GENERAL.—For producers on a farm*  
11           *to be eligible to obtain a payment for a quality*  
12           *loss for a crop under this subsection—*

13                   (i) *the amount obtained by multi-*  
14           *plying the per unit loss determined under*  
15           *paragraph (1) by the number of units af-*  
16           *ected by the quality loss shall be reduced by*  
17           *the amount of any indemnification received*  
18           *by the producers on the farm for quality*  
19           *loss adjustment for the commodity under a*  
20           *policy or plan of insurance under the Fed-*  
21           *eral Crop Insurance Act (7 U.S.C. 1501 et*  
22           *seq.); and*

23                   (ii) *the remainder shall be at least 25*  
24           *percent of the value that all affected produc-*

1                    *tion of the crop would have had if the crop*  
2                    *had not suffered a quality loss.*

3                    *(B) INELIGIBILITY.—If the amount of a*  
4                    *quality loss payment for a commodity for the*  
5                    *producers on a farm determined under this*  
6                    *paragraph is equal to or less than zero, the pro-*  
7                    *ducers on the farm shall be ineligible for assist-*  
8                    *ance for the commodity under this subsection.*

9                    *(5) ELIGIBLE PRODUCTION.—The Secretary shall*  
10                  *carry out this subsection in a fair and equitable man-*  
11                  *ner for all eligible production, including the produc-*  
12                  *tion of fruits and vegetables, other specialty crops,*  
13                  *and field crops.*

14                  *(e) ELECTION OF CROP YEAR.—If a producer incurred*  
15                  *qualifying crop losses in more than 1 of the crop years dur-*  
16                  *ing the applicable period, the producers on a farm shall*  
17                  *elect to receive assistance under this section for losses in-*  
18                  *curring in only 1 of the crop years.*

19                  *(f) PAYMENT LIMITATION.—*

20                  *(1) LIMITATION.—Assistance provided under this*  
21                  *section to the producers on a farm for losses to a crop,*  
22                  *together with the amounts specified in paragraph (2)*  
23                  *applicable to the same crop, may not exceed 95 per-*  
24                  *cent of what the value of the crop would have been in*

1        *the absence of the losses, as estimated by the Sec-*  
2        *retary.*

3                (2) *OTHER PAYMENTS.*—*In applying the limita-*  
4        *tion in paragraph (1), the Secretary shall include the*  
5        *following:*

6                        (A) *Any crop insurance payment made*  
7        *under the Federal Crop Insurance Act (7 U.S.C.*  
8        *1501 et seq.) or payment under section 196 of the*  
9        *Federal Agricultural Improvement and Reform*  
10        *Act of 1996 (7 U.S.C. 7333) that the producers*  
11        *on the farm receive for losses to the same crop.*

12                        (B) *The value of the crop that was not lost*  
13        *(if any), as estimated by the Secretary.*

14        (g) *TIMING.*—

15                        (1) *IN GENERAL.*—*Subject to paragraph (2), the*  
16        *Secretary shall make payments to producers on a*  
17        *farm for a crop under this section not later than 60*  
18        *days after the date the producers on the farm submit*  
19        *to the Secretary a completed application for the pay-*  
20        *ments.*

21                        (2) *INTEREST.*—*If the Secretary does not make*  
22        *payments to the producers on a farm by the date de-*  
23        *scribed in paragraph (1), the Secretary shall pay to*  
24        *the producers on a farm interest on the payments at*  
25        *a rate equal to the current (as of the sign-up deadline*

1       *established by the Secretary) market yield on out-*  
2       *standing, marketable obligations of the United States*  
3       *with maturities of 30 years.*

4       **SEC. 412. DAIRY ASSISTANCE.**

5       *The Secretary shall use \$95,000,000 of funds of the*  
6       *Commodity Credit Corporation to make payments to dairy*  
7       *producers for dairy production losses in disaster counties.*

8       **SEC. 413. MILK INCOME LOSS CONTRACT PROGRAM.**

9       *Section 1502(c)(3) of the Farm Security and Rural*  
10      *Investment Act of 2002 (7 U.S.C. 7982(c)(3)) is amended—*

11             *(1) in subparagraph (A), by adding “and” at the*  
12      *end;*

13             *(2) in subparagraph (B), by striking “August”*  
14      *and all that follows through the end and inserting*  
15      *“September 30, 2007, 34 percent.”; and*

16             *(3) by striking subparagraph (C).*

17      **SEC. 414. LIVESTOCK ASSISTANCE.**

18             *(a) LIVESTOCK COMPENSATION PROGRAM.—*

19                 *(1) USE OF COMMODITY CREDIT CORPORATION*  
20      *FUNDS.—Effective beginning on the date of enactment*  
21      *of this Act, the Secretary shall use funds of the Com-*  
22      *modity Credit Corporation to carry out the 2002*  
23      *Livestock Compensation Program announced by the*  
24      *Secretary on October 10, 2002 (67 Fed. Reg. 63070),*  
25      *to provide compensation for livestock losses during the*

1 applicable period for losses (including losses due to  
2 blizzards that began in calendar year 2006 and con-  
3 tinued in January 2007) due to a disaster, as deter-  
4 mined by the Secretary, except that the payment rate  
5 shall be 80 percent of the payment rate established for  
6 the 2002 Livestock Compensation Program.

7 (2) *ELIGIBLE APPLICANTS.*—In carrying out the  
8 program described in paragraph (1), the Secretary  
9 shall provide assistance to any applicant for livestock  
10 losses during the applicable period that—

11 (A)(i) conducts a livestock operation that is  
12 located in a disaster county, including any ap-  
13 plicant conducting a livestock operation with eli-  
14 gible livestock (within the meaning of the live-  
15 stock assistance program under section 101(b) of  
16 division B of Public Law 108–324 (118 Stat.  
17 1234)); or

18 (ii) produces an animal described in section  
19 10806(a)(1) of the Farm Security and Rural In-  
20 vestment Act of 2002 (21 U.S.C. 321d(a)(1));

21 (B) demonstrates to the Secretary that the  
22 applicant suffered a material loss of pasture or  
23 hay production, or experienced substantially in-  
24 creased feed costs, due to damaging weather or a

1           *related condition during the calendar year, as*  
2           *determined by the Secretary; and*

3                   *(C) meets all other eligibility requirements*  
4           *established by the Secretary for the program.*

5           (3) *MITIGATION.*—*In determining the eligibility*  
6           *for or amount of payments for which a producer is*  
7           *eligible under the livestock compensation program, the*  
8           *Secretary shall not penalize a producer that takes ac-*  
9           *tions (recognizing disaster conditions) that reduce the*  
10          *average number of livestock the producer owned for*  
11          *grazing during the production year for which assist-*  
12          *ance is being provided.*

13           (4) *PAYMENTS FOR REDUCTION IN GRAZING ON*  
14          *FEDERAL LAND.*—

15                   *(A) IN GENERAL.*—*In carrying out this sub-*  
16           *section, the Secretary shall make payments to*  
17           *livestock producers that are in proportion to any*  
18           *reduction during calendar year 2007 in grazing*  
19           *on Federal land in a disaster county leased by*  
20           *the producers a result of actions described in*  
21           *subparagraph (B).*

22                   *(B) FEDERAL ACTIONS.*—*Actions referred to*  
23           *in subparagraph (A) are actions taken during*  
24           *calendar year 2007 by the Bureau of Land Man-*  
25           *agement or other Federal agency to restrict or*



1           *prohibit grazing otherwise allowed under the*  
2           *terms of the lease of the producers in order to ex-*  
3           *pedite the recovery of the Federal land from*  
4           *drought, wildfire, or other natural disaster de-*  
5           *clared by the Secretary during the applicable pe-*  
6           *riod.*

7           (5) *LIMITATION.*—*The Secretary shall ensure, to*  
8           *the maximum extent practicable, that producers on a*  
9           *farm do not receive duplicative payments under this*  
10          *subsection and another Federal program with respect*  
11          *to any loss.*

12          (b) *LIVESTOCK INDEMNITY PAYMENTS.*—

13               (1) *IN GENERAL.*—*The Secretary shall use such*  
14               *sums as are necessary of funds of the Commodity*  
15               *Credit Corporation to make livestock indemnity pay-*  
16               *ments to producers on farms that have incurred live-*  
17               *stock losses during the applicable period (including*  
18               *losses due to blizzards that began in calendar year*  
19               *2006 and continued in January 2007) due to a dis-*  
20               *aster, as determined by the Secretary, including losses*  
21               *due to hurricanes, floods, anthrax, wildfires, and ex-*  
22               *treme heat.*

23               (2) *PAYMENT RATES.*—*Indemnity payments to a*  
24               *producer on a farm under paragraph (1) shall be*  
25               *made at a rate of not less than 30 percent of the mar-*

1        *ket value of the applicable livestock on the day before*  
2        *the date of death of the livestock, as determined by the*  
3        *Secretary.*

4        *(c) EWE LAMB REPLACEMENT AND RETENTION.—*

5            *(1) IN GENERAL.—The Secretary shall use*  
6            *\$13,000,000 of funds of the Commodity Credit Cor-*  
7            *poration to make payments to producers located in*  
8            *disaster counties under the Ewe Lamb Replacement*  
9            *and Retention Payment Program under part 784 of*  
10           *title 7, Code of Federal Regulations (or a successor*  
11           *regulation) for each qualifying ewe lamb retained or*  
12           *purchased during the period beginning on January 1,*  
13           *2006, and ending on December 31, 2006, by the pro-*  
14           *ducers.*

15           *(2) INELIGIBILITY FOR OTHER ASSISTANCE.—A*  
16           *producer that receives assistance under this subsection*  
17           *shall not be eligible to receive assistance under sub-*  
18           *section (a).*

19           *(d) ELECTION OF PRODUCTION YEAR.—If a producer*  
20           *incurred qualifying production losses in more than one of*  
21           *the production years, the producers on a farm shall elect*  
22           *to receive assistance under this section in only one of the*  
23           *production years.*

24           *(e) EXCEPTION.—Notwithstanding any other provision*  
25           *of this section, livestock producers on a farm shall be eligible*

1 *to receive assistance under subsection (a) or livestock in-*  
2 *demnity payments under subsection (b) if the producers on*  
3 *a farm—*

4           (1) *have livestock operations in a county in-*  
5 *cluded in the geographic area covered by a major dis-*  
6 *aster or emergency designated by the President under*  
7 *the Robert T. Stafford Disaster Relief and Emergency*  
8 *Assistance Act (42 U.S.C. 5121 et seq.) due to bliz-*  
9 *zards, ice storms, or other winter-related causes dur-*  
10 *ing the period of December 2006 through January*  
11 *2007; and*

12           (2) *meet all eligibility requirements for the as-*  
13 *sistance or payments other than the requirements re-*  
14 *lating to disaster declarations by the Secretary under*  
15 *subsections (a) and (b)(1).*

16 **SEC. 415. FLOODED CROP AND GRAZING LAND.**

17           (a) *IN GENERAL.*—*The Secretary shall compensate eli-*  
18 *gible owners of flooded crop and grazing land in the State*  
19 *of North Dakota.*

20           (b) *ELIGIBILITY.*—

21           (1) *IN GENERAL.*—*To be eligible to receive com-*  
22 *penetration under this section, an owner shall own land*  
23 *described in subsection (a) that, during the 2 crop*  
24 *years preceding receipt of compensation, was rendered*  
25 *incapable of use for the production of an agricultural*

1        *commodity or for grazing purposes (in a manner con-*  
2        *sistent with the historical use of the land) as the re-*  
3        *sult of flooding, as determined by the Secretary.*

4            (2) *INCLUSIONS.—Land described in paragraph*  
5        *(1) shall include—*

6                    (A) *land that has been flooded;*

7                    (B) *land that has been rendered inaccessible*  
8        *due to flooding; and*

9                    (C) *a reasonable buffer strip adjoining the*  
10        *flooded land, as determined by the Secretary.*

11            (3) *ADMINISTRATION.—The Secretary may estab-*  
12        *lish—*

13                    (A) *reasonable minimum acreage levels for*  
14        *individual parcels of land for which owners may*  
15        *receive compensation under this section; and*

16                    (B) *the location and area of adjoining*  
17        *flooded land for which owners may receive com-*  
18        *penensation under this section.*

19            (c) *SIGN-UP.—The Secretary shall establish a sign-up*  
20        *program for eligible owners to apply for compensation from*  
21        *the Secretary under this section.*

22            (d) *COMPENSATION PAYMENTS.—*

23                    (1) *IN GENERAL.—Subject to paragraphs (2) and*  
24        *(3), the rate of an annual compensation payment*  
25        *under this section shall be equal to 90 percent of the*

1        *average annual per acre rental payment rate (at the*  
2        *time of entry into the contract) for comparable crop*  
3        *or grazing land that has not been flooded and re-*  
4        *mains in production in the county where the flooded*  
5        *land is located, as determined by the Secretary.*

6                (2) *REDUCTION.*—*An annual compensation pay-*  
7        *ment under this section shall be reduced by the*  
8        *amount of any conservation program rental payments*  
9        *or Federal agricultural commodity program pay-*  
10        *ments received by the owner for the land during any*  
11        *crop year for which compensation is received under*  
12        *this section.*

13                (3) *EXCLUSION.*—*During any year in which an*  
14        *owner receives compensation for flooded land under*  
15        *this section, the owner shall not be eligible to partici-*  
16         *pate in or receive benefits for the flooded land*  
17        *under—*

18                        (A) *the Federal crop insurance program es-*  
19        *tablished under the Federal Crop Insurance Act*  
20        *(7 U.S.C. 1501 et seq.);*

21                        (B) *the noninsured crop assistance program*  
22        *established under section 196 of the Federal Ag-*  
23        *riculture Improvement and Reform Act of 1996*  
24        *(7 U.S.C. 7333); or*

1                   (C) any Federal agricultural crop disaster  
2                   assistance program.

3           (e) *RELATIONSHIP TO AGRICULTURAL COMMODITY*  
4 *PROGRAMS.*—The Secretary, by regulation, shall provide  
5 for the preservation of cropland base, allotment history, and  
6 payment yields applicable to land described in subsection  
7 (a) that was rendered incapable of use for the production  
8 of an agricultural commodity or for grazing purposes as  
9 the result of flooding.

10          (f) *USE OF LAND.*—

11               (1) *IN GENERAL.*—An owner that receives com-  
12               pensation under this section for flooded land shall  
13               take such actions as are necessary to not degrade any  
14               wildlife habitat on the land that has naturally devel-  
15               oped as a result of the flooding.

16               (2) *RECREATIONAL ACTIVITIES.*—To encourage  
17               owners that receive compensation for flooded land to  
18               allow public access to and use of the land for rec-  
19               reational activities, as determined by the Secretary,  
20               the Secretary may—

21                       (A) offer an eligible owner additional com-  
22                       pensation; and

23                       (B) provide compensation for additional  
24                       acreage under this section.

25          (g) *FUNDING.*—

1           (1) *IN GENERAL.*—*The Secretary shall use*  
2           *\$6,000,000 of funds of the Commodity Credit Cor-*  
3           *poration to carry out this section.*

4           (2) *PRO-RATED PAYMENTS.*—*In a case in which*  
5           *the amount made available under paragraph (1) for*  
6           *a fiscal year is insufficient to compensate all eligible*  
7           *owners under this section, the Secretary shall pro-rate*  
8           *payments for that fiscal year on a per acre basis.*

9   **SEC. 416. SUGAR BEET AND SUGAR CANE DISASTER ASSIST-**  
10                                   **ANCE.**

11          (a) *IN GENERAL.*—*The Secretary shall use*  
12          *\$24,000,000 of funds of the Commodity Credit Corporation*  
13          *to provide assistance to sugar beet producers that suffered*  
14          *production losses (including quality losses) for the applica-*  
15          *ble crop.*

16          (b) *REQUIREMENT.*—*The Secretary shall make pay-*  
17          *ments under subsection (a) in the same manner as pay-*  
18          *ments were made under section 208 of the Agricultural As-*  
19          *istance Act of 2003 (Public Law 108–7; 117 Stat. 544),*  
20          *including using the same indemnity benefits as were used*  
21          *in carrying out that section.*

22          (c) *HAWAII.*—*The Secretary shall use \$3,000,000 of*  
23          *funds of the Commodity Credit Corporation to assist sugar-*  
24          *cane growers in Hawaii by making a payment in that*  
25          *amount to an agricultural transportation cooperative in*

1 *Hawaii, the members of which are eligible to obtain a loan*  
2 *under section 156(a) of the Federal Agriculture Improve-*  
3 *ment and Reform Act of 1996 (7 U.S.C. 7272(a)).*

4 *(d) ELECTION OF CROP YEAR.—If a producer incurred*  
5 *qualifying crop losses in more than one of the crop years*  
6 *during the applicable period, the producers on a farm shall*  
7 *elect to receive assistance under this section for losses in-*  
8 *curred in only one of the crop years.*

9 **SEC. 417. NONINSURED CROP ASSISTANCE PROGRAM.**

10 *Section 196(c) of the Federal Agriculture Improvement*  
11 *and Reform Act of 1996 (7 U.S.C. 7333(c)) is amended by*  
12 *adding at the end the following:*

13 *“(5) LOSS ASSESSMENT FOR GRAZING.—The Sec-*  
14 *retary shall permit the use of 1 claims adjustor cer-*  
15 *tified by the Secretary to assess the quantity of loss*  
16 *on the acreage or allotment of a producer devoted to*  
17 *grazing for livestock under this section.”.*

18 **SEC. 418. REDUCTION IN PAYMENTS.**

19 *The amount of any payment for which a producer is*  
20 *eligible under this subtitle shall be reduced by any amount*  
21 *received by the producer for the same loss or any similar*  
22 *loss under—*

23 *(1) the Department of Defense, Emergency Sup-*  
24 *plemental Appropriations to Address Hurricanes in*



1        *the Gulf of Mexico, and Pandemic Influenza Act,*  
2        *2006 (Public Law 109–148; 119 Stat. 2680);*

3            *(2) an agricultural disaster assistance provision*  
4        *contained in the announcement of the Secretary on*  
5        *January 26, 2006, or August 29, 2006;*

6            *(3) the Emergency Supplemental Appropriations*  
7        *Act for Defense, the Global War on Terror, and Hur-*  
8        *ricane Recovery, 2006 (Public Law 109–234; 120*  
9        *Stat. 418); or*

10           *(4) the Livestock Assistance Grant Program an-*  
11        *nounced by the Secretary on August 29, 2006.*

12                    ***Subtitle B—Small Business***  
13                    ***Economic Loss Grant Program***

14        ***SEC. 421. SMALL BUSINESS ECONOMIC LOSS GRANT PRO-***  
15                    ***GRAM.***

16            *(a) DEFINITION OF QUALIFIED STATE.—In this sec-*  
17        *tion, the term “qualified State” means a State in which*  
18        *at least 50 percent of the counties of the State were declared*  
19        *to be primary agricultural disaster areas by the Secretary*  
20        *during the applicable period.*

21            *(b) GRANTS TO QUALIFIED STATES.—*

22                    *(1) IN GENERAL.—The Secretary shall use*  
23        *\$100,000,000 of funds of the Commodity Credit Cor-*  
24        *poration to make grants to State departments of agri-*

1 *culture or comparable State agencies in qualified*  
2 *States.*

3 (2) *AMOUNT.—*

4 (A) *IN GENERAL.—Subject to subparagraph*  
5 *(B), the Secretary shall allocate grants among*  
6 *qualified States described in paragraph (1) based*  
7 *on the average value of agricultural sector pro-*  
8 *duction in the qualified State, determined as a*  
9 *percentage of the gross domestic product of the*  
10 *qualified State.*

11 (B) *MINIMUM AMOUNT.—The minimum*  
12 *amount of a grant under this subsection shall be*  
13 *\$500,000.*

14 (3) *REQUIREMENT.—To be eligible to receive a*  
15 *grant under this subsection, a qualified State shall*  
16 *agree to carry out an expedited disaster assistance*  
17 *program to provide direct payments to qualified*  
18 *small businesses in accordance with subsection (c).*

19 (c) *DIRECT PAYMENTS TO QUALIFIED SMALL BUSI-*  
20 *NESSES.—*

21 (1) *IN GENERAL.—In carrying out an expedited*  
22 *disaster assistance program described in subsection*  
23 *(b)(3), a qualified State shall provide direct payments*  
24 *to eligible small businesses in the qualified State that*  
25 *suffered material economic losses during the applica-*

1        *ble period as a direct result of weather-related agri-*  
2        *cultural losses to the crop or livestock production sec-*  
3        *tors of the qualified State, as determined by the Sec-*  
4        *retary.*

5            (2) *ELIGIBILITY.—*

6            (A) *IN GENERAL.—To be eligible to receive*  
7        *a direct payment under paragraph (1), a small*  
8        *business shall—*

9            (i) *have less than \$15,000,000 in aver-*  
10        *age annual gross income from all business*  
11        *activities, at least 75 percent of which shall*  
12        *be directly related to production agriculture*  
13        *or agriculture support industries, as deter-*  
14        *mined by the Secretary;*

15          (ii) *verify the amount of economic loss*  
16        *attributable to weather-related agricultural*  
17        *losses using such documentation as the Sec-*  
18        *retary and the head of the qualified State*  
19        *agency may require;*

20          (iii) *have suffered losses attributable to*  
21        *weather-related agricultural disasters that*  
22        *equal at least 50 percent of the total eco-*  
23        *nomical loss of the small business for each*  
24        *year a grant is requested; and*

1                   (iv) demonstrate that the grant will  
2                   materially improve the likelihood the busi-  
3                   ness will—

4                   (I) recover from the disaster; and

5                   (II) continue to service and sup-  
6                   port production agriculture.

7                   (B) *EMERGENCY GRANTS TO ASSIST LOW-*  
8                   *INCOME MIGRANT AND SEASONAL FARM-*  
9                   *WORKERS.*—

10                  (i) Funds made available by this sub-  
11                  title may be used to carry out assistance  
12                  programs in States that are consistent with  
13                  the purpose and intent of the program au-  
14                  thorized at section 2281 of the Food, Agri-  
15                  culture, Conservation and Trade Act of  
16                  1990 (42 U.S.C. 5177a).

17                  (ii) In carrying out this subparagraph,  
18                  a qualified State may waive the gross in-  
19                  come requirement at subparagraph (A)(i) of  
20                  this paragraph.

21                  (3) *REQUIREMENTS.*—A direct payment to small  
22                  business under this subsection shall—

23                  (A) be limited to not more than 2 years of  
24                  documented losses; and

1           (B) be in an amount of not more than 75  
2           percent of the documented average economic loss  
3           attributable to weather-related agriculture disas-  
4           ters for each eligible year in the qualified State.

5           (4) *INSUFFICIENT FUNDING.*—If the grant funds  
6           received by a qualified State agency under subsection  
7           (b) are insufficient to fund the direct payments of the  
8           qualified State agency under this subsection, the  
9           qualified State agency may apply a proportional re-  
10          duction to all of the direct payments.

## 11                           **Subtitle C—Forestry**

### 12   **SEC. 431. TREE ASSISTANCE PROGRAM.**

13          (a) *DEFINITION OF TREE.*—In this section, the term  
14          “tree” includes—

15               (1) a tree (including a Christmas tree, orna-  
16               mental tree, nursery tree, and potted tree);

17               (2) a bush (including a shrub, nursery shrub,  
18               nursery bush, ornamental bush, ornamental shrub,  
19               potted bush, and potted shrub); and

20               (3) a vine (including a nursery vine and orna-  
21               mental vine).

22          (b) *PROGRAM.*—Except as otherwise provided in this  
23          section, the Secretary shall use such sums as are necessary  
24          of the funds of the Commodity Credit Corporation to pro-  
25          vide assistance under the terms and conditions of the tree

1 *assistance program established under subtitle C of title X*  
2 *of the Farm Security and Rural Investment Act of 2002*  
3 *(7 U.S.C. 8201 et seq.) to—*

4 *(1) producers who suffered tree losses in disaster*  
5 *counties; and*

6 *(2) fruit and tree nut producers in disaster*  
7 *counties.*

8 *(c) COSTS.—Funds made available under this section*  
9 *shall also be made available to cover costs associated with*  
10 *tree pruning, tree rehabilitation, and other appropriate*  
11 *tree-related activities as determined by the Secretary.*

12 *(d) SCOPE OF ASSISTANCE.—Assistance under this sec-*  
13 *tion shall compensate for losses resulting from disasters dur-*  
14 *ing the applicable period.*

## 15 ***Subtitle D—Conservation***

### 16 ***SEC. 441. EMERGENCY CONSERVATION PROGRAM.***

17 *The Secretary shall use an additional \$35,000,000 of*  
18 *funds of the Commodity Credit Corporation to carry out*  
19 *emergency measures, including wildfire recovery efforts in*  
20 *Montana and other States, identified by the Administrator*  
21 *of the Farm Service Agency as of the date of enactment of*  
22 *this Act through the emergency conservation program estab-*  
23 *lished under title IV of the Agricultural Credit Act of 1978*  
24 *(16 U.S.C. 2201 et seq.), of which \$3,000,000 shall be to*  
25 *repair broken irrigation pipelines and damaged and col-*

1 *lapsed water tanks, \$1,000,000 to provide emergency loans*  
2 *for losses of agricultural income, and \$2,000,000 to repair*  
3 *ditch irrigation systems in conjunction with the Presi-*  
4 *dential declaration of a major disaster (FEMA-1664-DR),*  
5 *dated October 17, 2006, and related determinations issued*  
6 *under the authority of the Robert T. Stafford Disaster Relief*  
7 *and Emergency Assistance Act, 42 U.S.C. 5121-5206 (the*  
8 *Stafford Act): Provided, That the Secretary may transfer*  
9 *a portion of these funds to the Natural Resources Conserva-*  
10 *tion Service, to include Resource Conservation and Develop-*  
11 *ment councils.*

12 **SEC. 442. EMERGENCY WATERSHED PROTECTION PRO-**  
13 **GRAM.**

14 *The Secretary shall use an additional \$50,000,000 of*  
15 *funds of the Commodity Credit Corporation to carry out*  
16 *emergency measures identified by the Chief of the Natural*  
17 *Resources Conservation Service as of the date of enactment*  
18 *of this Act through the emergency watershed protection pro-*  
19 *gram established under section 403 of the Agricultural*  
20 *Credit Act of 1978 (16 U.S.C. 2203).*

21 **SEC. 443. CONSERVATION SECURITY PROGRAM.**

22 *Section 20115 of Public Law 110-5 is amended by*  
23 *striking “section 726” and inserting in lieu thereof “section*  
24 *726; section 741”.*

1     **Subtitle E—Farm Service Agency**

2     **SEC. 451. FUNDING FOR ADDITIONAL PERSONNEL AND AD-**  
3                     **MINISTRATIVE SUPPORT.**

4             *The Secretary shall use \$30,000,000 of funds of the*  
5     *Commodity Credit Corporation—*

6                     *(1) of which \$9,000,000 shall be used to hire ad-*  
7             *ditional County Farm Service Agency personnel to*  
8             *expedite the implementation of, and delivery under,*  
9             *the agricultural disaster and economic assistance pro-*  
10             *grams under this title; and*

11                     *(2) to be used as the Secretary determines to be*  
12             *necessary to carry out this and other agriculture and*  
13             *disaster assistance programs.*

14             **Subtitle F—Miscellaneous**

15     **SEC. 461. CONTRACT WAIVER.**

16             *In carrying out this title and section 101(a)(5) of the*  
17     *Emergency Supplemental Appropriations for Hurricane*  
18     *Disasters Assistance Act, 2005 (Public Law 108–324; 118*  
19     *Stat. 1233), the Secretary shall not require participation*  
20     *in a crop insurance pilot program relating to forage.*

21     **SEC. 462. INSECT INFESTATIONS.**

22             *(a) IN GENERAL.—The Secretary, acting through the*  
23     *Administrator of the Animal and Plant Health Inspection*  
24     *Service, shall use not less than \$20,000,000 of funds made*  
25     *available from the Commodity Credit Corporation for the*



1 *Animal and Plant Health Inspection Service to survey and*  
2 *control insect infestations in the States of Nevada, Idaho,*  
3 *and Utah.*

4       **(b) USE OF FUNDS.**—*Funds described in subsection*  
5 *(a) shall be used in a manner that promotes cooperative*  
6 *efforts between Federal programs (including the plant pro-*  
7 *tection and quarantine program of the Animal and Plant*  
8 *Health Inspection Service) and State and local programs*  
9 *carried out, in whole or in part, with Federal funds to fight*  
10 *insect outbreaks.*

11 **SEC. 463. FUNDING.**

12       *The Secretary shall use the funds, facilities, and au-*  
13 *thorities of the Commodity Credit Corporation to carry out*  
14 *this title, to remain available until expended.*

15 **SEC. 464. REGULATIONS.**

16       **(a) IN GENERAL.**—*The Secretary may promulgate*  
17 *such regulations as are necessary to implement this title.*

18       **(b) PROCEDURE.**—*The promulgation of the regulations*  
19 *and administration of this title shall be made without re-*  
20 *gard to—*

21               **(1)** *the notice and comment provisions of section*  
22 *553 of title 5, United States Code;*

23               **(2)** *the Statement of Policy of the Secretary of*  
24 *Agriculture effective July 24, 1971 (36 Fed. Reg.*

1 13804), relating to notices of proposed rulemaking  
2 and public participation in rulemaking; and

3 (3) chapter 35 of title 44, United States Code  
4 (commonly known as the “Paperwork Reduction  
5 Act”).

6 (c) CONGRESSIONAL REVIEW OF AGENCY RULE-  
7 MAKING.—In carrying out this section, the Secretary shall  
8 use the authority provided under section 808 of title 5,  
9 United States Code.

## 10 **Subtitle G—Emergency Designation**

### 11 **SEC. 471. EMERGENCY DESIGNATION.**

12 The amounts provided under this title are designated  
13 as an emergency requirement pursuant to section 402 of  
14 H. Con. Res. 95 (109th Congress).

## 15 **TITLE V—FAIR MINIMUM WAGE** 16 **AND TAX RELIEF**

### 17 **Subtitle A—Fair Minimum Wage**

#### 18 **SEC. 500. SHORT TITLE.**

19 This subtitle may be cited as the “Fair Minimum  
20 Wage Act of 2007”.

#### 21 **SEC. 501. MINIMUM WAGE.**

22 (a) IN GENERAL.—Section 6(a)(1) of the Fair Labor  
23 Standards Act of 1938 (29 U.S.C. 206(a)(1)) is amended  
24 to read as follows:

1           “(1) *except as otherwise provided in this section,*  
2           *not less than—*

3                   “(A) *\$5.85 an hour, beginning on the 60th*  
4                   *day after the date of enactment of the Fair Min-*  
5                   *imum Wage Act of 2007;*

6                   “(B) *\$6.55 an hour, beginning 12 months*  
7                   *after that 60th day; and*

8                   “(C) *\$7.25 an hour, beginning 24 months*  
9                   *after that 60th day;”.*

10           (b) *EFFECTIVE DATE.—The amendment made by sub-*  
11           *section (a) shall take effect 60 days after the date of enact-*  
12           *ment of this Act.*

13           **SEC. 502. APPLICABILITY OF MINIMUM WAGE TO THE COM-**  
14                   **MONWEALTH OF THE NORTHERN MARIANA**  
15                   **ISLANDS.**

16           (a) *IN GENERAL.—Section 6 of the Fair Labor Stand-*  
17           *ards Act of 1938 (29 U.S.C. 206) shall apply to the Com-*  
18           *monwealth of the Northern Mariana Islands.*

19           (b) *TRANSITION.—Notwithstanding subsection (a), the*  
20           *minimum wage applicable to the Commonwealth of the*  
21           *Northern Mariana Islands under section 6(a)(1) of the Fair*  
22           *Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)) shall*  
23           *be—*

24                   (1) *\$3.55 an hour, beginning on the 60th day*  
25                   *after the date of enactment of this Act; and*

1           (2) *increased by \$0.50 an hour (or such lesser*  
2 *amount as may be necessary to equal the minimum*  
3 *wage under section 6(a)(1) of such Act), beginning 6*  
4 *months after the date of enactment of this Act and*  
5 *every 6 months thereafter until the minimum wage*  
6 *applicable to the Commonwealth of the Northern Mar-*  
7 *iana Islands under this subsection is equal to the*  
8 *minimum wage set forth in such section.*

9           ***Subtitle B—Small Business Tax***  
10                                   ***Incentives***

11 ***SEC. 510. SHORT TITLE; AMENDMENT OF CODE.***

12           (a) *SHORT TITLE.*—*This subtitle may be cited as the*  
13 *“Small Business and Work Opportunity Act of 2007”.*

14           (b) *AMENDMENT OF 1986 CODE.*—*Except as otherwise*  
15 *expressly provided, whenever in this subtitle an amendment*  
16 *or repeal is expressed in terms of an amendment to, or re-*  
17 *peal of, a section or other provision, the reference shall be*  
18 *considered to be made to a section or other provision of the*  
19 *Internal Revenue Code of 1986.*

1           **PART I—SMALL BUSINESS TAX RELIEF**

2                           **PROVISIONS**

3                                   **Subpart A—General Provisions**

4 **SEC. 511. EXTENSION OF INCREASED EXPENSING FOR**  
5                           **SMALL BUSINESSES.**

6           *Section 179 (relating to election to expense certain de-*  
7 *preciable business assets) is amended by striking “2010”*  
8 *each place it appears and inserting “2011”.*

9 **SEC. 512. EXTENSION AND MODIFICATION OF 15-YEAR**  
10                           **STRAIGHT-LINE COST RECOVERY FOR QUALI-**  
11                           **FIED LEASEHOLD IMPROVEMENTS AND**  
12                           **QUALIFIED RESTAURANT IMPROVEMENTS; 15-**  
13                           **YEAR STRAIGHT-LINE COST RECOVERY FOR**  
14                           **CERTAIN IMPROVEMENTS TO RETAIL SPACE.**

15           *(a) EXTENSION OF LEASEHOLD AND RESTAURANT IM-*  
16 *PROVEMENTS.—*

17                   *(1) IN GENERAL.—*Clauses *(iv) and (v) of section*  
18 *168(e)(3)(E) (relating to 15-year property) are each*  
19 *amended by striking “January 1, 2008” and insert-*  
20 *ing “January 1, 2009”.*

21                   *(2) EFFECTIVE DATE.—*The amendment made by  
22 *this subsection shall apply to property placed in serv-*  
23 *ice after December 31, 2007.*

24           *(b) MODIFICATION OF TREATMENT OF QUALIFIED*  
25 *RESTAURANT PROPERTY AS 15-YEAR PROPERTY FOR PUR-*  
26 *POSES OF DEPRECIATION DEDUCTION.—*

1           (1) *TREATMENT TO INCLUDE NEW CONSTRU-*  
2           *CTION.—Paragraph (7) of section 168(e) (relating to*  
3           *classification of property) is amended to read as fol-*  
4           *lows:*

5           “(7) *QUALIFIED RESTAURANT PROPERTY.—The*  
6           *term ‘qualified restaurant property’ means any sec-*  
7           *tion 1250 property which is a building (or its struc-*  
8           *tural components) or an improvement to such build-*  
9           *ing if more than 50 percent of such building’s square*  
10           *footage is devoted to preparation of, and seating for*  
11           *on-premises consumption of, prepared meals.”.*

12           (2) *EFFECTIVE DATE.—The amendment made by*  
13           *this subsection shall apply to any property placed in*  
14           *service after the date of the enactment of this Act, the*  
15           *original use of which begins with the taxpayer after*  
16           *such date.*

17           (c) *RECOVERY PERIOD FOR DEPRECIATION OF CER-*  
18           *TAIN IMPROVEMENTS TO RETAIL SPACE.—*

19           (1) *15-YEAR RECOVERY PERIOD.—Section*  
20           *168(e)(3)(E) (relating to 15-year property) is amend-*  
21           *ed by striking “and” at the end of clause (vii), by*  
22           *striking the period at the end of clause (viii) and in-*  
23           *serting “, and”, and by adding at the end the fol-*  
24           *lowing new clause:*

1                   “(ix) any qualified retail improvement  
2                   property placed in service before January 1,  
3                   2009.”.

4                   (2) *QUALIFIED RETAIL IMPROVEMENT PROP-*  
5                   *ERTY.*—Section 168(e) is amended by adding at the  
6                   end the following new paragraph:

7                   “(8) *QUALIFIED RETAIL IMPROVEMENT PROP-*  
8                   *ERTY.*—

9                   “(A) *IN GENERAL.*—The term ‘qualified re-  
10                  tail improvement property’ means any improve-  
11                  ment to an interior portion of a building which  
12                  is nonresidential real property if—

13                  “(i) such portion is open to the general  
14                  public and is used in the retail trade or  
15                  business of selling tangible personal prop-  
16                  erty to the general public, and

17                  “(ii) such improvement is placed in  
18                  service more than 3 years after the date the  
19                  building was first placed in service.

20                  “(B) *IMPROVEMENTS MADE BY OWNER.*—In  
21                  the case of an improvement made by the owner  
22                  of such improvement, such improvement shall be  
23                  qualified retail improvement property (if at all)  
24                  only so long as such improvement is held by such  
25                  owner. Rules similar to the rules under para-

1           *graph (6)(B) shall apply for purposes of the pre-*  
 2           *ceding sentence.*

3           “(C) *CERTAIN IMPROVEMENTS NOT IN-*  
 4           *CLUDED.—Such term shall not include any im-*  
 5           *provement for which the expenditure is attrib-*  
 6           *utable to—*

7                     “(i) *the enlargement of the building,*

8                     “(ii) *any elevator or escalator,*

9                     “(iii) *any structural component bene-*  
 10           *fitting a common area, or*

11                    “(iv) *the internal structural framework*  
 12           *of the building.”.*

13           (3) *REQUIREMENT TO USE STRAIGHT LINE*  
 14           *METHOD.—Section 168(b)(3) is amended by adding*  
 15           *at the end the following new subparagraph:*

16                    “(I) *Qualified retail improvement property*  
 17           *described in subsection (e)(8).”.*

18           (4) *ALTERNATIVE SYSTEM.—The table contained*  
 19           *in section 168(g)(3)(B) is amended by inserting after*  
 20           *the item relating to subparagraph (E)(viii) the fol-*  
 21           *lowing new item:*

(E)(ix) ..... 39”.



1           (5) *EFFECTIVE DATE.*—*The amendments made*  
2           *by this subsection shall apply to property placed in*  
3           *service after the date of the enactment of this Act.*

4 **SEC. 513. CLARIFICATION OF CASH ACCOUNTING RULES**  
5           **FOR SMALL BUSINESS.**

6           (a) *CASH ACCOUNTING PERMITTED.*—

7           (1) *IN GENERAL.*—*Section 446 (relating to gen-*  
8           *eral rule for methods of accounting) is amended by*  
9           *adding at the end the following new subsection:*

10          “(g) *CERTAIN SMALL BUSINESS TAXPAYERS PER-*  
11 *MITTED TO USE CASH ACCOUNTING METHOD WITHOUT*  
12 *LIMITATION.*—

13           “(1) *IN GENERAL.*—*An eligible taxpayer shall*  
14           *not be required to use an accrual method of account-*  
15           *ing for any taxable year.*

16           “(2) *ELIGIBLE TAXPAYER.*—*For purposes of this*  
17           *subsection, a taxpayer is an eligible taxpayer with re-*  
18           *spect to any taxable year if—*

19           “(A) *for each of the prior taxable years end-*  
20           *ing on or after the date of the enactment of this*  
21           *subsection, the taxpayer (or any predecessor) met*  
22           *the gross receipts test in effect under section*  
23           *448(c) for such taxable year, and*

24           “(B) *the taxpayer is not subject to section*  
25           *447 or 448.”.*

1           (2) *EXPANSION OF GROSS RECEIPTS TEST.*—

2                   (A) *IN GENERAL.*—Paragraph (3) of section  
3           448(b) (relating to entities with gross receipts of  
4           not more than \$5,000,000) is amended to read as  
5           follows:

6                   “(3) *ENTITIES MEETING GROSS RECEIPTS*  
7           *TEST.*—Paragraphs (1) and (2) of subsection (a) shall  
8           not apply to any corporation or partnership for any  
9           taxable year if, for each of the prior taxable years  
10          ending on or after the date of the enactment of the  
11          Small Business and Work Opportunity Act of 2007,  
12          the entity (or any predecessor) met the gross receipts  
13          test in effect under subsection (c) for such prior tax-  
14          able year.”.

15                  (B) *CONFORMING AMENDMENTS.*—Section  
16          448(c) of such Code is amended—

17                   (i) by striking “\$5,000,000” in the  
18                  heading thereof,

19                   (ii) by striking “\$5,000,000” each  
20                  place it appears in paragraph (1) and in-  
21                  serting “\$10,000,000”, and

22                   (iii) by adding at the end the following  
23                  new paragraph:

24                   “(4) *INFLATION ADJUSTMENT.*—In the case of  
25          any taxable year beginning in a calendar year after

1 2008, the dollar amount contained in paragraph (1)  
2 shall be increased by an amount equal to—

3 “(A) such dollar amount, multiplied by

4 “(B) the cost-of-living adjustment deter-  
5 mined under section 1(f)(3) for the calendar year  
6 in which the taxable year begins, by substituting  
7 ‘calendar year 2007’ for ‘calendar year 1992’ in  
8 subparagraph (B) thereof.

9 “If any amount as adjusted under this subpara-  
10 graph is not a multiple of \$100,000, such amount  
11 shall be rounded to the nearest multiple of \$100,000.”.

12 (b) *CLARIFICATION OF INVENTORY RULES FOR SMALL*  
13 *BUSINESS.*—

14 (1) *IN GENERAL.*—Section 471 (relating to gen-  
15 eral rule for inventories) is amended by redesignating  
16 subsection (c) as subsection (d) and by inserting after  
17 subsection (b) the following new subsection:

18 “(c) *SMALL BUSINESS TAXPAYERS NOT REQUIRED TO*  
19 *USE INVENTORIES.*—

20 “(1) *IN GENERAL.*—A qualified taxpayer shall  
21 not be required to use inventories under this section  
22 for a taxable year.

23 “(2) *TREATMENT OF TAXPAYERS NOT USING IN-*  
24 *VENTORIES.*—If a qualified taxpayer does not use in-  
25 ventories with respect to any property for any taxable

1       year beginning after the date of the enactment of this  
2       subsection, such property shall be treated as a mate-  
3       rial or supply which is not incidental.

4               “(3) *QUALIFIED TAXPAYER.*—For purposes of  
5       this subsection, the term ‘qualified taxpayer’ means—

6                       “(A) any eligible taxpayer (as defined in  
7       section 446(g)(2)), and

8                       “(B) any taxpayer described in section  
9       448(b)(3).”.

10              (2) *CONFORMING AMENDMENTS.*—

11                      (A) Subpart D of part II of subchapter E  
12       of chapter 1 is amended by striking section 474.

13                      (B) The table of sections for subpart D of  
14       part II of subchapter E of chapter 1 is amended  
15       by striking the item relating to section 474.

16              (c) *EFFECTIVE DATE.*—The amendments made by this  
17       section shall apply to taxable years beginning after the date  
18       of the enactment of this Act.

19       **SEC. 514. EXTENSION AND MODIFICATION OF COMBINED**  
20                      **WORK OPPORTUNITY TAX CREDIT AND WEL-**  
21                      **FARE-TO-WORK CREDIT.**

22              (a) *EXTENSION.*—Section 51(c)(4)(B) (relating to ter-  
23       mination) is amended by striking “2007” and inserting  
24       “2012”.

1           **(b) INCREASE IN MAXIMUM AGE FOR DESIGNATED**  
2 **COMMUNITY RESIDENTS.—**

3           **(1) IN GENERAL.—***Paragraph (5) of section*  
4 *51(d) is amended to read as follows:*

5           **“(5) DESIGNATED COMMUNITY RESIDENTS.—**

6           **“(A) IN GENERAL.—***The term ‘designated*  
7 *community resident’ means any individual who*  
8 *is certified by the designated local agency—*

9                   **“(i) as having attained age 18 but not**  
10 **age 40 on the hiring date, and**

11                   **“(ii) as having his principal place of**  
12 **abode within an empowerment zone, enter-**  
13 **prise community, renewal community, or**  
14 **rural renewal county.**

15           **“(B) INDIVIDUAL MUST CONTINUE TO RE-**  
16 **SIDE IN ZONE, COMMUNITY, OR COUNTY.—***In the*  
17 *case of a designated community resident, the*  
18 *term ‘qualified wages’ shall not include wages*  
19 *paid or incurred for services performed while the*  
20 *individual’s principal place of abode is outside*  
21 *an empowerment zone, enterprise community, re-*  
22 *newal community, or rural renewal county.*

23           **“(C) RURAL RENEWAL COUNTY.—***For pur-*  
24 *poses of this paragraph, the term ‘rural renewal*  
25 *county’ means any county which—*

1           “(i) is outside a metropolitan statis-  
2           tical area (defined as such by the Office of  
3           Management and Budget), and

4           “(ii) during the 5-year periods 1990  
5           through 1994 and 1995 through 1999 had a  
6           net population loss.”.

7           (2) *CONFORMING AMENDMENT.*—Subparagraph  
8           (D) of section 51(d)(1) is amended to read as follows:

9           “(D) a designated community resident,”.

10          (c) *CLARIFICATION OF TREATMENT OF INDIVIDUALS*  
11 *UNDER INDIVIDUAL WORK PLANS.*—Subparagraph (B) of  
12 section 51(d)(6) (relating to vocational rehabilitation refer-  
13 ral) is amended by striking “or” at the end of clause (i),  
14 by striking the period at the end of clause (ii) and inserting  
15 “, or”, and by adding at the end the following new clause:

16           “(iii) an individual work plan devel-  
17           oped and implemented by an employment  
18           network pursuant to subsection (g) of sec-  
19           tion 1148 of the Social Security Act with  
20           respect to which the requirements of such  
21           subsection are met.”.

22          (d) *TREATMENT OF DISABLED VETERANS UNDER THE*  
23 *WORK OPPORTUNITY TAX CREDIT.*—

24           (1) *DISABLED VETERANS TREATED AS MEMBERS*  
25           *OF TARGETED GROUP.*—

1           (A) *IN GENERAL.*—Subparagraph (A) of  
2           section 51(d)(3) (relating to qualified veteran) is  
3           amended by striking “agency as being a member  
4           of a family” and all that follows and inserting  
5           “agency as—

6                     “(i) being a member of a family receiv-  
7                     ing assistance under a food stamp program  
8                     under the Food Stamp Act of 1977 for at  
9                     least a 3-month period ending during the  
10                    12-month period ending on the hiring date,  
11                    or

12                   “(ii) entitled to compensation for a  
13                   service-connected disability incurred after  
14                   September 10, 2001.”.

15           (B) *DEFINITIONS.*—Paragraph (3) of sec-  
16           tion 51(d) is amended by adding at the end the  
17           following new subparagraph:

18                   “(C) *OTHER DEFINITIONS.*—For purposes of  
19                   subparagraph (A), the terms ‘compensation’ and  
20                   ‘service-connected’ have the meanings given such  
21                   terms under section 101 of title 38, United  
22                   States Code.”.

23           (2) *INCREASE IN AMOUNT OF WAGES TAKEN INTO*  
24           *ACCOUNT FOR DISABLED VETERANS.*—Paragraph (3)  
25           of section 51(b) is amended—

1 (A) by inserting “(\$12,000 per year in the  
2 case of any individual who is a qualified veteran  
3 by reason of subsection (d)(3)(A)(ii))” before the  
4 period at the end, and

5 (B) by striking “**ONLY FIRST** \$6,000 of”  
6 in the heading and inserting “**LIMITATION**  
7 **ON**”.

8 (e) *EFFECTIVE DATE*.—The amendments made by this  
9 section shall apply to individuals who begin work for the  
10 employer after the date of the enactment of this Act, in tax-  
11 able years ending after such date.

12 **SEC. 515. CERTIFIED PROFESSIONAL EMPLOYER ORGANIZA-**  
13 **TIONS.**

14 (a) *EMPLOYMENT TAXES*.—Chapter 25 (relating to  
15 general provisions relating to employment taxes) is amend-  
16 ed by adding at the end the following new section:

17 **“SEC. 3511. CERTIFIED PROFESSIONAL EMPLOYER ORGANI-**  
18 **ZATIONS.**

19 “(a) *GENERAL RULES*.—For purposes of the taxes, and  
20 other obligations, imposed by this subtitle—

21 “(1) a certified professional employer organiza-  
22 tion shall be treated as the employer (and no other  
23 person shall be treated as the employer) of any work  
24 site employee performing services for any customer of  
25 such organization, but only with respect to remunera-



1        *tion remitted by such organization to such work site*  
2        *employee, and*

3            *“(2) exclusions, definitions, and other rules*  
4        *which are based on the type of employer and which*  
5        *would (but for paragraph (1)) apply shall apply with*  
6        *respect to such taxes imposed on such remuneration.*

7        *“(b) SUCCESSOR EMPLOYER STATUS.—For purposes*  
8        *of sections 3121(a)(1), 3231(e)(2)(C), and 3306(b)(1)—*

9            *“(1) a certified professional employer organiza-*  
10        *tion entering into a service contract with a customer*  
11        *with respect to a work site employee shall be treated*  
12        *as a successor employer and the customer shall be*  
13        *treated as a predecessor employer during the term of*  
14        *such service contract, and*

15            *“(2) a customer whose service contract with a*  
16        *certified professional employer organization is termi-*  
17        *nated with respect to a work site employee shall be*  
18        *treated as a successor employer and the certified pro-*  
19        *fessional employer organization shall be treated as a*  
20        *predecessor employer.*

21        *“(c) LIABILITY OF CERTIFIED PROFESSIONAL EM-*  
22        *PLOYER ORGANIZATION.—Solely for purposes of its liability*  
23        *for the taxes, and other obligations, imposed by this sub-*  
24        *title—*

1           “(1) a certified professional employer organiza-  
2           tion shall be treated as the employer of any indi-  
3           vidual (other than a work site employee or a person  
4           described in subsection (f)) who is performing services  
5           covered by a contract meeting the requirements of sec-  
6           tion 7705(e)(2), but only with respect to remunera-  
7           tion remitted by such organization to such individual,  
8           and

9           “(2) exclusions, definitions, and other rules  
10          which are based on the type of employer and which  
11          would (but for paragraph (1)) apply shall apply with  
12          respect to such taxes imposed on such remuneration.

13          “(d) TREATMENT OF CREDITS.—

14                 “(1) IN GENERAL.—For purposes of any credit  
15                 specified in paragraph (2)—

16                         “(A) such credit with respect to a work site  
17                         employee performing services for the customer  
18                         applies to the customer, not the certified profes-  
19                         sional employer organization,

20                         “(B) the customer, and not the certified pro-  
21                         fessional employer organization, shall take into  
22                         account wages and employment taxes—

23                                 “(i) paid by the certified professional  
24                                 employer organization with respect to the  
25                                 work site employee, and

1           “(ii) for which the certified profes-  
2           sional employer organization receives pay-  
3           ment from the customer, and

4           “(C) the certified professional employer or-  
5           ganization shall furnish the customer with any  
6           information necessary for the customer to claim  
7           such credit.

8           “(2) CREDITS SPECIFIED.—A credit is specified  
9           in this paragraph if such credit is allowed under—

10           “(A) section 41 (credit for increasing re-  
11           search activity),

12           “(B) section 45A (Indian employment cred-  
13           it),

14           “(C) section 45B (credit for portion of em-  
15           ployer social security taxes paid with respect to  
16           employee cash tips),

17           “(D) section 45C (clinical testing expenses  
18           for certain drugs for rare diseases or conditions),

19           “(E) section 51 (work opportunity credit),

20           “(F) section 51A (temporary incentives for  
21           employing long-term family assistance recipi-  
22           ents),

23           “(G) section 1396 (empowerment zone em-  
24           ployment credit),

1                   “(H) 1400(d) (DC Zone employment cred-  
2                   it),

3                   “(I) Section 1400H (renewal community  
4                   employment credit), and

5                   “(J) any other section as provided by the  
6                   Secretary.

7                   “(e) *SPECIAL RULE FOR RELATED PARTY.*—This sec-  
8                   tion shall not apply in the case of a customer which bears  
9                   a relationship to a certified professional employer organiza-  
10                  tion described in section 267(b) or 707(b). For purposes of  
11                  the preceding sentence, such sections shall be applied by sub-  
12                  stituting ‘10 percent’ for ‘50 percent’.

13                  “(f) *SPECIAL RULE FOR CERTAIN INDIVIDUALS.*—For  
14                  purposes of the taxes imposed under this subtitle, an indi-  
15                  vidual with net earnings from self-employment derived from  
16                  the customer’s trade or business is not a work site employee  
17                  with respect to remuneration paid by a certified profes-  
18                  sional employer organization.

19                  “(g) *REGULATIONS.*—The Secretary shall prescribe  
20                  such regulations as may be necessary or appropriate to  
21                  carry out the purposes of this section.”.

22                  (b) *CERTIFIED PROFESSIONAL EMPLOYER ORGANIZA-*  
23                  *TION DEFINED.*—Chapter 79 (relating to definitions) is  
24                  amended by adding at the end the following new section:

1 **“SEC. 7705. CERTIFIED PROFESSIONAL EMPLOYER ORGANI-**  
2 **ZATIONS DEFINED.**

3 “(a) *IN GENERAL.*—For purposes of this title, the term  
4 ‘certified professional employer organization’ means a per-  
5 son who has been certified by the Secretary for purposes  
6 of section 3511 as meeting the requirements of subsection  
7 (b).

8 “(b) *GENERAL REQUIREMENTS.*—A person meets the  
9 requirements of this subsection if such person—

10 “(1) demonstrates that such person (and any  
11 owner, officer, and such other persons as may be spec-  
12 ified in regulations) meets such requirements as the  
13 Secretary shall establish with respect to tax status,  
14 background, experience, business location, and annual  
15 financial audits,

16 “(2) computes its taxable income using an ac-  
17 crual method of accounting unless the Secretary ap-  
18 proves another method,

19 “(3) agrees that it will satisfy the bond and  
20 independent financial review requirements of sub-  
21 section (c) on an ongoing basis,

22 “(4) agrees that it will satisfy such reporting ob-  
23 ligations as may be imposed by the Secretary,

24 “(5) agrees to verify on such periodic basis as the  
25 Secretary may prescribe that it continues to meet the  
26 requirements of this subsection, and

1           “(6) agrees to notify the Secretary in writing  
2           within such time as the Secretary may prescribe of  
3           any change that materially affects whether it con-  
4           tinues to meet the requirements of this subsection.

5           “(c) *BOND AND INDEPENDENT FINANCIAL REVIEW RE-*  
6           *QUIREMENTS.*—

7           “(1) *IN GENERAL.*—An organization meets the  
8           requirements of this paragraph if such organization—

9                   “(A) meets the bond requirements of para-  
10                  graph (2), and

11                  “(B) meets the independent financial review  
12                  requirements of paragraph (3).

13           “(2) *BOND.*—

14                   “(A) *IN GENERAL.*—A certified professional  
15                  employer organization meets the requirements of  
16                  this paragraph if the organization has posted a  
17                  bond for the payment of taxes under subtitle C  
18                  (in a form acceptable to the Secretary) in an  
19                  amount at least equal to the amount specified in  
20                  subparagraph (B).

21                   “(B) *AMOUNT OF BOND.*—For the period  
22                  April 1 of any calendar year through March 31  
23                  of the following calendar year, the amount of the  
24                  bond required is equal to the greater of—

1           “(i) 5 percent of the organization’s li-  
2           ability under section 3511 for taxes imposed  
3           by subtitle C during the preceding calendar  
4           year (but not to exceed \$1,000,000), or

5           “(ii) \$50,000.

6           “(3) *INDEPENDENT FINANCIAL REVIEW REQUIRE-*  
7           *MENTS.—A certified professional employer organiza-*  
8           *tion meets the requirements of this paragraph if such*  
9           *organization—*

10           “(A) has, as of the most recent review date,  
11           caused to be prepared and provided to the Sec-  
12           retary (in such manner as the Secretary may  
13           prescribe) an opinion of an independent certified  
14           public accountant that the certified professional  
15           employer organization’s financial statements are  
16           presented fairly in accordance with generally ac-  
17           cepted accounting principles, and

18           “(B) provides, not later than the last day of  
19           the second month beginning after the end of each  
20           calendar quarter, to the Secretary from an inde-  
21           pendent certified public accountant an assertion  
22           regarding Federal employment tax payments  
23           and an examination level attestation on such as-  
24           sertion.

1     *Such assertion shall state that the organization has*  
2     *withheld and made deposits of all taxes imposed by*  
3     *chapters 21, 22, and 24 of the Internal Revenue Code*  
4     *in accordance with regulations imposed by the Sec-*  
5     *retary for such calendar quarter and such examina-*  
6     *tion level attestation shall state that such assertion is*  
7     *fairly stated, in all material respects.*

8             “(4) *CONTROLLED GROUP RULES.*—*For purposes*  
9     *of the requirements of paragraphs (2) and (3), all*  
10    *professional employer organizations that are members*  
11    *of a controlled group within the meaning of sections*  
12    *414(b) and (c) shall be treated as a single organiza-*  
13    *tion.*

14            “(5) *FAILURE TO FILE ASSERTION AND ATTESTA-*  
15    *TION.*—*If the certified professional employer organi-*  
16    *zation fails to file the assertion and attestation re-*  
17    *quired by paragraph (3) with respect to any calendar*  
18    *quarter, then the requirements of paragraph (3) with*  
19    *respect to such failure shall be treated as not satisfied*  
20    *for the period beginning on the due date for such at-*  
21    *testation.*

22            “(6) *REVIEW DATE.*—*For purposes of paragraph*  
23    *(3)(A), the review date shall be 6 months after the*  
24    *completion of the organization’s fiscal year.*



1           “(d) *SUSPENSION AND REVOCATION AUTHORITY.*—The  
2 *Secretary may suspend or revoke a certification of any per-*  
3 *son under subsection (b) for purposes of section 3511 if the*  
4 *Secretary determines that such person is not satisfying the*  
5 *representations or requirements of subsections (b) or (c), or*  
6 *fails to satisfy applicable accounting, reporting, payment,*  
7 *or deposit requirements.*

8           “(e) *WORK SITE EMPLOYEE.*—For purposes of this  
9 *title—*

10           “(1) *IN GENERAL.*—The term ‘work site em-  
11 *ployee’ means, with respect to a certified professional*  
12 *employer organization, an individual who—*

13           “(A) *performs services for a customer pur-*  
14 *suant to a contract which is between such cus-*  
15 *tomers and the certified professional employer or-*  
16 *ganization and which meets the requirements of*  
17 *paragraph (2), and*

18           “(B) *performs services at a work site meet-*  
19 *ing the requirements of paragraph (3).*

20           “(2) *SERVICE CONTRACT REQUIREMENTS.*—A  
21 *contract meets the requirements of this paragraph*  
22 *with respect to an individual performing services for*  
23 *a customer if such contract is in writing and provides*  
24 *that the certified professional employer organization*  
25 *shall—*

1           “(A) assume responsibility for payment of  
2 wages to such individual, without regard to the  
3 receipt or adequacy of payment from the cus-  
4 tomer for such services,

5           “(B) assume responsibility for reporting,  
6 withholding, and paying any applicable taxes  
7 under subtitle C, with respect to such individ-  
8 ual’s wages, without regard to the receipt or ade-  
9 quacy of payment from the customer for such  
10 services,

11           “(C) assume responsibility for any employee  
12 benefits which the service contract may require  
13 the organization to provide, without regard to  
14 the receipt or adequacy of payment from the cus-  
15 tomer for such services,

16           “(D) assume responsibility for hiring, fir-  
17 ing, and recruiting workers in addition to the  
18 customer’s responsibility for hiring, firing and  
19 recruiting workers,

20           “(E) maintain employee records relating to  
21 such individual, and

22           “(F) agree to be treated as a certified pro-  
23 fessional employer organization for purposes of  
24 section 3511 with respect to such individual.

1           “(3) *WORK SITE COVERAGE REQUIREMENT.*—*The*  
2           *requirements of this paragraph are met with respect*  
3           *to an individual if at least 85 percent of the individ-*  
4           *uals performing services for the customer at the work*  
5           *site where such individual performs services are sub-*  
6           *ject to 1 or more contracts with the certified profes-*  
7           *sional employer organization which meet the require-*  
8           *ments of paragraph (2) (but not taking into account*  
9           *those individuals who are excluded employees within*  
10          *the meaning of section 414(q)(5)).*

11          “(f) *DETERMINATION OF EMPLOYMENT STATUS.*—*Ex-*  
12          *cept to the extent necessary for purposes of section 3511,*  
13          *nothing in this section shall be construed to affect the deter-*  
14          *mination of who is an employee or employer for purposes*  
15          *of this title.*

16          “(g) *REGULATIONS.*—*The Secretary shall prescribe*  
17          *such regulations as may be necessary or appropriate to*  
18          *carry out the purposes of this section.”.*

19          “(c) *CONFORMING AMENDMENTS.*—

20                 “(1) *Section 3302 is amended by adding at the*  
21                 *end the following new subsection:*

22                 “(h) *TREATMENT OF CERTIFIED PROFESSIONAL EM-*  
23                 *PLOYER ORGANIZATIONS.*—*If a certified professional em-*  
24                 *ployer organization (as defined in section 7705), or a cus-*  
25                 *tomers of such organization, makes a contribution to the*

1 *State’s unemployment fund with respect to a work site em-*  
2 *ployee, such organization shall be eligible for the credits*  
3 *available under this section with respect to such contribu-*  
4 *tion.”.*

5 (2) *Section 3303(a) is amended—*

6 (A) *by striking the period at the end of*  
7 *paragraph (3) and inserting “; and” and by in-*  
8 *serting after paragraph (3) the following new*  
9 *paragraph:*

10 “(4) *if the taxpayer is a certified professional*  
11 *employer organization (as defined in section 7705)*  
12 *that is treated as the employer under section 3511,*  
13 *such certified professional employer organization is*  
14 *permitted to collect and remit, in accordance with*  
15 *paragraphs (1), (2), and (3), contributions during the*  
16 *taxable year to the State unemployment fund with re-*  
17 *spect to a work site employee.”, and*

18 (B) *in the last sentence—*

19 (i) *by striking “paragraphs (1), (2),*  
20 *and (3)” and inserting “paragraphs (1),*  
21 *(2), (3), and (4)”, and*

22 (ii) *by striking “paragraph (1), (2), or*  
23 *(3)” and inserting “paragraph (1), (2), (3),*  
24 *or (4)”.*

1           (3) *Section 6053(c) (relating to reporting of tips)*  
2           *is amended by adding at the end the following new*  
3           *paragraph:*

4           “(8) *CERTIFIED PROFESSIONAL EMPLOYER OR-*  
5           *GANIZATIONS.—For purposes of any report required*  
6           *by this subsection, in the case of a certified profes-*  
7           *sional employer organization that is treated under*  
8           *section 3511 as the employer of a work site employee,*  
9           *the customer with respect to whom a work site em-*  
10          *ployee performs services shall be the employer for pur-*  
11          *poses of reporting under this section and the certified*  
12          *professional employer organization shall furnish to*  
13          *the customer any information necessary to complete*  
14          *such reporting no later than such time as the Sec-*  
15          *retary shall prescribe.”.*

16          (d) *CLERICAL AMENDMENTS.—*

17                 (1) *The table of sections for chapter 25 is amend-*  
18                 *ed by adding at the end the following new item:*

                  “*Sec. 3511. Certified professional employer organizations”.*

19                 (2) *The table of sections for chapter 79 is amend-*  
20                 *ed by inserting after the item relating to section 7704*  
21                 *the following new item:*

                  “*Sec. 7705. Certified professional employer organizations defined”.*

22          (e) *REPORTING REQUIREMENTS AND OBLIGATIONS.—*  
23          *The Secretary of the Treasury shall develop such reporting*  
24          *and recordkeeping rules, regulations, and procedures as the*

1 *Secretary determines necessary or appropriate to ensure*  
2 *compliance with the amendments made by this section with*  
3 *respect to entities applying for certification as certified pro-*  
4 *fessional employer organizations or entities that have been*  
5 *so certified. Such rules shall be designed in a manner which*  
6 *streamlines, to the extent possible, the application of re-*  
7 *quirements of such amendments, the exchange of informa-*  
8 *tion between a certified professional employer organization*  
9 *and its customers, and the reporting and recordkeeping ob-*  
10 *ligations of the certified professional employer organization.*

11 *(f) USER FEES.—Subsection (b) of section 7528 (relat-*  
12 *ing to Internal Revenue Service user fees) is amended by*  
13 *adding at the end the following new paragraph:*

14 *“(4) CERTIFIED PROFESSIONAL EMPLOYER OR-*  
15 *GANIZATIONS.—The fee charged under the program in*  
16 *connection with the certification by the Secretary of*  
17 *a professional employer organization under section*  
18 *7705 shall not exceed \$500.”.*

19 *(g) EFFECTIVE DATES.—*

20 *(1) IN GENERAL.—The amendments made by*  
21 *this section shall apply with respect to wages for serv-*  
22 *ices performed on or after January 1 of the first cal-*  
23 *endar year beginning more than 12 months after the*  
24 *date of the enactment of this Act.*

1           (2) *CERTIFICATION PROGRAM.*—*The Secretary of*  
2 *the Treasury shall establish the certification program*  
3 *described in section 7705(b) of the Internal Revenue*  
4 *Code of 1986, as added by subsection (b), not later*  
5 *than 6 months before the effective date determined*  
6 *under paragraph (1).*

7           (h) *NO INFERENCE.*—*Nothing contained in this section*  
8 *or the amendments made by this section shall be construed*  
9 *to create any inference with respect to the determination*  
10 *of who is an employee or employer—*

11           (1) *for Federal tax purposes (other than the pur-*  
12 *poses set forth in the amendments made by this sec-*  
13 *tion), or*

14           (2) *for purposes of any other provision of law.*

15 **SEC. 516. ACCELERATED DEPRECIATION FOR INVESTMENT**

16 **IN HIGH OUT-MIGRATION COUNTIES.**

17           (a) *IN GENERAL.*—*Section 168 (relating to accelerated*  
18 *cost recovery system) is amended by adding at the end the*  
19 *following new subsection:*

20           “(m) *RURAL INVESTMENT PROPERTY.*—

21           “(1) *IN GENERAL.*—*For purposes of subsection*  
22 *(a), the applicable recovery period for qualified rural*  
23 *investment property shall be determined in accord-*  
24 *ance with the table contained in paragraph (2) in*  
25 *lieu of the table contained in subsection (c).*

1           “(2) *APPLICABLE RECOVERY PERIOD FOR RURAL*  
 2           *INVESTMENT PROPERTY.—For purposes of paragraph*  
 3           (1)—

<b>“In the case of:</b>	<b>The applicable recovery period is:</b>
3-year property .....	2 years
5-year property .....	3 years
7-year property .....	4 years
10-year property .....	6 years
15-year property .....	9 years
20-year property .....	12 years
Nonresidential real property .....	22 years.

4           “(3) *QUALIFIED RURAL INVESTMENT PROPERTY*  
 5           *DEFINED.—For purposes of this subsection—*

6           “(A) *IN GENERAL.—The term ‘qualified*  
 7           *rural investment property’ means property*  
 8           *which is property described in the table in para-*  
 9           *graph (2) and which is—*

10           “(i) *used by the taxpayer predomi-*  
 11           *nantly in the active conduct of a trade or*  
 12           *business within a high out-migration coun-*  
 13           *ty,*

14           “(ii) *not used or located outside such*  
 15           *county on a regular basis,*

16           “(iii) *not acquired (directly or indi-*  
 17           *rectly) by the taxpayer from a person who*  
 18           *is related to the taxpayer (within the mean-*  
 19           *ing of section 465(b)(3)(C)), and*

20           “(iv) *not property (or any portion*  
 21           *thereof) placed in service for purposes of op-*



1           erating any racetrack or other facility used  
2           for gambling.

3           “(B) *HIGH OUT-MIGRATION COUNTY.*—The  
4           term ‘high out-migration county’ means any  
5           county which—

6                   “(i) is outside a metropolitan statis-  
7                   tical area (defined as such by the Office of  
8                   Management and Budget), and

9                   “(ii) during the 5-year periods 1990  
10                  through 1994 and 1995 through 1999 had a  
11                  net population loss.

12           “(4) *TERMINATION.*—This subsection shall not  
13           apply to property placed in service after March 31,  
14           2008.”.

15           (b) *EFFECTIVE DATE.*—The amendment made by this  
16           section shall apply to property placed in service after the  
17           date of the enactment of this Act, the original use of which  
18           begins with the taxpayer after such date.

19           **SEC. 517. EXTENSION OF INCREASED EXPENSING FOR**  
20                   **QUALIFIED SECTION 179 GULF OPPORTUNITY**  
21                   **ZONE PROPERTY.**

22           Paragraph (2) of section 1400N(e) (relating to quali-  
23           fied section 179 Gulf Opportunity Zone property) is  
24           amended—

1           (1) by striking “this subsection, the term” and  
2           inserting “this subsection—

3                       “(A) *IN GENERAL.*—*The term*”, and

4           (2) by adding at the end the following new sub-  
5           paragraph:

6                       “(B) *EXTENSION FOR CERTAIN PROP-*  
7                       *ERTY.*—*In the case of property substantially all*  
8                       *of the use of which is in one or more specified*  
9                       *portions of the GO Zone (as defined by sub-*  
10                      *section (d)(6)), such term shall include section*  
11                      *179 property (as so defined) which is described*  
12                      *in subsection (d)(2), determined—*

13                      “(i) *without regard to subsection*  
14                      *(d)(6), and*

15                      “(ii) *by substituting ‘2008’ for ‘2007’*  
16                      *in subparagraph (A)(v) thereof.”.*

17                      ***Subpart B—Subchapter S Provisions***

18                      ***SEC. 521. CAPITAL GAIN OF S CORPORATION NOT TREATED***

19                                      ***AS PASSIVE INVESTMENT INCOME.***

20                      (a) *IN GENERAL.*—*Section 1362(d)(3) is amended by*  
21                      *striking subparagraphs (B), (C), (D), (E), and (F) and in-*  
22                      *serting the following new subparagraph:*

23                                      “(B) *PASSIVE INVESTMENT INCOME DE-*  
24                                      *FINED.*—

1           “(i) *IN GENERAL.*—*Except as otherwise*  
2           *provided in this subparagraph, the term*  
3           *‘passive investment income’ means gross re-*  
4           *ceipts derived from royalties, rents, divi-*  
5           *dends, interest, and annuities.*

6           “(ii) *EXCEPTION FOR INTEREST ON*  
7           *NOTES FROM SALES OF INVENTORY.*—*The*  
8           *term ‘passive investment income’ shall not*  
9           *include interest on any obligation acquired*  
10           *in the ordinary course of the corporation’s*  
11           *trade or business from its sale of property*  
12           *described in section 1221(a)(1).*

13           “(iii) *TREATMENT OF CERTAIN LEND-*  
14           *ING OR FINANCE COMPANIES.*—*If the S cor-*  
15           *poration meets the requirements of section*  
16           *542(c)(6) for the taxable year, the term*  
17           *‘passive investment income’ shall not in-*  
18           *clude gross receipts for the taxable year*  
19           *which are derived directly from the active*  
20           *and regular conduct of a lending or finance*  
21           *business (as defined in section 542(d)(1)).*

22           “(iv) *TREATMENT OF CERTAIN DIVI-*  
23           *DENDS.*—*If an S corporation holds stock in*  
24           *a C corporation meeting the requirements of*  
25           *section 1504(a)(2), the term ‘passive invest-*

1           *ment income' shall not include dividends*  
2           *from such C corporation to the extent such*  
3           *dividends are attributable to the earnings*  
4           *and profits of such C corporation derived*  
5           *from the active conduct of a trade or busi-*  
6           *ness.*

7           “(v) *EXCEPTION FOR BANKS, ETC.—In*  
8           *the case of a bank (as defined in section*  
9           *581) or a depository institution holding*  
10           *company (as defined in section 3(w)(1) of*  
11           *the Federal Deposit Insurance Act (12*  
12           *U.S.C. 1813(w)(1)), the term ‘passive in-*  
13           *vestment income’ shall not include—*

14                   “(I) *interest income earned by*  
15                   *such bank or company, or*

16                   “(II) *dividends on assets required*  
17                   *to be held by such bank or company,*  
18                   *including stock in the Federal Reserve*  
19                   *Bank, the Federal Home Loan Bank,*  
20                   *or the Federal Agricultural Mortgage*  
21                   *Bank or participation certificates*  
22                   *issued by a Federal Intermediate Cred-*  
23                   *it Bank.”.*

1           (b) *CONFORMING AMENDMENT.*—Clause (i) of section  
2 1042(c)(4)(A) is amended by striking “section  
3 1362(d)(3)(C)” and inserting “section 1362(d)(3)(B)”.

4           (c) *EFFECTIVE DATE.*—The amendments made by this  
5 section shall apply to taxable years beginning after the date  
6 of the enactment of this Act.

7 **SEC. 522. TREATMENT OF BANK DIRECTOR SHARES.**

8           (a) *IN GENERAL.*—Section 1361 (defining S corpora-  
9 tion) is amended by adding at the end the following new  
10 subsection:

11           “(f) *RESTRICTED BANK DIRECTOR STOCK.*—

12                   “(1) *IN GENERAL.*—Restricted bank director  
13 stock shall not be taken into account as outstanding  
14 stock of the S corporation in applying this subchapter  
15 (other than section 1368(f)).

16                   “(2) *RESTRICTED BANK DIRECTOR STOCK.*—For  
17 purposes of this subsection, the term ‘restricted bank  
18 director stock’ means stock in a bank (as defined in  
19 section 581) or a depository institution holding com-  
20 pany (as defined in section 3(w)(1) of the Federal De-  
21 posit Insurance Act (12 U.S.C. 1813(w)(1)), if such  
22 stock—

23                           “(A) is required to be held by an individual  
24                           under applicable Federal or State law in order

1           to permit such individual to serve as a director,  
2           and

3           “(B) is subject to an agreement with such  
4           bank or company (or a corporation which con-  
5           trols (within the meaning of section 368(c)) such  
6           bank or company) pursuant to which the holder  
7           is required to sell back such stock (at the same  
8           price as the individual acquired such stock) upon  
9           ceasing to hold the office of director.

10          “(3) *CROSS REFERENCE.*—

*“For treatment of certain distributions with respect to restricted bank director  
          stock, see section 1368(f).”*

11          (b) *DISTRIBUTIONS.*—Section 1368 (relating to dis-  
12          tributions) is amended by adding at the end the following  
13          new subsection:

14          “(f) *RESTRICTED BANK DIRECTOR STOCK.*—If a di-  
15          rector receives a distribution (not in part or full payment  
16          in exchange for stock) from an S corporation with respect  
17          to any restricted bank director stock (as defined in section  
18          1361(f)), the amount of such distribution—

19                 “(1) shall be includible in gross income of the di-  
20          rector, and

21                 “(2) shall be deductible by the corporation for the  
22          taxable year of such corporation in which or with  
23          which ends the taxable year in which such amount in  
24          included in the gross income of the director.”.

1       (c) *EFFECTIVE DATES.*—

2           (1) *IN GENERAL.*—*The amendments made by*  
3 *this section shall apply to taxable years beginning*  
4 *after December 31, 2006.*

5           (2) *SPECIAL RULE FOR TREATMENT AS SECOND*  
6 *CLASS OF STOCK.*—*In the case of any taxable year be-*  
7 *ginning after December 31, 1996, restricted bank di-*  
8 *rector stock (as defined in section 1361(f) of the Inter-*  
9 *nal Revenue Code of 1986, as added by this section)*  
10 *shall not be taken into account in determining wheth-*  
11 *er an S corporation has more than 1 class of stock.*

12 **SEC. 523. SPECIAL RULE FOR BANK REQUIRED TO CHANGE**  
13 **FROM THE RESERVE METHOD OF ACCOUNT-**  
14 **ING ON BECOMING S CORPORATION.**

15       (a) *IN GENERAL.*—*Section 1361, as amended by this*  
16 *Act, is amended by adding at the end the following new*  
17 *subsection:*

18       “(g) *SPECIAL RULE FOR BANK REQUIRED TO CHANGE*  
19 *FROM THE RESERVE METHOD OF ACCOUNTING ON BECOM-*  
20 *ING S CORPORATION.*—*In the case of a bank which changes*  
21 *from the reserve method of accounting for bad debts de-*  
22 *scribed in section 585 or 593 for its first taxable year for*  
23 *which an election under section 1362(a) is in effect, the*  
24 *bank may elect to take into account any adjustments under*

1 *section 481 by reason of such change for the taxable year*  
 2 *immediately preceding such first taxable year.”.*

3 (b) *EFFECTIVE DATE.*—*The amendments made by this*  
 4 *section shall apply to taxable years beginning after Decem-*  
 5 *ber 31, 2006.*

6 **SEC. 524. TREATMENT OF THE SALE OF INTEREST IN A**  
 7 **QUALIFIED SUBCHAPTER S SUBSIDIARY.**

8 (a) *IN GENERAL.*—*Subparagraph (C) of section*  
 9 *1361(b)(3) (relating to treatment of terminations of quali-*  
 10 *fied subchapter S subsidiary status) is amended—*

11 (1) *by striking “For purposes of this title,” and*  
 12 *inserting the following:*

13 “(i) *IN GENERAL.*—*For purposes of*  
 14 *this title,” and*

15 (2) *by inserting at the end the following new*  
 16 *clause:*

17 “(ii) *TERMINATION BY REASON OF*  
 18 *SALE OF STOCK.*—*If the failure to meet the*  
 19 *requirements of subparagraph (B) is by rea-*  
 20 *son of the sale of stock of a corporation*  
 21 *which is a qualified subchapter S sub-*  
 22 *subsidiary, the sale of such stock shall be treat-*  
 23 *ed as if—*

24 “(I) *the sale were a sale of an un-*  
 25 *divided interest in the assets of such*



1 corporation (based on the percentage of  
2 the corporation's stock sold), and

3 “(II) the sale were followed by an  
4 acquisition by such corporation of all  
5 of its assets (and the assumption by  
6 such corporation of all of its liabilities)  
7 in a transaction to which section 351  
8 applies.”.

9 (b) *EFFECTIVE DATE.*—The amendments made by this  
10 section shall apply to taxable years beginning after Decem-  
11 ber 31, 2006 .

12 **SEC. 525. ELIMINATION OF ALL EARNINGS AND PROFITS AT-**  
13 **TRIBUTABLE TO PRE-1983 YEARS FOR CER-**  
14 **TAIN CORPORATIONS.**

15 *In the case of a corporation which is—*

16 (1) *described in section 1311(a)(1) of the Small*  
17 *Business Job Protection Act of 1996, and*

18 (2) *not described in section 1311(a)(2) of such*  
19 *Act,*

20 *the amount of such corporation's accumulated earnings and*  
21 *profits (for the first taxable year beginning after the date*  
22 *of the enactment of this Act) shall be reduced by an amount*  
23 *equal to the portion (if any) of such accumulated earnings*  
24 *and profits which were accumulated in any taxable year*  
25 *beginning before January 1, 1983, for which such corpora-*

1 *tion was an electing small business corporation under sub-*  
2 *chapter S of the Internal Revenue Code of 1986.*

3 **SEC. 526. EXPANSION OF QUALIFYING BENEFICIARIES OF**  
4 **AN ELECTING SMALL BUSINESS TRUST.**

5 (a) *NO LOOK THROUGH FOR ELIGIBILITY PUR-*  
6 *POSES.*—*Clause (v) of section 1361(c)(2)(B) is amended by*  
7 *adding at the end the following new sentence: “This clause*  
8 *shall not apply for purposes of subsection (b)(1)(C).”.*

9 (b) *EFFECTIVE DATE.*—*The amendment made by this*  
10 *section shall take effect on the date of the enactment of this*  
11 *Act.*

12 **SEC. 527. DEDUCTIBILITY OF INTEREST EXPENSE ON IN-**  
13 **DEBTEDNESS INCURRED BY AN ELECTING**  
14 **SMALL BUSINESS TRUST TO ACQUIRE S COR-**  
15 **PORATION STOCK.**

16 (a) *IN GENERAL.*—*Subparagraph (C) of section*  
17 *641(c)(2) (relating to modifications) is amended by insert-*  
18 *ing after clause (iii) the following new clause:*

19 *“(iv) Any interest expense paid or ac-*  
20 *crued on indebtedness incurred to acquire*  
21 *stock in an S corporation.”.*

22 (b) *EFFECTIVE DATE.*—*The amendment made by this*  
23 *section shall apply to taxable years beginning after Decem-*  
24 *ber 31, 2006.*

1                   **PART II—REVENUE PROVISIONS**

2   **SEC. 531. MODIFICATION OF EFFECTIVE DATE OF LEASING**  
3                   **PROVISIONS OF THE AMERICAN JOBS CRE-**  
4                   **ATION ACT OF 2004.**

5           (a) *LEASES TO FOREIGN ENTITIES.*—Section 849(b)  
6 *of the American Jobs Creation Act of 2004 is amended by*  
7 *adding at the end the following new paragraph:*

8                   “(5) *LEASES TO FOREIGN ENTITIES.*—*In the case*  
9 *of tax-exempt use property leased to a tax-exempt en-*  
10 *tity which is a foreign person or entity, the amend-*  
11 *ments made by this part shall apply to taxable years*  
12 *beginning after December 31, 2006, with respect to*  
13 *leases entered into on or before March 12, 2004.”.*

14           (b) *EFFECTIVE DATE.*—*The amendment made by this*  
15 *section shall take effect as if included in the enactment of*  
16 *the American Jobs Creation Act of 2004.*

17   **SEC. 532. APPLICATION OF RULES TREATING INVERTED**  
18                   **CORPORATIONS AS DOMESTIC CORPORA-**  
19                   **TIONS TO CERTAIN TRANSACTIONS OCCUR-**  
20                   **RING AFTER MARCH 20, 2002.**

21           (a) *IN GENERAL.*—Section 7874(b) (*relating to in-*  
22 *verted corporations treated as domestic corporations*) is  
23 *amended to read as follows:*

24                   “(b) *INVERTED CORPORATIONS TREATED AS DOMES-*  
25 *TIC CORPORATIONS.*—

1           “(1) *IN GENERAL.*—Notwithstanding section  
2           7701(a)(4), a foreign corporation shall be treated for  
3           purposes of this title as a domestic corporation if such  
4           corporation would be a surrogate foreign corporation  
5           if subsection (a)(2) were applied by substituting ‘80  
6           percent’ for ‘60 percent’.

7           “(2) *SPECIAL RULE FOR CERTAIN TRANSACTIONS*  
8           *OCCURRING AFTER MARCH 20, 2002.*—

9           “(A) *IN GENERAL.*—If—

10           “(i) paragraph (1) does not apply to a  
11           foreign corporation, but

12           “(ii) paragraph (1) would apply to  
13           such corporation if, in addition to the sub-  
14           stitution under paragraph (1), subsection  
15           (a)(2) were applied by substituting ‘March  
16           20, 2002’ for ‘March 4, 2003’ each place it  
17           appears,

18           then paragraph (1) shall apply to such corpora-  
19           tion but only with respect to taxable years of  
20           such corporation beginning after December 31,  
21           2006.

22           “(B) *SPECIAL RULES.*—Subject to such  
23           rules as the Secretary may prescribe, in the case  
24           of a corporation to which paragraph (1) applies  
25           by reason of this paragraph—

1           “(i) the corporation shall be treated, as  
2           of the close of its last taxable year beginning  
3           before January 1, 2007, as having trans-  
4           ferred all of its assets, liabilities, and earn-  
5           ings and profits to a domestic corporation  
6           in a transaction with respect to which no  
7           tax is imposed under this title,

8           “(ii) the bases of the assets transferred  
9           in the transaction to the domestic corpora-  
10          tion shall be the same as the bases of the as-  
11          sets in the hands of the foreign corporation,  
12          subject to any adjustments under this title  
13          for built-in losses,

14          “(iii) the basis of the stock of any  
15          shareholder in the domestic corporation  
16          shall be the same as the basis of the stock  
17          of the shareholder in the foreign corporation  
18          for which it is treated as exchanged, and

19          “(iv) the transfer of any earnings and  
20          profits by reason of clause (i) shall be dis-  
21          regarded in determining any deemed divi-  
22          dend or foreign tax creditable to the domes-  
23          tic corporation with respect to such trans-  
24          fer.

1           “(C) *REGULATIONS.*—*The Secretary may*  
2           *prescribe such regulations as may be necessary*  
3           *or appropriate to carry out this paragraph, in-*  
4           *cluding regulations to prevent the avoidance of*  
5           *the purposes of this paragraph.”.*

6           (b) *EFFECTIVE DATE.*—*The amendment made by this*  
7           *section shall apply to taxable years beginning after Decem-*  
8           *ber 31, 2006.*

9           **SEC. 533. DENIAL OF DEDUCTION FOR PUNITIVE DAMAGES.**

10          (a) *DISALLOWANCE OF DEDUCTION.*—

11           (1) *IN GENERAL.*—*Section 162(g) (relating to*  
12           *treble damage payments under the antitrust laws) is*  
13           *amended—*

14                   (A) *by redesignating paragraphs (1) and*  
15                   (i) *as subparagraphs (A) and (B), respectively,*

16                   (ii) *by striking “If” and inserting:*

17                           “(1) *TREBLE DAMAGES.*—*If”, and*

18                           (iii) *by adding at the end the following new*  
19                           *paragraph:*

20                                   “(2) *PUNITIVE DAMAGES.*—*No deduction shall be*  
21                                   *allowed under this chapter for any amount paid or*  
22                                   *incurred for punitive damages in connection with*  
23                                   *any judgment in, or settlement of, any action. This*  
24                                   *paragraph shall not apply to punitive damages de-*  
25                                   *scribed in section 104(c).”.*

1           (2) *CONFORMING AMENDMENT.*—*The heading for*  
2           *section 162(g) is amended by inserting “OR PUNITIVE*  
3           *DAMAGES” after “LAWS”.*

4           (b) *INCLUSION IN INCOME OF PUNITIVE DAMAGES*  
5           *PAID BY INSURER OR OTHERWISE.*—

6           (1) *IN GENERAL.*—*Part II of subchapter B of*  
7           *chapter 1 (relating to items specifically included in*  
8           *gross income) is amended by adding at the end the*  
9           *following new section:*

10          **“SEC. 91. PUNITIVE DAMAGES COMPENSATED BY INSUR-**  
11                                 **ANCE OR OTHERWISE.**

12           *“Gross income shall include any amount paid to or*  
13           *on behalf of a taxpayer as insurance or otherwise by reason*  
14           *of the taxpayer’s liability (or agreement) to pay punitive*  
15           *damages.”.*

16           (2) *REPORTING REQUIREMENTS.*—*Section 6041*  
17           *(relating to information at source) is amended by*  
18           *adding at the end the following new subsection:*

19           **“(h) SECTION TO APPLY TO PUNITIVE DAMAGES COM-**  
20           **PENSATION.**—*This section shall apply to payments by a*  
21           *person to or on behalf of another person as insurance or*  
22           *otherwise by reason of the other person’s liability (or agree-*  
23           *ment) to pay punitive damages.”.*

1           (3) *CONFORMING AMENDMENT.*—*The table of sec-*  
 2           *tions for part II of subchapter B of chapter 1 is*  
 3           *amended by adding at the end the following new item:*

          “*Sec. 91. Punitive damages compensated by insurance or otherwise*”.

4           (c) *EFFECTIVE DATE.*—*The amendments made by this*  
 5           *section shall apply to damages paid or incurred on or after*  
 6           *the date of the enactment of this Act.*

7   **SEC. 534. DENIAL OF DEDUCTION FOR CERTAIN FINES, PEN-**  
 8                           **ALTIES, AND OTHER AMOUNTS.**

9           (a) *IN GENERAL.*—*Subsection (f) of section 162 (relat-*  
 10          *ing to trade or business expenses) is amended to read as*  
 11          *follows:*

12          “(f) *FINES, PENALTIES, AND OTHER AMOUNTS.*—

13                 “(1) *IN GENERAL.*—*Except as provided in para-*  
 14          *graph (2), no deduction otherwise allowable shall be*  
 15          *allowed under this chapter for any amount paid or*  
 16          *incurred (whether by suit, agreement, or otherwise)*  
 17          *to, or at the direction of, a government or entity de-*  
 18          *scribed in paragraph (4) in relation to—*

19                         “(A) *the violation of any law, or*

20                         “(B) *an investigation or inquiry into the*  
 21          *potential violation of any law which is initiated*  
 22          *by such government or entity.*

23                 “(2) *EXCEPTION FOR AMOUNTS CONSTITUTING*  
 24          *RESTITUTION OR PAID TO COME INTO COMPLIANCE*



1 WITH LAW.—Paragraph (1) shall not apply to any  
2 amount which—

3 “(A) the taxpayer establishes—

4 “(i) constitutes restitution (or remedi-  
5 ation of property) for damage or harm  
6 caused by, or which may be caused by, the  
7 violation of any law or the potential viola-  
8 tion of any law, or

9 “(ii) is paid to come into compliance  
10 with any law which was violated or in-  
11 volved in the investigation or inquiry, and

12 “(B) is identified as an amount described  
13 in clause (i) or (ii) of subparagraph (A), as the  
14 case may be, in the court order or settlement  
15 agreement, except that the requirement of this  
16 subparagraph shall not apply in the case of any  
17 settlement agreement which requires the taxpayer  
18 to pay or incur an amount not greater than  
19 \$1,000,000.

20 A taxpayer shall not meet the requirements of sub-  
21 paragraph (A) solely by reason an identification  
22 under subparagraph (B). This paragraph shall not  
23 apply to any amount paid or incurred as reimburse-  
24 ment to the government or entity for the costs of any  
25 investigation or litigation unless such amount is paid

1       or incurred for a cost or fee regularly charged for any  
2       routine audit or other customary review performed by  
3       the government or entity.

4               “(3) *EXCEPTION FOR AMOUNTS PAID OR IN-*  
5       *CURRED AS THE RESULT OF CERTAIN COURT OR-*  
6       *DERS.—Paragraph (1) shall not apply to any*  
7       *amount paid or incurred by order of a court in a suit*  
8       *in which no government or entity described in para-*  
9       *graph (4) is a party.*

10              “(4) *CERTAIN NONGOVERNMENTAL REGULATORY*  
11       *ENTITIES.—An entity is described in this paragraph*  
12       *if it is—*

13                   “(A) *a nongovernmental entity which exer-*  
14                   *cises self-regulatory powers (including imposing*  
15                   *sanctions) in connection with a qualified board*  
16                   *or exchange (as defined in section 1256(g)(7)), or*

17                   “(B) *to the extent provided in regulations,*  
18                   *a nongovernmental entity which exercises self-*  
19                   *regulatory powers (including imposing sanc-*  
20                   *tions) as part of performing an essential govern-*  
21                   *mental function.*

22              “(5) *EXCEPTION FOR TAXES DUE.—Paragraph*  
23       *(1) shall not apply to any amount paid or incurred*  
24       *as taxes due.”.*

25       (b) *REPORTING OF DEDUCTIBLE AMOUNTS.—*

1           (1) *IN GENERAL.*—Subpart B of part III of sub-  
2           chapter A of chapter 61 is amended by inserting after  
3           section 6050V the following new section:

4           **“SEC. 6050W. INFORMATION WITH RESPECT TO CERTAIN**  
5                           **FINES, PENALTIES, AND OTHER AMOUNTS.**

6           “(a) *REQUIREMENT OF REPORTING.*—

7                   “(1) *IN GENERAL.*—The appropriate official of  
8           any government or entity which is described in sec-  
9           tion 162(f)(4) which is involved in a suit or agree-  
10          ment described in paragraph (2) shall make a return  
11          in such form as determined by the Secretary setting  
12          forth—

13                   “(A) the amount required to be paid as a  
14          result of the suit or agreement to which para-  
15          graph (1) of section 162(f) applies,

16                   “(B) any amount required to be paid as a  
17          result of the suit or agreement which constitutes  
18          restitution or remediation of property, and

19                   “(C) any amount required to be paid as a  
20          result of the suit or agreement for the purpose of  
21          coming into compliance with any law which was  
22          violated or involved in the investigation or in-  
23          quiry.

24                   “(2) *SUIT OR AGREEMENT DESCRIBED.*—

1           “(A) *IN GENERAL.*—A suit or agreement is  
2           described in this paragraph if—

3           “(i) it is—

4                   “(I) a suit with respect to a viola-  
5                   tion of any law over which the govern-  
6                   ment or entity has authority and with  
7                   respect to which there has been a court  
8                   order, or

9                   “(II) an agreement which is en-  
10                  tered into with respect to a violation of  
11                  any law over which the government or  
12                  entity has authority, or with respect to  
13                  an investigation or inquiry by the gov-  
14                  ernment or entity into the potential  
15                  violation of any law over which such  
16                  government or entity has authority,  
17                  and

18                  “(ii) the aggregate amount involved in  
19                  all court orders and agreements with respect  
20                  to the violation, investigation, or inquiry is  
21                  \$600 or more.

22           “(B) *ADJUSTMENT OF REPORTING THRESH-*  
23           *OLD.*—The Secretary may adjust the \$600  
24           amount in subparagraph (A)(i) as necessary in

1           *order to ensure the efficient administration of the*  
2           *internal revenue laws.*

3           “(3) *TIME OF FILING.*—*The return required*  
4           *under this subsection shall be filed not later than—*

5                   “(A) *30 days after the date on which a*  
6                   *court order is issued with respect to the suit or*  
7                   *the date the agreement is entered into, as the*  
8                   *case may be, or*

9                   “(B) *the date specified by the Secretary.*

10          “(b) *STATEMENTS TO BE FURNISHED TO INDIVIDUALS*  
11          *INVOLVED IN THE SETTLEMENT.*—*Every person required to*  
12          *make a return under subsection (a) shall furnish to each*  
13          *person who is a party to the suit or agreement a written*  
14          *statement showing—*

15                   “(1) *the name of the government or entity, and*

16                   “(2) *the information supplied to the Secretary*  
17                   *under subsection (a)(1).*

18          *The written statement required under the preceding sen-*  
19          *tence shall be furnished to the person at the same time the*  
20          *government or entity provides the Secretary with the infor-*  
21          *mation required under subsection (a).*

22          “(c) *APPROPRIATE OFFICIAL DEFINED.*—*For purposes*  
23          *of this section, the term ‘appropriate official’ means the offi-*  
24          *cer or employee having control of the suit, investigation,*

1 *or inquiry or the person appropriately designated for pur-*  
 2 *poses of this section.”.*

3 (2) *CONFORMING AMENDMENT.*—*The table of sec-*  
 4 *tions for subpart B of part III of subchapter A of*  
 5 *chapter 61 is amended by inserting after the item re-*  
 6 *lating to section 6050V the following new item:*

*“Sec. 6050W. Information with respect to certain fines, penalties, and other amounts”.*

7 (c) *EFFECTIVE DATE.*—*The amendments made by this*  
 8 *section shall apply to amounts paid or incurred on or after*  
 9 *the date of the enactment of this Act, except that such*  
 10 *amendments shall not apply to amounts paid or incurred*  
 11 *under any binding order or agreement entered into before*  
 12 *such date. Such exception shall not apply to an order or*  
 13 *agreement requiring court approval unless the approval*  
 14 *was obtained before such date.*

15 **SEC. 535. REVISION OF TAX RULES ON EXPATRIATION OF**  
 16 **INDIVIDUALS.**

17 (a) *IN GENERAL.*—*Subpart A of part II of subchapter*  
 18 *N of chapter 1 is amended by inserting after section 877*  
 19 *the following new section:*

20 **“SEC. 877A. TAX RESPONSIBILITIES OF EXPATRIATION.**

21 *“(a) GENERAL RULES.*—*For purposes of this sub-*  
 22 *title—*

23 *“(1) MARK TO MARKET.*—*Except as provided in*  
 24 *subsections (d) and (f), all property of a covered expa-*

1        *triate to whom this section applies shall be treated as*  
2        *sold on the day before the expatriation date for its*  
3        *fair market value.*

4                *“(2) RECOGNITION OF GAIN OR LOSS.—In the*  
5        *case of any sale under paragraph (1)—*

6                        *“(A) notwithstanding any other provision of*  
7        *this title, any gain arising from such sale shall*  
8        *be taken into account for the taxable year of the*  
9        *sale, and*

10                      *“(B) any loss arising from such sale shall*  
11        *be taken into account for the taxable year of the*  
12        *sale to the extent otherwise provided by this title,*  
13        *except that section 1091 shall not apply to any*  
14        *such loss.*

15        *Proper adjustment shall be made in the amount of*  
16        *any gain or loss subsequently realized for gain or loss*  
17        *taken into account under the preceding sentence.*

18                *“(3) EXCLUSION FOR CERTAIN GAIN.—*

19                      *“(A) IN GENERAL.—The amount which, but*  
20        *for this paragraph, would be includible in the*  
21        *gross income of any individual by reason of this*  
22        *section shall be reduced (but not below zero) by*  
23        *\$600,000. For purposes of this paragraph, allo-*  
24        *cable expatriation gain taken into account under*  
25        *subsection (f)(2) shall be treated in the same*

1           *manner as an amount required to be includible*  
2           *in gross income.*

3           “(B) *COST-OF-LIVING ADJUSTMENT.*—

4                   “(i) *IN GENERAL.*—*In the case of an*  
5                   *expatriation date occurring in any calendar*  
6                   *year after 2007, the \$600,000 amount under*  
7                   *subparagraph (A) shall be increased by an*  
8                   *amount equal to—*

9                           “(I) *such dollar amount, multi-*  
10                           *plied by*

11                                   “(II) *the cost-of-living adjustment*  
12                                   *determined under section 1(f)(3) for*  
13                                   *such calendar year, determined by sub-*  
14                                   *stituting ‘calendar year 2006’ for ‘cal-*  
15                                   *endar year 1992’ in subparagraph (B)*  
16                                   *thereof.*

17                           “(ii) *ROUNDING RULES.*—*If any*  
18                           *amount after adjustment under clause (i) is*  
19                           *not a multiple of \$1,000, such amount shall*  
20                           *be rounded to the next lower multiple of*  
21                           *\$1,000.*

22           “(4) *ELECTION TO CONTINUE TO BE TAXED AS*  
23           *UNITED STATES CITIZEN.*—

24                   “(A) *IN GENERAL.*—*If a covered expatriate*  
25                   *elects the application of this paragraph—*



1           “(i) *this section (other than this para-*  
2           *graph and subsection (i)) shall not apply to*  
3           *the expatriate, but*

4           “(ii) *in the case of property to which*  
5           *this section would apply but for such elec-*  
6           *tion, the expatriate shall be subject to tax*  
7           *under this title in the same manner as if*  
8           *the individual were a United States citizen.*

9           “(B) *REQUIREMENTS.—Subparagraph (A)*  
10          *shall not apply to an individual unless the indi-*  
11          *vidual—*

12           “(i) *provides security for payment of*  
13           *tax in such form and manner, and in such*  
14           *amount, as the Secretary may require,*

15           “(ii) *consents to the waiver of any*  
16           *right of the individual under any treaty of*  
17           *the United States which would preclude as-*  
18           *essment or collection of any tax which may*  
19           *be imposed by reason of this paragraph,*  
20           *and*

21           “(iii) *complies with such other require-*  
22           *ments as the Secretary may prescribe.*

23           “(C) *ELECTION.—An election under sub-*  
24          *paragraph (A) shall apply to all property to*  
25          *which this section would apply but for the elec-*

1           tion and, once made, shall be irrevocable. Such  
2           election shall also apply to property the basis of  
3           which is determined in whole or in part by ref-  
4           erence to the property with respect to which the  
5           election was made.

6           “(b) *ELECTION TO DEFER TAX.*—

7                 “(1) *IN GENERAL.*—If the taxpayer elects the ap-  
8           plication of this subsection with respect to any prop-  
9           erty treated as sold by reason of subsection (a), the  
10          payment of the additional tax attributable to such  
11          property shall be postponed until the due date of the  
12          return for the taxable year in which such property is  
13          disposed of (or, in the case of property disposed of in  
14          a transaction in which gain is not recognized in  
15          whole or in part, until such other date as the Sec-  
16          retary may prescribe).

17                 “(2) *DETERMINATION OF TAX WITH RESPECT TO*  
18          *PROPERTY.*—For purposes of paragraph (1), the addi-  
19          tional tax attributable to any property is an amount  
20          which bears the same ratio to the additional tax im-  
21          posed by this chapter for the taxable year solely by  
22          reason of subsection (a) as the gain taken into ac-  
23          count under subsection (a) with respect to such prop-  
24          erty bears to the total gain taken into account under

1 subsection (a) with respect to all property to which  
2 subsection (a) applies.

3 “(3) *TERMINATION OF POSTPONEMENT.*—No tax  
4 may be postponed under this subsection later than the  
5 due date for the return of tax imposed by this chapter  
6 for the taxable year which includes the date of death  
7 of the expatriate (or, if earlier, the time that the secu-  
8 rity provided with respect to the property fails to  
9 meet the requirements of paragraph (4), unless the  
10 taxpayer corrects such failure within the time speci-  
11 fied by the Secretary).

12 “(4) *SECURITY.*—

13 “(A) *IN GENERAL.*—No election may be  
14 made under paragraph (1) with respect to any  
15 property unless adequate security is provided to  
16 the Secretary with respect to such property.

17 “(B) *ADEQUATE SECURITY.*—For purposes  
18 of subparagraph (A), security with respect to  
19 any property shall be treated as adequate secu-  
20 rity if—

21 “(i) it is a bond in an amount equal  
22 to the deferred tax amount under paragraph  
23 (2) for the property, or

1                   “(ii) the taxpayer otherwise establishes  
2                   to the satisfaction of the Secretary that the  
3                   security is adequate.

4                   “(5) *WAIVER OF CERTAIN RIGHTS.*—No election  
5                   may be made under paragraph (1) unless the tax-  
6                   payer consents to the waiver of any right under any  
7                   treaty of the United States which would preclude as-  
8                   sessment or collection of any tax imposed by reason  
9                   of this section.

10                  “(6) *ELECTIONS.*—An election under paragraph  
11                  (1) shall only apply to property described in the elec-  
12                  tion and, once made, is irrevocable. An election may  
13                  be made under paragraph (1) with respect to an in-  
14                  terest in a trust with respect to which gain is re-  
15                  quired to be recognized under subsection (f)(1).

16                  “(7) *INTEREST.*—For purposes of section 6601—

17                         “(A) the last date for the payment of tax  
18                         shall be determined without regard to the election  
19                         under this subsection, and

20                         “(B) section 6621(a)(2) shall be applied by  
21                         substituting ‘5 percentage points’ for ‘3 percent-  
22                         age points’ in subparagraph (B) thereof.

23                  “(c) *COVERED EXPATRIATE.*—For purposes of this sec-  
24                  tion—

1           “(1) *IN GENERAL.*—*Except as provided in para-*  
2 *graph (2), the term ‘covered expatriate’ means an ex-*  
3 *patriate.*

4           “(2) *EXCEPTIONS.*—*An individual shall not be*  
5 *treated as a covered expatriate if—*

6           “(A) *the individual—*

7           “(i) *became at birth a citizen of the*  
8 *United States and a citizen of another*  
9 *country and, as of the expatriation date,*  
10 *continues to be a citizen of, and is taxed as*  
11 *a resident of, such other country, and*

12           “(ii) *has not been a resident of the*  
13 *United States (as defined in section*  
14 *7701(b)(1)(A)(ii)) during the 5 taxable*  
15 *years ending with the taxable year during*  
16 *which the expatriation date occurs, or*

17           “(B)(i) *the individual’s relinquishment of*  
18 *United States citizenship occurs before such indi-*  
19 *vidual attains age 18½, and*

20           “(ii) *the individual has been a resident of*  
21 *the United States (as so defined) for not more*  
22 *than 5 taxable years before the date of relin-*  
23 *quishment.*

24           “(d) *EXEMPT PROPERTY; SPECIAL RULES FOR PEN-*  
25 *SION PLANS.*—

1           “(1) *EXEMPT PROPERTY.*—*This section shall not*  
2 *apply to the following:*

3           “(A) *UNITED STATES REAL PROPERTY IN-*  
4 *TERESTS.*—*Any United States real property in-*  
5 *terest (as defined in section 897(c)(1)), other*  
6 *than stock of a United States real property hold-*  
7 *ing corporation which does not, on the day before*  
8 *the expatriation date, meet the requirements of*  
9 *section 897(c)(2).*

10           “(B) *SPECIFIED PROPERTY.*—*Any property*  
11 *or interest in property not described in subpara-*  
12 *graph (A) which the Secretary specifies in regu-*  
13 *lations.*

14           “(2) *SPECIAL RULES FOR CERTAIN RETIREMENT*  
15 *PLANS.*—

16           “(A) *IN GENERAL.*—*If a covered expatriate*  
17 *holds on the day before the expatriation date any*  
18 *interest in a retirement plan to which this para-*  
19 *graph applies—*

20                   “(i) *such interest shall not be treated*  
21 *as sold for purposes of subsection (a)(1), but*

22                   “(ii) *an amount equal to the present*  
23 *value of the expatriate’s nonforfeitable ac-*  
24 *crued benefit shall be treated as having been*

1           *received by such individual on such date as*  
2           *a distribution under the plan.*

3           “(B) *TREATMENT OF SUBSEQUENT DIS-*  
4           *TRIBUTIONS.—In the case of any distribution on*  
5           *or after the expatriation date to or on behalf of*  
6           *the covered expatriate from a plan from which*  
7           *the expatriate was treated as receiving a dis-*  
8           *tribution under subparagraph (A), the amount*  
9           *otherwise includible in gross income by reason of*  
10           *the subsequent distribution shall be reduced by*  
11           *the excess of the amount includible in gross in-*  
12           *come under subparagraph (A) over any portion*  
13           *of such amount to which this subparagraph pre-*  
14           *viously applied.*

15           “(C) *TREATMENT OF SUBSEQUENT DIS-*  
16           *TRIBUTIONS BY PLAN.—For purposes of this title,*  
17           *a retirement plan to which this paragraph ap-*  
18           *plies, and any person acting on the plan’s behalf,*  
19           *shall treat any subsequent distribution described*  
20           *in subparagraph (B) in the same manner as*  
21           *such distribution would be treated without re-*  
22           *gard to this paragraph.*

23           “(D) *APPLICABLE PLANS.—This paragraph*  
24           *shall apply to—*

1           “(i) any qualified retirement plan (as  
2           defined in section 4974(c)),

3           “(ii) an eligible deferred compensation  
4           plan (as defined in section 457(b)) of an el-  
5           igible employer described in section  
6           457(e)(1)(A), and

7           “(iii) to the extent provided in regula-  
8           tions, any foreign pension plan or similar  
9           retirement arrangements or programs.

10          “(e) DEFINITIONS.—For purposes of this section—

11           “(1) EXPATRIATE.—The term ‘expatriate’  
12          means—

13           “(A) any United States citizen who relin-  
14           quishes citizenship, and

15           “(B) any long-term resident of the United  
16           States who—

17           “(i) ceases to be a lawful permanent  
18           resident of the United States (within the  
19           meaning of section 7701(b)(6)), or

20           “(ii) commences to be treated as a resi-  
21           dent of a foreign country under the provi-  
22           sions of a tax treaty between the United  
23           States and the foreign country and who  
24           does not waive the benefits of such treaty



1                   *applicable to residents of the foreign coun-*  
2                   *try.*

3                   “(2) *EXPATRIATION DATE.*—*The term ‘expatria-*  
4                   *tion date’ means—*

5                   “(A) *the date an individual relinquishes*  
6                   *United States citizenship, or*

7                   “(B) *in the case of a long-term resident of*  
8                   *the United States, the date of the event described*  
9                   *in clause (i) or (ii) of paragraph (1)(B).*

10                  “(3) *RELINQUISHMENT OF CITIZENSHIP.*—*A cit-*  
11                  *izen shall be treated as relinquishing United States*  
12                  *citizenship on the earliest of—*

13                  “(A) *the date the individual renounces such*  
14                  *individual’s United States nationality before a*  
15                  *diplomatic or consular officer of the United*  
16                  *States pursuant to paragraph (5) of section*  
17                  *349(a) of the Immigration and Nationality Act*  
18                  *(8 U.S.C. 1481(a)(5)),*

19                  “(B) *the date the individual furnishes to the*  
20                  *United States Department of State a signed*  
21                  *statement of voluntary relinquishment of United*  
22                  *States nationality confirming the performance of*  
23                  *an act of expatriation specified in paragraph*  
24                  *(1), (2), (3), or (4) of section 349(a) of the Im-*

1           *migration and Nationality Act* (8 U.S.C.  
2           1481(a)(1)–(4)),

3           “(C) *the date the United States Department*  
4           *of State issues to the individual a certificate of*  
5           *loss of nationality, or*

6           “(D) *the date a court of the United States*  
7           *cancels a naturalized citizen’s certificate of natu-*  
8           *ralization.*

9           *Subparagraph (A) or (B) shall not apply to any in-*  
10          *dividual unless the renunciation or voluntary relin-*  
11          *quishment is subsequently approved by the issuance to*  
12          *the individual of a certificate of loss of nationality by*  
13          *the United States Department of State.*

14          “(4) *LONG-TERM RESIDENT.*—*The term ‘long-*  
15          *term resident’ has the meaning given to such term by*  
16          *section 877(e)(2).*

17          “(f) *SPECIAL RULES APPLICABLE TO BENEFICIARIES’*  
18          *INTERESTS IN TRUST.*—

19          “(1) *IN GENERAL.*—*Except as provided in para-*  
20          *graph (2), if an individual is determined under para-*  
21          *graph (3) to hold an interest in a trust on the day*  
22          *before the expatriation date—*

23                  “(A) *the individual shall not be treated as*  
24                  *having sold such interest,*

1           “(B) such interest shall be treated as a sep-  
2           arate share in the trust, and

3           “(C)(i) such separate share shall be treated  
4           as a separate trust consisting of the assets allo-  
5           cable to such share,

6           “(ii) the separate trust shall be treated as  
7           having sold its assets on the day before the expa-  
8           triation date for their fair market value and as  
9           having distributed all of its assets to the indi-  
10          vidual as of such time, and

11          “(iii) the individual shall be treated as hav-  
12          ing recontributed the assets to the separate trust.

13          Subsection (a)(2) shall apply to any income, gain, or  
14          loss of the individual arising from a distribution de-  
15          scribed in subparagraph (C)(ii). In determining the  
16          amount of such distribution, proper adjustments shall  
17          be made for liabilities of the trust allocable to an in-  
18          dividual’s share in the trust.

19          “(2) SPECIAL RULES FOR INTERESTS IN QUALI-  
20          FIED TRUSTS.—

21          “(A) IN GENERAL.—If the trust interest de-  
22          scribed in paragraph (1) is an interest in a  
23          qualified trust—

24                  “(i) paragraph (1) and subsection (a)  
25                  shall not apply, and

1           “(ii) in addition to any other tax im-  
2           posed by this title, there is hereby imposed  
3           on each distribution with respect to such in-  
4           terest a tax in the amount determined  
5           under subparagraph (B).

6           “(B) AMOUNT OF TAX.—The amount of tax  
7           under subparagraph (A)(ii) shall be equal to the  
8           lesser of—

9           “(i) the highest rate of tax imposed by  
10          section 1(e) for the taxable year which in-  
11          cludes the day before the expatriation date,  
12          multiplied by the amount of the distribu-  
13          tion, or

14          “(ii) the balance in the deferred tax ac-  
15          count immediately before the distribution  
16          determined without regard to any increases  
17          under subparagraph (C)(ii) after the 30th  
18          day preceding the distribution.

19          “(C) DEFERRED TAX ACCOUNT.—For pur-  
20          poses of subparagraph (B)(ii)—

21          “(i) OPENING BALANCE.—The opening  
22          balance in a deferred tax account with re-  
23          spect to any trust interest is an amount  
24          equal to the tax which would have been im-  
25          posed on the allocable expatriation gain

1           *with respect to the trust interest if such*  
2           *gain had been included in gross income*  
3           *under subsection (a).*

4           “(ii) *INCREASE FOR INTEREST.—The*  
5           *balance in the deferred tax account shall be*  
6           *increased by the amount of interest deter-*  
7           *mined (on the balance in the account at the*  
8           *time the interest accrues), for periods after*  
9           *the 90th day after the expatriation date, by*  
10           *using the rates and method applicable*  
11           *under section 6621 for underpayments of*  
12           *tax for such periods, except that section*  
13           *6621(a)(2) shall be applied by substituting*  
14           *‘5 percentage points’ for ‘3 percentage*  
15           *points’ in subparagraph (B) thereof.*

16           “(iii) *DECREASE FOR TAXES PRE-*  
17           *VIOUSLY PAID.—The balance in the tax de-*  
18           *ferred account shall be reduced—*

19                   “(I) *by the amount of taxes im-*  
20                   *posed by subparagraph (A) on any dis-*  
21                   *tribution to the person holding the*  
22                   *trust interest, and*

23                   “(II) *in the case of a person hold-*  
24                   *ing a nonvested interest, to the extent*  
25                   *provided in regulations, by the amount*

1                   of taxes imposed by subparagraph (A)  
2                   on distributions from the trust with re-  
3                   spect to nonvested interests not held by  
4                   such person.

5                   “(D) *ALLOCABLE EXPATRIATION GAIN.*—For  
6                   purposes of this paragraph, the allocable expa-  
7                   triation gain with respect to any beneficiary’s  
8                   interest in a trust is the amount of gain which  
9                   would be allocable to such beneficiary’s vested  
10                  and nonvested interests in the trust if the bene-  
11                  ficiary held directly all assets allocable to such  
12                  interests.

13                  “(E) *TAX DEDUCTED AND WITHHELD.*—

14                  “(i) *IN GENERAL.*—The tax imposed by  
15                  subparagraph (A)(i) shall be deducted and  
16                  withheld by the trustees from the distribu-  
17                  tion to which it relates.

18                  “(ii) *EXCEPTION WHERE FAILURE TO*  
19                  *WAIVE TREATY RIGHTS.*—If an amount may  
20                  not be deducted and withheld under clause  
21                  (i) by reason of the distributee failing to  
22                  waive any treaty right with respect to such  
23                  distribution—

24                  “(I) the tax imposed by subpara-  
25                  graph (A)(i) shall be imposed on the

1           *trust and each trustee shall be person-*  
2           *ally liable for the amount of such tax,*  
3           *and*

4                   “(II) *any other beneficiary of the*  
5           *trust shall be entitled to recover from*  
6           *the distributee the amount of such tax*  
7           *imposed on the other beneficiary.*

8                   “(F) *DISPOSITION.—If a trust ceases to be*  
9           *a qualified trust at any time, a covered expa-*  
10          *triate disposes of an interest in a qualified trust,*  
11          *or a covered expatriate holding an interest in a*  
12          *qualified trust dies, then, in lieu of the tax im-*  
13          *posed by subparagraph (A)(ii), there is hereby*  
14          *imposed a tax equal to the lesser of—*

15                   “(i) *the tax determined under para-*  
16          *graph (1) as if the day before the expatria-*  
17          *tion date were the date of such cessation,*  
18          *disposition, or death, whichever is applica-*  
19          *ble, or*

20                   “(ii) *the balance in the tax deferred ac-*  
21          *count immediately before such date.*

22          *Such tax shall be imposed on the trust and each*  
23          *trustee shall be personally liable for the amount*  
24          *of such tax and any other beneficiary of the trust*  
25          *shall be entitled to recover from the covered expa-*

1            *triate or the estate the amount of such tax im-*  
2            *posed on the other beneficiary.*

3            “(G) *DEFINITIONS AND SPECIAL RULES.—*

4            *For purposes of this paragraph—*

5            “(i) *QUALIFIED TRUST.—The term*  
6            *‘qualified trust’ means a trust which is de-*  
7            *scribed in section 7701(a)(30)(E).*

8            “(ii) *VESTED INTEREST.—The term*  
9            *‘vested interest’ means any interest which,*  
10           *as of the day before the expatriation date, is*  
11           *vested in the beneficiary.*

12           “(iii) *NONVESTED INTEREST.—The*  
13           *term ‘nonvested interest’ means, with re-*  
14           *spect to any beneficiary, any interest in a*  
15           *trust which is not a vested interest. Such*  
16           *interest shall be determined by assuming the*  
17           *maximum exercise of discretion in favor of*  
18           *the beneficiary and the occurrence of all*  
19           *contingencies in favor of the beneficiary.*

20           “(iv) *ADJUSTMENTS.—The Secretary*  
21           *may provide for such adjustments to the*  
22           *bases of assets in a trust or a deferred tax*  
23           *account, and the timing of such adjust-*  
24           *ments, in order to ensure that gain is taxed*  
25           *only once.*



1                   “(v) *COORDINATION WITH RETIREMENT*  
2                   *PLAN RULES.*—*This subsection shall not*  
3                   *apply to an interest in a trust which is*  
4                   *part of a retirement plan to which sub-*  
5                   *section (d)(2) applies.*

6                   “(3) *DETERMINATION OF BENEFICIARIES’ INTER-*  
7                   *EST IN TRUST.*—

8                   “(A) *DETERMINATIONS UNDER PARAGRAPH*  
9                   *(1).*—*For purposes of paragraph (1), a bene-*  
10                   *ficiary’s interest in a trust shall be based upon*  
11                   *all relevant facts and circumstances, including*  
12                   *the terms of the trust instrument and any letter*  
13                   *of wishes or similar document, historical pat-*  
14                   *terns of trust distributions, and the existence of*  
15                   *and functions performed by a trust protector or*  
16                   *any similar adviser.*

17                   “(B) *OTHER DETERMINATIONS.*—*For pur-*  
18                   *poses of this section—*

19                   “(i) *CONSTRUCTIVE OWNERSHIP.*—*If a*  
20                   *beneficiary of a trust is a corporation, part-*  
21                   *nership, trust, or estate, the shareholders,*  
22                   *partners, or beneficiaries shall be deemed to*  
23                   *be the trust beneficiaries for purposes of this*  
24                   *section.*

1                   “(ii) *TAXPAYER RETURN POSITION.*—A  
2                   *taxpayer shall clearly indicate on its in-*  
3                   *come tax return—*

4                   “(I) *the methodology used to de-*  
5                   *termine that taxpayer’s trust interest*  
6                   *under this section, and*

7                   “(II) *if the taxpayer knows (or*  
8                   *has reason to know) that any other*  
9                   *beneficiary of such trust is using a dif-*  
10                   *ferent methodology to determine such*  
11                   *beneficiary’s trust interest under this*  
12                   *section.*

13                   “(g) *TERMINATION OF DEFERRALS, ETC.*—*In the case*  
14                   *of any covered expatriate, notwithstanding any other provi-*  
15                   *sion of this title—*

16                   “(1) *any period during which recognition of in-*  
17                   *come or gain is deferred shall terminate on the day*  
18                   *before the expatriation date, and*

19                   “(2) *any extension of time for payment of tax*  
20                   *shall cease to apply on the day before the expatriation*  
21                   *date and the unpaid portion of such tax shall be due*  
22                   *and payable at the time and in the manner pre-*  
23                   *scribed by the Secretary.*

24                   “(h) *IMPOSITION OF TENTATIVE TAX.*—

1           “(1) *IN GENERAL.*—If an individual is required  
2           to include any amount in gross income under sub-  
3           section (a) for any taxable year, there is hereby im-  
4           posed, immediately before the expatriation date, a tax  
5           in an amount equal to the amount of tax which  
6           would be imposed if the taxable year were a short tax-  
7           able year ending on the expatriation date.

8           “(2) *DUE DATE.*—The due date for any tax im-  
9           posed by paragraph (1) shall be the 90th day after the  
10          expatriation date.

11          “(3) *TREATMENT OF TAX.*—Any tax paid under  
12          paragraph (1) shall be treated as a payment of the  
13          tax imposed by this chapter for the taxable year to  
14          which subsection (a) applies.

15          “(4) *DEFERRAL OF TAX.*—The provisions of sub-  
16          section (b) shall apply to the tax imposed by this sub-  
17          section to the extent attributable to gain includible in  
18          gross income by reason of this section.

19          “(i) *SPECIAL LIENS FOR DEFERRED TAX AMOUNTS.*—

20                 “(1) *IMPOSITION OF LIEN.*—

21                         “(A) *IN GENERAL.*—If a covered expatriate  
22                         makes an election under subsection (a)(4) or (b)  
23                         which results in the deferral of any tax imposed  
24                         by reason of subsection (a), the deferred amount  
25                         (including any interest, additional amount, ad-

1           *dition to tax, assessable penalty, and costs at-*  
2           *tributable to the deferred amount) shall be a lien*  
3           *in favor of the United States on all property of*  
4           *the expatriate located in the United States (with-*  
5           *out regard to whether this section applies to the*  
6           *property).*

7           “(B) *DEFERRED AMOUNT.*—*For purposes of*  
8           *this subsection, the deferred amount is the*  
9           *amount of the increase in the covered expatri-*  
10          *ate’s income tax which, but for the election under*  
11          *subsection (a)(4) or (b), would have occurred by*  
12          *reason of this section for the taxable year includ-*  
13          *ing the expatriation date.*

14          “(2) *PERIOD OF LIEN.*—*The lien imposed by this*  
15          *subsection shall arise on the expatriation date and*  
16          *continue until—*

17                 “(A) *the liability for tax by reason of this*  
18                 *section is satisfied or has become unenforceable*  
19                 *by reason of lapse of time, or*

20                 “(B) *it is established to the satisfaction of*  
21                 *the Secretary that no further tax liability may*  
22                 *arise by reason of this section.*

23          “(3) *CERTAIN RULES APPLY.*—*The rules set forth*  
24          *in paragraphs (1), (3), and (4) of section 6324A(d)*  
25          *shall apply with respect to the lien imposed by this*

1        *subsection as if it were a lien imposed by section*  
2        *6324A.*

3        “(j) *REGULATIONS.*—*The Secretary shall prescribe*  
4        *such regulations as may be necessary or appropriate to*  
5        *carry out the purposes of this section.*”.

6        (b) *INCLUSION IN INCOME OF GIFTS AND BEQUESTS*  
7        *RECEIVED BY UNITED STATES CITIZENS AND RESIDENTS*  
8        *FROM EXPATRIATES.*—*Section 102 (relating to gifts, etc.*  
9        *not included in gross income) is amended by adding at the*  
10       *end the following new subsection:*

11       “(d) *GIFTS AND INHERITANCES FROM COVERED EX-*  
12       *PATRIATES.*—

13                “(1) *TREATMENT OF GIFTS AND INHERIT-*  
14       *ANCES.*—

15                        “(A) *IN GENERAL.*—*Subsection (a) shall not*  
16       *exclude from gross income the value of any prop-*  
17       *erty acquired by gift, bequest, devise, or inherit-*  
18       *ance from a covered expatriate after the expa-*  
19       *triation date.*

20                        “(B) *DETERMINATION OF BASIS.*—*Notwith-*  
21       *standing sections 1015 or 1022, the basis of any*  
22       *property described in subparagraph (A) in the*  
23       *hands of the donee or the person acquiring such*  
24       *property from the decedent shall be equal to the*

1           *fair market value of the property at the time of*  
2           *the gift, bequest, devise, or inheritance.*

3           “(2) *EXCEPTIONS FOR TRANSFERS OTHERWISE*  
4           *SUBJECT TO ESTATE OR GIFT TAX.—Paragraph (1)*  
5           *shall not apply to any property if either—*

6                     “(A) *the gift, bequest, devise, or inheritance*  
7           *is—*

8                             “(i) *shown on a timely filed return of*  
9                             *tax imposed by chapter 12 as a taxable gift*  
10                            *by the covered expatriate, or*

11                           “(ii) *included in the gross estate of the*  
12                            *covered expatriate for purposes of chapter*  
13                            *11 and shown on a timely filed return of*  
14                            *tax imposed by chapter 11 of the estate of*  
15                            *the covered expatriate, or*

16                           “(B) *no such return was timely filed but no*  
17                            *such return would have been required to be filed*  
18                            *even if the covered expatriate were a citizen or*  
19                            *long-term resident of the United States.*

20           “(3) *DEFINITIONS.—For purposes of this sub-*  
21           *section, any term used in this subsection which is also*  
22           *used in section 877A shall have the same meaning as*  
23           *when used in section 877A.”.*

1           (c) *DEFINITION OF TERMINATION OF UNITED STATES*  
2 *CITIZENSHIP.*—Section 7701(a) is amended by adding at  
3 *the end the following new paragraph:*

4                   “(50) *TERMINATION OF UNITED STATES CITIZEN-*  
5 *SHIP.*—

6                           “(A) *IN GENERAL.*—*An individual shall not*  
7 *cease to be treated as a United States citizen be-*  
8 *fore the date on which the individual’s citizen-*  
9 *ship is treated as relinquished under section*  
10 *877A(e)(3).*

11                           “(B) *DUAL CITIZENS.*—*Under regulations*  
12 *prescribed by the Secretary, subparagraph (A)*  
13 *shall not apply to an individual who became at*  
14 *birth a citizen of the United States and a citizen*  
15 *of another country.”.*

16           (d) *INELIGIBILITY FOR VISA OR ADMISSION TO*  
17 *UNITED STATES.*—

18                   (1) *IN GENERAL.*—Section 212(a)(10)(E) of the  
19 *Immigration and Nationality Act (8 U.S.C.*  
20 *1182(a)(10)(E)) is amended to read as follows:*

21                           “(E) *FORMER CITIZENS NOT IN COMPLI-*  
22 *ANCE WITH EXPATRIATION REVENUE PROVI-*  
23 *SIONS.*—*Any alien who is a former citizen of the*  
24 *United States who relinquishes United States*  
25 *citizenship (within the meaning of section*

1           877A(e)(3) of the Internal Revenue Code of 1986  
2           and who is not in compliance with section 877A  
3           of such Code (relating to expatriation) is inad-  
4           missible.”.

5           (2) AVAILABILITY OF INFORMATION.—

6                   (A) IN GENERAL.—Section 6103(l) (relating  
7                   to disclosure of returns and return information  
8                   for purposes other than tax administration) is  
9                   amended by adding at the end the following new  
10                  paragraph:

11                  “(21) DISCLOSURE TO DENY VISA OR ADMISSION  
12                  TO CERTAIN EXPATRIATES.—Upon written request of  
13                  the Attorney General or the Attorney General’s dele-  
14                  gate, the Secretary shall disclose whether an indi-  
15                  vidual is in compliance with section 877A (and if not  
16                  in compliance, any items of noncompliance) to offi-  
17                  cers and employees of the Federal agency responsible  
18                  for administering section 212(a)(10)(E) of the Immi-  
19                  gration and Nationality Act solely for the purpose of,  
20                  and to the extent necessary in, administering such  
21                  section 212(a)(10)(E).”.

22                   (B) SAFEGUARDS.—Section 6103(p)(4) (re-  
23                   lating to safeguards) is amended by striking “or  
24                   (20)” each place it appears and inserting “(20),  
25                   or (21)”.



1           (3) *EFFECTIVE DATES.*—*The amendments made*  
2           *by this subsection shall apply to individuals who re-*  
3           *linquish United States citizenship on or after the date*  
4           *of the enactment of this Act.*

5           (e) *CONFORMING AMENDMENTS.*—

6           (1) *Section 877 is amended by adding at the end*  
7           *the following new subsection:*

8           “(h) *APPLICATION.*—*This section shall not apply to an*  
9           *expatriate (as defined in section 877A(e)) whose expatria-*  
10          *tion date (as so defined) occurs on or after the date of the*  
11          *enactment of this subsection.”.*

12          (2) *Section 2107 is amended by adding at the*  
13          *end the following new subsection:*

14          “(f) *APPLICATION.*—*This section shall not apply to*  
15          *any expatriate subject to section 877A.”.*

16          (3) *Section 2501(a)(3) is amended by adding at*  
17          *the end the following new subparagraph:*

18                  “(C) *APPLICATION.*—*This paragraph shall*  
19                  *not apply to any expatriate subject to section*  
20                  *877A.”.*

21          (4) *Section 6039G(a) is amended by inserting*  
22          *“or 877A” after “section 877(b)”.*

23          (5) *The second sentence of section 6039G(d) is*  
24          *amended by inserting “or who relinquishes United*

1       *States citizenship (within the meaning of section*  
2       *877A(e)(3))” after “section 877(a)”.*

3       (f) *CLERICAL AMENDMENT.*—*The table of sections for*  
4       *subpart A of part II of subchapter N of chapter 1 is amend-*  
5       *ed by inserting after the item relating to section 877 the*  
6       *following new item:*

*“Sec. 877A. Tax responsibilities of expatriation”.*

7       (g) *EFFECTIVE DATE.*—

8               (1) *IN GENERAL.*—*Except as provided in this*  
9       *subsection, the amendments made by this section shall*  
10       *apply to expatriates (within the meaning of section*  
11       *877A(e) of the Internal Revenue Code of 1986, as*  
12       *added by this section) whose expatriation date (as so*  
13       *defined) occurs on or after the date of the enactment*  
14       *of this Act.*

15              (2) *GIFTS AND BEQUESTS.*—*Section 102(d) of*  
16       *the Internal Revenue Code of 1986 (as added by sub-*  
17       *section (b)) shall apply to gifts and bequests received*  
18       *on or after the date of the enactment of this Act, from*  
19       *an individual or the estate of an individual whose ex-*  
20       *patriation date (as so defined) occurs after such date.*

21              (3) *DUE DATE FOR TENTATIVE TAX.*—*The due*  
22       *date under section 877A(h)(2) of the Internal Revenue*  
23       *Code of 1986, as added by this section, shall in no*  
24       *event occur before the 90th day after the date of the*  
25       *enactment of this Act.*

1 **SEC. 536. LIMITATION ON ANNUAL AMOUNTS WHICH MAY**  
2 **BE DEFERRED UNDER NONQUALIFIED DE-**  
3 **FERRED COMPENSATION ARRANGEMENTS.**

4 (a) *IN GENERAL.*—Section 409A(a) of the Internal  
5 Revenue Code of 1986 (relating to inclusion of gross income  
6 under nonqualified deferred compensation plans) is amend-  
7 ed—

8 (1) by striking “and (4)” in subclause (I) of  
9 paragraph (1)(A)(i) and inserting “(4), and (5)”,  
10 and

11 (2) by adding at the end the following new para-  
12 graph:

13 “(5) *ANNUAL LIMITATION ON AGGREGATE DE-*  
14 *FERRED AMOUNTS.*—

15 “(A) *LIMITATION.*—The requirements of this  
16 paragraph are met if the plan provides that the  
17 aggregate amount of compensation which is de-  
18 ferred for any taxable year with respect to a par-  
19 ticipant under the plan may not exceed the ap-  
20 plicable dollar amount for the taxable year.

21 “(B) *INCLUSION OF FUTURE EARNINGS.*—If  
22 an amount is includible under paragraph (1) in  
23 the gross income of a participant for any taxable  
24 year by reason of any failure to meet the require-  
25 ments of this paragraph, any income (whether  
26 actual or notional) for any subsequent taxable

1           year shall be included in gross income under  
2           paragraph (1)(A) in such subsequent taxable  
3           year to the extent such income—

4                   “(i) is attributable to compensation (or  
5                   income attributable to such compensation)  
6                   required to be included in gross income by  
7                   reason of such failure (including by reason  
8                   of this subparagraph), and

9                   “(ii) is not subject to a substantial risk  
10                  of forfeiture and has not been previously in-  
11                  cluded in gross income.

12           “(C) *AGGREGATION RULE.*—For purposes of  
13           this paragraph, all nonqualified deferred com-  
14           pensation plans maintained by all employers  
15           treated as a single employer under subsection  
16           (d)(6) shall be treated as 1 plan.

17           “(D) *APPLICABLE DOLLAR AMOUNT.*—For  
18           purposes of this paragraph—

19                   “(i) *IN GENERAL.*—The term ‘applica-  
20                   ble dollar amount’ means, with respect to  
21                   any participant, the lesser of—

22                           “(I) the average annual com-  
23                           pensation which was payable during  
24                           the base period to the participant by  
25                           the employer maintaining the non-

1 *qualified deferred compensation plan*  
2 *(or any predecessor of the employer)*  
3 *and which was includible in the par-*  
4 *ticipant's gross income for taxable*  
5 *years in the base period, or*

6 *“(II) \$1,000,000.*

7 *“(ii) BASE PERIOD.—*

8 *“(I) IN GENERAL.—The term ‘base*  
9 *period’ means, with respect to any*  
10 *computation year, the 5-taxable year*  
11 *period ending with the taxable year*  
12 *preceding the computation year.*

13 *“(II) ELECTIONS MADE BEFORE*  
14 *COMPUTATION YEAR.—If, before the be-*  
15 *ginning of the computation year, an*  
16 *election described in paragraph (4)(B)*  
17 *is made by the participant to have*  
18 *compensation for services performed in*  
19 *the computation year deferred under a*  
20 *nonqualified deferred compensation*  
21 *plan, the base period shall be the 5-tax-*  
22 *able year period ending with the tax-*  
23 *able year preceding the taxable year in*  
24 *which the election is made.*

1                   “(III) *COMPUTATION YEAR.*—*For*  
2                   *purposes of this clause, the term ‘com-*  
3                   *putation year’ means any taxable year*  
4                   *of the participant for which the limita-*  
5                   *tion under subparagraph (A) is being*  
6                   *determined.*

7                   “(IV) *SPECIAL RULE FOR EM-*  
8                   *PLOYEES OF LESS THAN 5 YEARS.*—*If*  
9                   *a participant did not perform services*  
10                  *for the employer maintaining the non-*  
11                  *qualified deferred compensation plan*  
12                  *(or any predecessor of the employer)*  
13                  *during the entire 5-taxable year period*  
14                  *referred to in subparagraph (A) or (B),*  
15                  *only the portion of such period during*  
16                  *which the participant performed such*  
17                  *services shall be taken into account.”.*

18                  **(b) *EFFECTIVE DATE.***—

19                         **(1) *IN GENERAL.***—*The amendments made by*  
20                         *this section shall apply to taxable years beginning*  
21                         *after December 31, 2006, except that—*

22                                 **(A)** *the amendments shall only apply to*  
23                                 *amounts deferred after December 31, 2006 (and*  
24                                 *to earnings on such amounts), and*

1           (B) taxable years beginning on or before  
2           December 31, 2006, shall be taken into account  
3           in determining the average annual compensation  
4           of a participant during any base period for pur-  
5           poses of section 409A(a)(5)(D) of the Internal  
6           Revenue Code of 1986 (as added by such amend-  
7           ments).

8           (2) GUIDANCE RELATING TO CERTAIN EXISTING  
9           ARRANGEMENTS.—Not later than 60 days after the  
10          date of the enactment of this Act, the Secretary of the  
11          Treasury shall issue guidance providing a limited pe-  
12          riod during which a nonqualified deferred compensa-  
13          tion plan adopted before December 31, 2006, may,  
14          without violating the requirements of section 409A(a)  
15          of such Code, be amended—

16                (A) to provide that a participant may, no  
17                later than December 31, 2007, cancel or modify  
18                an outstanding deferral election with regard to  
19                all or a portion of amounts deferred after Decem-  
20                ber 31, 2006, to the extent necessary for the plan  
21                to meet the requirements of section 409A(a)(5) of  
22                such Code (as added by the amendments made by  
23                this section), but only if amounts subject to the  
24                cancellation or modification are, to the extent  
25                not previously included in gross income, includ-

1            *ible in income of the participant when no longer*  
 2            *subject to substantial risk of forfeiture, and*

3            *(B) to conform to the requirements of sec-*  
 4            *tion 409A(a)(5) of such Code (as added by the*  
 5            *amendments made by this section) with regard*  
 6            *to amounts deferred after December 31, 2006.*

7    **SEC. 537. MODIFICATION OF CRIMINAL PENALTIES FOR**  
 8            **WILLFUL FAILURES INVOLVING TAX PAY-**  
 9            **MENTS AND FILING REQUIREMENTS.**

10          *(a) INCREASE IN PENALTY FOR ATTEMPT TO EVADE*  
 11          *OR DEFEAT TAX.—Section 7201 (relating to attempt to*  
 12          *evade or defeat tax) is amended—*

13                  *(1) by striking “\$100,000” and inserting*  
 14                  *“\$500,000”,*

15                  *(2) by striking “\$500,000” and inserting*  
 16                  *“\$1,000,000”, and*

17                  *(3) by striking “5 years” and inserting “10*  
 18                  *years”.*

19          *(b) MODIFICATION OF PENALTIES FOR WILLFUL FAIL-*  
 20          *URE TO FILE RETURN, SUPPLY INFORMATION, OR PAY*  
 21          *TAX.—*

22                  *(1) IN GENERAL.—Section 7203 (relating to will-*  
 23                  *ful failure to file return, supply information, or pay*  
 24                  *tax) is amended—*

25                          *(A) in the first sentence—*



1                   (i) by striking “Any person” and in-  
2                   serting the following:

3           “(a) *IN GENERAL.*—Any person”, and

4                   (ii) by striking “\$25,000” and insert-  
5                   ing “\$50,000”,

6                   (B) in the third sentence, by striking “sec-  
7                   tion” and inserting “subsection”, and

8                   (C) by adding at the end the following new  
9                   subsection:

10          “(b) *AGGRAVATED FAILURE TO FILE.*—

11                   “(1) *IN GENERAL.*—In the case of any failure de-  
12                   scribed in paragraph (2), the first sentence of sub-  
13                   section (a) shall be applied by substituting—

14                               “(A) ‘felony’ for ‘misdemeanor’,

15                               “(B) ‘\$250,000 (\$500,000’ for ‘\$50,000  
16                               (\$100,000’, and

17                               “(C) ‘5 years’ for ‘1 year’.

18                   “(2) *FAILURE DESCRIBED.*—A failure described  
19                   in this paragraph is—

20                               “(A) a failure to make a return described in  
21                   subsection (a) for any 3 taxable years occurring  
22                   during any period of 5 consecutive taxable years  
23                   if the aggregate tax liability for such period is  
24                   not less than \$50,000, or

1           “(B) a failure to make a return if the tax  
2           liability giving rise to the requirement to make  
3           such return is attributable to an activity which  
4           is a felony under any State or Federal law.”.

5           (2) *PENALTY MAY BE APPLIED IN ADDITION TO*  
6           *OTHER PENALTIES.*—Section 7204 (relating to fraud-  
7           ulent statement or failure to make statement to em-  
8           ployees) is amended by striking “the penalty provided  
9           in section 6674” and inserting “the penalties pro-  
10          vided in sections 6674 and 7203(b)”.

11          (c) *FRAUD AND FALSE STATEMENTS.*—Section 7206  
12          (relating to fraud and false statements) is amended—

13                 (1) by striking “\$100,000” and inserting  
14                 “\$500,000”,

15                 (2) by striking “\$500,000” and inserting  
16                 “\$1,000,000”, and

17                 (3) by striking “3 years” and inserting “5  
18                 years”.

19          (d) *INCREASE IN MONETARY LIMITATION FOR UNDER-*  
20          *PAYMENT OR OVERPAYMENT OF TAX DUE TO FRAUD.*—Sec-  
21          tion 7206 (relating to fraud and false statements), as  
22          amended by subsection (a)(3), is amended—

23                 (1) by striking “Any person who—” and insert-  
24                 ing “(a) *IN GENERAL.*—Any person who—”, and

1           (2) *by adding at the end the following new sub-*  
2           *section:*

3           “(b) *INCREASE IN MONETARY LIMITATION FOR UN-*  
4           *DERPAYMENT OR OVERPAYMENT OF TAX DUE TO FRAUD.—*  
5           *If any portion of any underpayment (as defined in section*  
6           *6664(a)) or overpayment (as defined in section 6401(a)) of*  
7           *tax required to be shown on a return is attributable to*  
8           *fraudulent action described in subsection (a), the applicable*  
9           *dollar amount under subsection (a) shall in no event be less*  
10           *than an amount equal to such portion. A rule similar to*  
11           *the rule under section 6663(b) shall apply for purposes of*  
12           *determining the portion so attributable.”.*

13           (e) *EFFECTIVE DATE.—The amendments made by this*  
14           *section shall apply to actions, and failures to act, occurring*  
15           *after the date of the enactment of this Act.*

16           **SEC. 538. DOUBLING OF CERTAIN PENALTIES, FINES, AND**  
17                                    **INTEREST ON UNDERPAYMENTS RELATED TO**  
18                                    **CERTAIN OFFSHORE FINANCIAL ARRANGE-**  
19                                    **MENTS.**

20           (a) *DETERMINATION OF PENALTY.—*

21                           (1) *IN GENERAL.—Notwithstanding any other*  
22                           *provision of law, in the case of an applicable tax-*  
23                           *payer—*

24   (A) *the determination as to whether any in-*  
25   *terest or applicable penalty is to be imposed with*

1           *respect to any arrangement described in para-*  
2           *graph (2), or to any underpayment of Federal*  
3           *income tax attributable to items arising in con-*  
4           *nection with any such arrangement, shall be*  
5           *made without regard to the rules of subsections*  
6           *(b), (c), and (d) of section 6664 of the Internal*  
7           *Revenue Code of 1986, and*

8                     *(B) if any such interest or applicable pen-*  
9                     *alty is imposed, the amount of such interest or*  
10                    *penalty shall be equal to twice that determined*  
11                    *without regard to this section.*

12           (2) *APPLICABLE TAXPAYER.—For purposes of*  
13           *this subsection—*

14                     *(A) IN GENERAL.—The term “applicable*  
15                     *taxpayer” means a taxpayer which—*

16                             *(i) has underreported its United States*  
17                             *income tax liability with respect to any*  
18                             *item which directly or indirectly involves—*

19                                     *(I) any financial arrangement*  
20                                     *which in any manner relies on the use*  
21                                     *of offshore payment mechanisms (in-*  
22                                     *cluding credit, debit, or charge cards)*  
23                                     *issued by banks or other entities in for-*  
24                                     *foreign jurisdictions, or*

1           (ii) any offshore financial ar-  
2           rangement (including any arrange-  
3           ment with foreign banks, financial in-  
4           stitutions, corporations, partnerships,  
5           trusts, or other entities), and

6           (ii) has neither signed a closing agree-  
7           ment pursuant to the Voluntary Offshore  
8           Compliance Initiative established by the De-  
9           partment of the Treasury under Revenue  
10          Procedure 2003–11 nor voluntarily dis-  
11          closed its participation in such arrange-  
12          ment by notifying the Internal Revenue  
13          Service of such arrangement prior to the  
14          issue being raised by the Internal Revenue  
15          Service during an examination.

16          (B) *AUTHORITY TO WAIVE.*—The Secretary  
17          of the Treasury or the Secretary’s delegate may  
18          waive the application of paragraph (1) to any  
19          taxpayer if the Secretary or the Secretary’s dele-  
20          gate determines that the use of such offshore pay-  
21          ment mechanisms is incidental to the trans-  
22          action and, in addition, in the case of a trade  
23          or business, such use is conducted in the ordi-  
24          nary course of the type of trade or business of the  
25          taxpayer.

1                   (C) *ISSUES RAISED.*—For purposes of sub-  
 2                   paragraph (A)(ii), an item shall be treated as an  
 3                   issue raised during an examination if the indi-  
 4                   vidual examining the return—

5                             (i) communicates to the taxpayer  
 6                             knowledge about the specific item, or

7                             (ii) has made a request to the taxpayer  
 8                             for information and the taxpayer could not  
 9                             make a complete response to that request  
 10                            without giving the examiner knowledge of  
 11                            the specific item.

12           (b) *APPLICABLE PENALTY.*—For purposes of this sec-  
 13           tion, the term “applicable penalty” means any penalty, ad-  
 14           dition to tax, or fine imposed under chapter 68 of the Inter-  
 15           nal Revenue Code of 1986.

16           (c) *EFFECTIVE DATE.*—The provisions of this section  
 17           shall apply to interest, penalties, additions to tax, and fines  
 18           with respect to any taxable year if, as of the date of the  
 19           enactment of this Act, the assessment of any tax, penalty,  
 20           or interest with respect to such taxable year is not prevented  
 21           by the operation of any law or rule of law.

22           **SEC. 539. INCREASE IN PENALTY FOR BAD CHECKS AND**  
 23                             **MONEY ORDERS.**

24           (a) *IN GENERAL.*—Section 6657 (relating to bad  
 25           checks) is amended—

1           (1) *by striking “\$750” and inserting “\$1,250”,*  
2           *and*

3           (2) *by striking “\$15” and inserting “\$25”.*

4           (b) *EFFECTIVE DATE.—The amendments made by this*  
5 *section apply to checks or money orders received after the*  
6 *date of the enactment of this Act.*

7 **SEC. 540. TREATMENT OF CONTINGENT PAYMENT CON-**  
8 **VERTIBLE DEBT INSTRUMENTS.**

9           (a) *IN GENERAL.—Section 1275(d) (relating to regula-*  
10 *tion authority) is amended—*

11           (1) *by striking “The Secretary” and inserting*  
12 *the following:*

13           “*(1) IN GENERAL.—The Secretary”, and*

14           (2) *by adding at the end the following new para-*  
15 *graph:*

16           “*(2) TREATMENT OF CONTINGENT PAYMENT CON-*  
17 *VERTIBLE DEBT.—*

18           “*(A) IN GENERAL.—In the case of a debt in-*  
19 *strument which—*

20           “*(i) is convertible into stock of the*  
21 *issuing corporation, into stock or debt of a*  
22 *related party (within the meaning of section*  
23 *267(b) or 707(b)(1)), or into cash or other*  
24 *property in an amount equal to the approx-*  
25 *imate value of such stock or debt, and*

1                   “(ii) provides for 1 or more contingent  
2                   payments,  
3                   any regulations which require original issue dis-  
4                   count to be determined by reference to the com-  
5                   parable yield of a fixed-rate debt instrument  
6                   shall be applied as if the regulations require that  
7                   such comparable yield be determined by reference  
8                   to a fixed-rate debt instrument which is convert-  
9                   ible into stock.

10                   “(B) SPECIAL RULE.—For purposes of sub-  
11                   paragraph (A), the comparable yield shall be de-  
12                   termined without taking into account the yield  
13                   resulting from the conversion of a debt instru-  
14                   ment into stock.”.

15                   (b) CROSS REFERENCE.—Section 163(e)(6) (relating  
16 to cross references) is amended by adding at the end the  
17 following:

18                   “*For the treatment of contingent payment*  
19                   *convertible debt, see section 1275(d)(2).*”.

20                   (c) EFFECTIVE DATE.—The amendments made by this  
21 section shall apply to debt instruments issued on or after  
22 the date of the enactment of this Act.



1 **SEC. 541. EXTENSION OF IRS USER FEES.**

2 *Subsection (c) of section 7528 (relating to Internal*  
3 *Revenue Service user fees) is amended by striking “Sep-*  
4 *tember 30, 2014” and inserting “September 30, 2016”.*

5 **SEC. 542. MODIFICATION OF COLLECTION DUE PROCESS**

6 **PROCEDURES FOR EMPLOYMENT TAX LIABIL-**  
7 **ITIES.**

8 *(a) IN GENERAL.—Section 6330(f) (relating to jeop-*  
9 *ardy and State refund collection) is amended—*

10 *(1) by striking “; or” at the end of paragraph*

11 *(1) and inserting a comma,*

12 *(2) by adding “or” at the end of paragraph (2),*

13 *and*

14 *(3) by inserting after paragraph (2) the fol-*  
15 *lowing new paragraph:*

16 *“(3) the Secretary has served a levy in connec-*  
17 *tion with the collection of taxes under chapter 21, 22,*  
18 *23, or 24.”.*

19 *(b) EFFECTIVE DATE.—The amendments made by this*  
20 *section shall apply to levies issued on or after the date that*  
21 *is 120 days after the date of the enactment of this Act.*

22 **SEC. 543. MODIFICATIONS TO WHISTLEBLOWER REFORMS.**

23 *(a) MODIFICATION OF TAX THRESHOLD FOR*  
24 *AWARDS.—Subparagraph (B) of section 7623(b)(5), as*  
25 *added by the Tax Relief and Health Care Act of 2006, is*  
26 *amended by striking “\$2,000,000” and inserting “\$20,000”.*

1       (b) *WHISTLEBLOWER OFFICE.*—

2             (1) *IN GENERAL.*—Section 7623 is amended by  
3 adding at the end the following new subsections:

4       “(c) *WHISTLEBLOWER OFFICE.*—

5             “(1) *IN GENERAL.*—There is established in the  
6 Internal Revenue Service an office to be known as the  
7 ‘Whistleblower Office’ which—

8                     “(A) shall at all times operate at the direc-  
9 tion of the Commissioner and coordinate and  
10 consult with other divisions in the Internal Rev-  
11 enue Service as directed by the Commissioner,

12                     “(B) shall analyze information received  
13 from any individual described in subsection (b)  
14 and either investigate the matter itself or assign  
15 it to the appropriate Internal Revenue Service  
16 office,

17                     “(C) shall monitor any action taken with  
18 respect to such matter,

19                     “(D) shall inform such individual that it  
20 has accepted the individual’s information for  
21 further review,

22                     “(E) may require such individual and any  
23 legal representative of such individual to not dis-  
24 close any information so provided,

1           “(F) in its sole discretion, may ask for ad-  
2           ditional assistance from such individual or any  
3           legal representative of such individual, and

4           “(G) shall determine the amount to be  
5           awarded to such individual under subsection (b).

6           “(2) FUNDING FOR OFFICE.—There is authorized  
7           to be appropriated \$10,000,000 for each fiscal year  
8           for the Whistleblower Office. These funds shall be used  
9           to maintain the Whistleblower Office and also to re-  
10          imburse other Internal Revenue Service offices for re-  
11          lated costs, such as costs of investigation and collec-  
12          tion.

13          “(3) REQUEST FOR ASSISTANCE.—

14                 “(A) IN GENERAL.—Any assistance re-  
15                 quested under paragraph (1)(F) shall be under  
16                 the direction and control of the Whistleblower Of-  
17                 fice or the office assigned to investigate the mat-  
18                 ter under subparagraph (A). No individual or  
19                 legal representative whose assistance is so re-  
20                 quested may by reason of such request represent  
21                 himself or herself as an employee of the Federal  
22                 Government.

23                 “(B) FUNDING OF ASSISTANCE.—From the  
24                 amounts available for expenditure under sub-  
25                 section (b), the Whistleblower Office may, with

1           *the agreement of the individual described in sub-*  
2           *section (b), reimburse the costs incurred by any*  
3           *legal representative of such individual in pro-*  
4           *viding assistance described in subparagraph (A).*

5           “(d) *REPORTS.*—*The Secretary shall each year con-*  
6           *duct a study and report to Congress on the use of this sec-*  
7           *tion, including—*

8                     “(1) *an analysis of the use of this section during*  
9                     *the preceding year and the results of such use, and*

10                    “(2) *any legislative or administrative rec-*  
11                    *ommendations regarding the provisions of this section*  
12                    *and its application.”.*

13                   (2) *CONFORMING AMENDMENT.*—*Section 406 of*  
14                    *division A of the Tax Relief and Health Care Act of*  
15                    *2006 is amended by striking subsections (b) and (c).*

16                   (3) *REPORT ON IMPLEMENTATION.*—*Not later*  
17                    *than 6 months after the date of the enactment of this*  
18                    *Act, the Secretary of the Treasury shall submit to*  
19                    *Congress a report on the establishment and operation*  
20                    *of the Whistleblower Office under section 7623(c) of*  
21                    *the Internal Revenue Code of 1986.*

22                   (c) *PUBLICITY OF AWARD APPEALS.*—*Paragraph (4)*  
23                    *of section 7623(b), as added by the Tax Relief and Health*  
24                    *Care Act of 2006, is amended to read as follows:*

25                             “(4) *APPEAL OF AWARD DETERMINATION.*—

1           “(A) *IN GENERAL.*—Any determination re-  
2           garding an award under paragraph (1), (2), or  
3           (3) may, within 30 days of such determination,  
4           be appealed to the Tax Court (and the Tax Court  
5           shall have jurisdiction with respect to such mat-  
6           ter).

7           “(B) *PUBLICITY OF APPEALS.*—Notwith-  
8           standing sections 7458 and 7461, the Tax Court  
9           may, in order to preserve the anonymity, pri-  
10          vacy, or confidentiality of any person under this  
11          subsection, provide by rules adopted under sec-  
12          tion 7453 that portions of filings, hearings, testi-  
13          mony, evidence, and reports in connection with  
14          proceedings under this subsection may be closed  
15          to the public or to inspection by the public.”.

16          (d) *EFFECTIVE DATE.*—

17               (1) *IN GENERAL.*—Except as provided in para-  
18               graph (2), the amendments made by this section shall  
19               apply to information provided on or after the date of  
20               the enactment of this Act.

21               (2) *PUBLICITY OF AWARD APPEALS.*—The  
22               amendment made by subsection (c) shall take effect as  
23               if included in the amendments made by section 406  
24               of the Tax Relief and Health Care Act of 2006.

1 **SEC. 544. MODIFICATIONS OF DEFINITION OF EMPLOYEES**  
2 **COVERED BY DENIAL OF DEDUCTION FOR EX-**  
3 **CESSIVE EMPLOYEE REMUNERATION.**

4 *(a) IN GENERAL.—Paragraph (3) of section 162(m) is*  
5 *amended to read as follows:*

6 *“(3) COVERED EMPLOYEE.—For purposes of this*  
7 *subsection, the term ‘covered employee’ means, with*  
8 *respect to any taxpayer for any taxable year, an indi-*  
9 *vidual who—*

10 *“(A) was the chief executive officer of the*  
11 *taxpayer, or an individual acting in such a ca-*  
12 *capacity, at any time during the taxable year,*

13 *“(B) is 1 of the 4 highest compensated offi-*  
14 *cers of the taxpayer for the taxable year (other*  
15 *than the individual described in subparagraph*  
16 *(A)), or*

17 *“(C) was a covered employee of the taxpayer*  
18 *(or any predecessor) for any preceding taxable*  
19 *year beginning after December 31, 2006.*

20 *“In the case of an individual who was a covered*  
21 *employee for any taxable year beginning after Decem-*  
22 *ber 31, 2006, the term ‘covered employee’ shall include*  
23 *a beneficiary of such employee with respect to any re-*  
24 *muneration for services performed by such employee*  
25 *as a covered employee (whether or not such services*

1       are performed during the taxable year in which the  
2       remuneration is paid).”.

3       (b) *EFFECTIVE DATE.*—The amendment made by this  
4       section shall apply to taxable years beginning after Decem-  
5       ber 31, 2006.

6       **SEC. 545. INCREASE IN AGE OF MINOR CHILDREN WHOSE**  
7                   **UNEARNED INCOME IS TAXED AS IF PARENT’S**  
8                   **INCOME.**

9       (a) *IN GENERAL.*—Subparagraph (A) of section  
10      1(g)(2) (relating to child to whom subsection applies) is  
11      amended to read as follows:

12                   “(A) such child—

13                           “(i) has not attained age 18 before the  
14                           close of the taxable year, or

15                           “(ii)(I) has attained age 18 before the  
16                           close of the taxable year and meets the age  
17                           requirements of section 152(c)(3) (deter-  
18                           mined without regard to subparagraph (B)  
19                           thereof), and

20                           “(II) whose earned income (as defined  
21                           in section 911(d)(2)) for such taxable year  
22                           does not exceed one-half of the amount of the  
23                           individual’s support (within the meaning of  
24                           section 152(c)(1)(D) after the application of  
25                           section 152(f)(5) (without regard to sub-

1                   paragraph (A) thereof) for such taxable  
2                   year.”.

3           (b) *EFFECTIVE DATE.*—The amendment made by this  
4 section shall apply to taxable years beginning after the date  
5 of the enactment of this Act.

6 **SEC. 546. INCREASE IN INFORMATION RETURN PENALTIES.**

7           (a) *FAILURE TO FILE CORRECT INFORMATION RE-*  
8 *URNS.*—

9                   (1) *IN GENERAL.*—Section 6721(a)(1) is amend-  
10 ed—

11                           (A) by striking “\$50” and inserting  
12 “\$250”, and

13                           (B) by striking “\$250,000” and inserting  
14 “\$3,000,000”.

15                   (2) *REDUCTION WHERE CORRECTION IN SPECI-*  
16 *FIED PERIOD.*—

17                           (A) *CORRECTION WITHIN 30 DAYS.*—Section  
18 6721(b)(1) is amended—

19                                   (i) by striking “\$15” and inserting  
20 “\$50”,

21                                   (ii) by striking “\$50” and inserting  
22 “\$250”, and

23                                   (iii) by striking “\$75,000” and insert-  
24 ing “\$500,000”.



1                   (B) *FAILURES CORRECTED ON OR BEFORE*  
2                   *AUGUST 1.—Section 6721(b)(2) is amended—*

3                   (i) *by striking “\$30” and inserting*  
4                   *“\$100”,*

5                   (ii) *by striking “\$50” and inserting*  
6                   *“\$250”, and*

7                   (iii) *by striking “\$150,000” and in-*  
8                   *serting “\$1,500,000”.*

9                   (3) *LOWER LIMITATION FOR PERSONS WITH*  
10                   *GROSS RECEIPTS OF NOT MORE THAN \$5,000,000.—*  
11                   *Section 6721(d)(1) is amended—*

12                   (A) *in subparagraph (A)—*

13                   (i) *by striking “\$100,000” and insert-*  
14                   *ing “\$1,000,000”, and*

15                   (ii) *by striking “\$250,000” and insert-*  
16                   *ing “\$3,000,000”,*

17                   (B) *in subparagraph (B)—*

18                   (i) *by striking “\$25,000” and inserting*  
19                   *“\$175,000”, and*

20                   (ii) *by striking “\$75,000” and insert-*  
21                   *ing “\$500,000”, and*

22                   (C) *in subparagraph (C)—*

23                   (i) *by striking “\$50,000” and inserting*  
24                   *“\$500,000”, and*

1                   (ii) by striking “\$150,000” and insert-  
2                   ing “\$1,500,000”.

3                   (4) *PENALTY IN CASE OF INTENTIONAL DIS-*  
4                   *REGARD.—Section 6721(e) is amended—*

5                   (A) by striking “\$100” in paragraph (2)  
6                   and inserting “\$500”,

7                   (B) by striking “\$250,000” in paragraph  
8                   (3)(A) and inserting “\$3,000,000”.

9                   (b) *FAILURE TO FURNISH CORRECT PAYEE STATE-*  
10                  *MENTS.—*

11                  (1) *IN GENERAL.—Section 6722(a) is amended—*

12                  (A) by striking “\$50” and inserting  
13                  “\$250”, and

14                  (B) by striking “\$100,000” and inserting  
15                  “\$1,000,000”.

16                  (2) *PENALTY IN CASE OF INTENTIONAL DIS-*  
17                  *REGARD.—Section 6722(c) is amended—*

18                  (A) by striking “\$100” in paragraph (1)  
19                  and inserting “\$500”, and

20                  (B) by striking “\$100,000” in paragraph  
21                  (2)(A) and inserting “\$1,000,000”.

22                  (c) *FAILURE TO COMPLY WITH OTHER INFORMATION*  
23                  *REPORTING REQUIREMENTS.—Section 6723 is amended—*

24                  (1) by striking “\$50” and inserting “\$250”, and

1           (2) by striking “\$100,000” and inserting  
2           “\$1,000,000”.

3           (d) *EFFECTIVE DATE.*—*The amendments made by this*  
4 *section shall apply with respect to information returns re-*  
5 *quired to be filed on or after January 1, 2008.*

6 **SEC. 547. E-FILING REQUIREMENT FOR CERTAIN LARGE OR-**  
7 **GANIZATIONS.**

8           (a) *IN GENERAL.*—*The first sentence of section*  
9 *6011(e)(2) is amended to read as follows: “In prescribing*  
10 *regulations under paragraph (1), the Secretary shall take*  
11 *into account (among other relevant factors) the ability of*  
12 *the taxpayer to comply at reasonable cost with the require-*  
13 *ments of such regulations.”.*

14           (b) *CONFORMING AMENDMENT.*—*Section 6724 is*  
15 *amended by striking subsection (c).*

16           (c) *EFFECTIVE DATE.*—*The amendments made by this*  
17 *section shall apply to taxable years ending on or after De-*  
18 *cember 31, 2008.*

19 **SEC. 548. EXPANSION OF IRS ACCESS TO INFORMATION IN**  
20 **NATIONAL DIRECTORY OF NEW HIRES FOR**  
21 **TAX ADMINISTRATION PURPOSES.**

22           (a) *IN GENERAL.*—*Paragraph (3) of section 453(j) of*  
23 *the Social Security Act (42 U.S.C. 653(j)) is amended to*  
24 *read as follows:*

1           “(3) *ADMINISTRATION OF FEDERAL TAX LAWS.*—  
2           *The Secretary of the Treasury shall have access to the*  
3           *information in the National Directory of New Hires*  
4           *for purposes of administering the Internal Revenue*  
5           *Code of 1986.”.*

6           (b) *EFFECTIVE DATE.*—*The amendment made by this*  
7           *section shall take effect on the date of the enactment of this*  
8           *Act.*

9           **SEC. 549. DISCLOSURE OF PRISONER RETURN INFORMA-**  
10           **TION TO FEDERAL BUREAU OF PRISONS.**

11           (a) *DISCLOSURE.*—

12           (1) *IN GENERAL.*—*Subsection (l) of section 6103*  
13           *(relating to disclosure of returns and return informa-*  
14           *tion for purposes other than tax administration) is*  
15           *amended by adding at the end the following new*  
16           *paragraph:*

17           “(22) *DISCLOSURE OF RETURN INFORMATION OF*  
18           *PRISONERS TO FEDERAL BUREAU OF PRISONS.*—

19           “(A) *IN GENERAL.*—*Under such procedures*  
20           *as the Secretary may prescribe, the Secretary*  
21           *may disclose return information with respect to*  
22           *persons incarcerated in Federal prisons whom*  
23           *the Secretary believes filed or facilitated the fil-*  
24           *ing of false or fraudulent returns to the head of*  
25           *the Federal Bureau of Prisons if the Secretary*

1           *determines that such disclosure is necessary to*  
2           *permit effective tax administration.*

3           “(B) *DISCLOSURE BY AGENCY TO EMPLOY-*  
4           *EES.—The head of the Federal Bureau of Prisons*  
5           *may redisclose information received under sub-*  
6           *paragraph (A)—*

7                   “(i) *only to those officers and employ-*  
8                   *ees of the Bureau who are personally and*  
9                   *directly engaged in taking administrative*  
10                  *actions to address violations of administra-*  
11                  *tive rules and regulations of the prison fa-*  
12                  *cility, and*

13                   “(ii) *solely for the purposes described*  
14                  *in subparagraph (C).*

15           “(C) *RESTRICTION ON USE OF DISCLOSED*  
16           *INFORMATION.—Return information disclosed*  
17           *under this paragraph may be used only for the*  
18           *purposes of—*

19                   “(i) *preventing the filing of false or*  
20                  *fraudulent returns; and*

21                   “(ii) *taking administrative actions*  
22                  *against individuals who have filed or at-*  
23                  *tempted to file false or fraudulent returns.”.*

1           (2) *PROCEDURES AND RECORD KEEPING RE-*  
2 *LATED TO DISCLOSURE.*—Subsection (p)(4) of section  
3 *6103 is amended—*

4                   (A) *by striking “(14), or (17)” in the mat-*  
5 *ter before subparagraph (A) and inserting “(14),*  
6 *(17), or (22)”*, and

7                   (B) *by striking “(9), or (16)” in subpara-*  
8 *graph (F)(i) and inserting “(9), (16), or (22)”*.

9           (3) *EVALUATION BY TREASURY INSPECTOR GEN-*  
10 *ERAL FOR TAX ADMINISTRATION.*—Paragraph (3) of  
11 *section 7803(d) is amended by striking “and” at the*  
12 *end of subparagraph (A), by striking the period at the*  
13 *end of subparagraph (B) and inserting “; and”, and*  
14 *by adding at the end the following new subparagraph:*

15                   “(C) *not later than 3 years after the date of*  
16 *the enactment of section 6103(l)(22), submit a*  
17 *written report to Congress on the implementa-*  
18 *tion of such section.”*.

19           (b) *ANNUAL REPORTS.*—

20                   (1) *IN GENERAL.*—*The Secretary of the Treasury*  
21 *shall submit to Congress and make publicly available*  
22 *an annual report on the filing of false and fraudulent*  
23 *returns by individuals incarcerated in Federal and*  
24 *State prisons.*

1           (2) *CONTENTS OF REPORT.*—*The report sub-*  
2           *mitted under paragraph (1) shall contain statistics*  
3           *on the number of false or fraudulent returns associ-*  
4           *ated with each Federal and State prison and such*  
5           *other information that the Secretary determines is*  
6           *appropriate.*

7           (3) *EXCHANGE OF INFORMATION.*—*For the pur-*  
8           *pose of gathering information necessary for the re-*  
9           *ports required under paragraph (1), the Secretary of*  
10          *the Treasury shall enter into agreements with the*  
11          *head of the Federal Bureau of Prisons and the heads*  
12          *of State agencies charged with responsibility for ad-*  
13          *ministration of State prisons under which the head of*  
14          *the Bureau or Agency provides to the Secretary not*  
15          *less frequently than annually the names and other*  
16          *identifying information of prisoners incarcerated at*  
17          *each facility administered by the Bureau or Agency.*

18          (c) *EFFECTIVE DATE.*—*The amendments made by this*  
19          *section shall apply to disclosures on or after January 1,*  
20          *2008.*

21       **SEC. 550. UNDERSTATEMENT OF TAXPAYER LIABILITY BY**  
22                                **RETURN PREPARERS.**

23          (a) *APPLICATION OF RETURN PREPARER PENALTIES*  
24          *TO ALL TAX RETURNS.*—

1           (1) *DEFINITION OF TAX RETURN PREPARER.*—  
2           *Paragraph (36) of section 7701(a) (relating to income*  
3           *tax preparer) is amended—*

4                     (A) *by striking “income” each place it ap-*  
5                     *pears in the heading and the text, and*

6                     (B) *in subparagraph (A), by striking “sub-*  
7                     *title A” each place it appears and inserting “this*  
8                     *title”.*

9           (2) *CONFORMING AMENDMENTS.*—

10                    (A)(i) *Section 6060 is amended by striking*  
11                    *“INCOME TAX RETURN PREPARERS” in the*  
12                    *heading and inserting “TAX RETURN PRE-*  
13                    *PARERS”.*

14                    (ii) *Section 6060(a) is amended—*

15                            (I) *by striking “an income tax return*  
16                            *preparer” each place it appears and insert-*  
17                            *ing “a tax return preparer”,*

18                            (II) *by striking “each income tax re-*  
19                            *turn preparer” and inserting “each tax re-*  
20                            *turn preparer”, and*

21                            (III) *by striking “another income tax*  
22                            *return preparer” and inserting “another*  
23                            *tax return preparer”.*

24                    (iii) *The item relating to section 6060 in*  
25                    *the table of sections for subpart F of part III of*



1           subchapter A of chapter 61 is amended by strik-  
2           ing “income tax return preparers” and inserting  
3           “tax return preparers”.

4           (iv) Subpart F of part III of subchapter A  
5           of chapter 61 is amended by striking “**Income**  
6           **Tax Return Preparers**” in the heading and  
7           inserting “**Tax Return Preparers**”.

8           (v) The item relating to subpart F in the  
9           table of subparts for part III of subchapter A of  
10          chapter 61 is amended by striking “income tax  
11          return preparers” and inserting “tax return pre-  
12          parers”.

13          (B) Section 6103(k)(5) is amended—

14               (i) by striking “income tax return pre-  
15               parer” each place it appears and inserting  
16               “tax return preparer”, and

17               (ii) by striking “income tax return  
18               preparers” each place it appears and insert-  
19               ing “tax return preparers”.

20          (C)(i) Section 6107 is amended—

21               (I) by striking “**INCOME TAX RE-**  
22               **TURN PREPARER**” in the heading and in-  
23               serting “**TAX RETURN PREPARER**”,

24               (II) by striking “an income tax return  
25               preparer” each place it appears in sub-

1           sections (a) and (b) and inserting “a tax re-  
2           turn preparer”,

3           (III) by striking “INCOME TAX RE-  
4           TURN PREPARER” in the heading for sub-  
5           section (b) and inserting “TAX RETURN  
6           PREPARER”, and

7           (IV) in subsection (c), by striking “in-  
8           come tax return preparers” and inserting  
9           “tax return preparers”.

10          (ii) The item relating to section 6107 in the  
11          table of sections for subchapter B of chapter 61  
12          is amended by striking “Income tax return pre-  
13          parer” and inserting “Tax return preparer”.

14          (D) Section 6109(a)(4) is amended—

15           (i) by striking “an income tax return  
16           preparer” and inserting “a tax return pre-  
17           parer”, and

18           (ii) by striking “INCOME RETURN PRE-  
19           PARER” in the heading and inserting “TAX  
20           RETURN PREPARER”.

21          (E) Section 6503(k)(4) is amended by strik-  
22          ing “Income tax return preparers” and inserting  
23          “Tax return preparers”.

24          (F)(i) Section 6694 is amended—

1           (I) by striking “**INCOME TAX RE-**  
2           **TURN PREPARER**” in the heading and in-  
3           serting “**TAX RETURN PREPARER**”,

4           (II) by striking “an income tax return  
5           preparer” each place it appears and insert-  
6           ing “a tax return preparer”,

7           (III) in subsection (c)(2), by striking  
8           “the income tax return preparer” and in-  
9           serting “the tax return preparer”,

10          (IV) in subsection (e), by striking  
11          “subtitle A” and inserting “this title”, and

12          (V) in subsection (f), by striking “in-  
13          come tax return preparer” and inserting  
14          “tax return preparer”.

15          (ii) The item relating to section 6694 in the  
16          table of sections for part I of subchapter B of  
17          chapter 68 is amended by striking “income tax  
18          return preparer” and inserting “tax return pre-  
19          parer”.

20          (G)(i) Section 6695 is amended—

21               (I) by striking “**INCOME**” in the head-  
22               ing, and

23               (II) by striking “an income tax return  
24               preparer” each place it appears and insert-  
25               ing “a tax return preparer”.

1           (ii) Section 6695(f) is amended—

2                 (I) by striking “subtitle A” and insert-  
3                 ing “this title”, and

4                 (II) by striking “the income tax return  
5                 preparer” and inserting “the tax return  
6                 preparer”.

7           (iii) The item relating to section 6695 in  
8           the table of sections for part I of subchapter B  
9           of chapter 68 is amended by striking “income”.

10           (H) Section 6696(e) is amended by striking  
11           “subtitle A” each place it appears and inserting  
12           “this title”.

13           (I)(i) Section 7407 is amended—

14                 (I) by striking “**INCOME TAX RE-**  
15                 **TURN PREPARERS**” in the heading and  
16                 inserting “**TAX RETURN PREPARERS**”,

17                 (II) by striking “an income tax return  
18                 preparer” each place it appears and insert-  
19                 ing “a tax return preparer”,

20                 (III) by striking “income tax pre-  
21                 parer” both places it appears in subsection  
22                 (a) and inserting “tax return preparer”,  
23                 and

1                   (IV) by striking “income tax return”  
 2                   in subsection (a) and inserting “tax re-  
 3                   turn”.

4                   (ii) The item relating to section 7407 in the  
 5                   table of sections for subchapter A of chapter 76  
 6                   is amended by striking “income tax return pre-  
 7                   parers” and inserting “tax return preparers”.

8                   (J)(i) Section 7427 is amended—

9                   (I) by striking “**INCOME TAX RE-**  
 10                   **TURN PREPARERS**” in the heading and  
 11                   inserting “**TAX RETURN PREPARERS**”,  
 12                   and

13                   (II) by striking “an income tax return  
 14                   preparer” and inserting “a tax return pre-  
 15                   parer”.

16                   (ii) The item relating to section 7427 in the  
 17                   table of sections for subchapter B of chapter 76  
 18                   is amended to read as follows:

“Sec. 7427. Tax return preparers.”.

19                   (b) **MODIFICATION OF PENALTY FOR UNDERSTATE-**  
 20                   **MENT OF TAXPAYER’S LIABILITY BY TAX RETURN PRE-**  
 21                   **PARER.**—Subsections (a) and (b) of section 6694 are  
 22                   amended to read as follows:

23                   “(a) **UNDERSTATEMENT DUE TO UNREASONABLE PO-**  
 24                   **SITIONS.**—

1           “(1) *IN GENERAL.*—Any tax return preparer  
2           who prepares any return or claim for refund with re-  
3           spect to which any part of an understatement of li-  
4           ability is due to a position described in paragraph  
5           (2) shall pay a penalty with respect to each such re-  
6           turn or claim in an amount equal to the greater of—

7                   “(A) \$1,000, or

8                   “(B) 50 percent of the income derived (or to  
9                   be derived) by the tax return preparer with re-  
10                  spect to the return or claim.

11           “(2) *UNREASONABLE POSITION.*—A position is  
12           described in this paragraph if—

13                   “(A) the tax return preparer knew (or rea-  
14                   sonably should have known) of the position,

15                   “(B) there was not a reasonable belief that  
16                   the position would more likely than not be sus-  
17                   tained on its merits, and

18                   “(C)(i) the position was not disclosed as  
19                   provided in section 6662(d)(2)(B)(ii), or

20                   “(ii) there was no reasonable basis for the  
21                   position.

22           “(3) *REASONABLE CAUSE EXCEPTION.*—No pen-  
23           alty shall be imposed under this subsection if it is  
24           shown that there is reasonable cause for the under-

1 *statement and the tax return preparer acted in good*  
2 *faith.*

3 “(b) *UNDERSTATEMENT DUE TO WILLFUL OR RECK-*  
4 *LESS CONDUCT.—*

5 “(1) *IN GENERAL.—Any tax return preparer*  
6 *who prepares any return or claim for refund with re-*  
7 *spect to which any part of an understatement of li-*  
8 *ability is due to a conduct described in paragraph (2)*  
9 *shall pay a penalty with respect to each such return*  
10 *or claim in an amount equal to the greater of—*

11 “(A) *\$5,000, or*

12 “(B) *50 percent of the income derived (or to*  
13 *be derived) by the tax return preparer with re-*  
14 *spect to the return or claim.*

15 “(2) *WILLFUL OR RECKLESS CONDUCT.—Con-*  
16 *duct described in this paragraph is conduct by the tax*  
17 *return preparer which is—*

18 “(A) *a willful attempt in any manner to*  
19 *understate the liability for tax on the return or*  
20 *claim, or*

21 “(B) *a reckless or intentional disregard of*  
22 *rules or regulations.*

23 “(3) *REDUCTION IN PENALTY.—The amount of*  
24 *any penalty payable by any person by reason of this*  
25 *subsection for any return or claim for refund shall be*





1       “(c) *COORDINATION WITH OTHER PENALTIES.*—*This*  
 2 *section shall not apply to any portion of the excessive*  
 3 *amount of a claim for refund or credit on which a penalty*  
 4 *is imposed under part II of subchapter A of chapter 68.*”.

5       (b) *CONFORMING AMENDMENT.*—*The table of sections*  
 6 *for part I of subchapter B of chapter 68 is amended by*  
 7 *inserting after the item relating to section 6675 the fol-*  
 8 *lowing new item:*

      “*Sec. 6676. Erroneous claim for refund or credit.*”.

9       (c) *EFFECTIVE DATE.*—*The amendments made by this*  
 10 *section shall apply to any claim—*

11           (1) *filed or submitted after the date of the enact-*  
 12 *ment of this Act, or*

13           (2) *filed or submitted prior to such date but not*  
 14 *withdrawn before the date which is 30 days after such*  
 15 *date of enactment.*

16 **SEC. 552. SUSPENSION OF CERTAIN PENALTIES AND INTER-**  
 17 **EST.**

18       (a) *IN GENERAL.*—*Paragraphs (1)(A) and (3)(A) of*  
 19 *section 6404(g) are each amended by striking “18-month*  
 20 *period” and inserting “36-month period”.*

21       (b) *EFFECTIVE DATE.*—

22           (1) *IN GENERAL.*—*Except as provided in para-*  
 23 *graph (2), the amendments made by this section shall*  
 24 *apply to notices provided by the Secretary of the*

1        *Treasury, or his delegate after the date which is 6*  
2        *months after the date of the enactment of this Act.*

3            (2) *EXCEPTION FOR CERTAIN TAXPAYERS.—The*  
4        *amendments made by this section shall not apply to*  
5        *any taxpayer with respect to whom a suspension of*  
6        *any interest, penalty, addition to tax, or other*  
7        *amount is in effect on the date which is 6 months*  
8        *after the date of the enactment of this Act.*

9        **SEC. 553. ADDITIONAL REASONS FOR SECRETARY TO TER-**  
10        **MINATE INSTALLMENT AGREEMENTS.**

11        (a) *IN GENERAL.—Section 6159(b)(4) (relating to fail-*  
12        *ure to pay an installment or any other tax liability when*  
13        *due or to provide requested financial information) is*  
14        *amended by striking “or” at the end of subparagraph (B),*  
15        *by redesignating subparagraph (C) as subparagraph (E),*  
16        *and by inserting after subparagraph (B) the following new*  
17        *subparagraphs:*

18            *“(C) to make a Federal tax deposit under*  
19            *section 6302 at the time such deposit is required*  
20            *to be made,*

21            *“(D) to file a return of tax imposed under*  
22            *this title by its due date (including extensions),*  
23            *or”.*

24        (b) *CONFORMING AMENDMENT.—The heading for*  
25        *paragraph (4) of section 6159(b) is amended by striking*

1 “*FAILURE TO PAY AN INSTALLMENT OR ANY OTHER TAX LI-*  
2 *ABILITY WHEN DUE OR TO PROVIDE REQUESTED FINANCIAL*  
3 *INFORMATION*” and inserting “*FAILURE TO MAKE PAY-*  
4 *MENTS OR DEPOSITS OR FILE RETURNS WHEN DUE OR TO*  
5 *PROVIDE REQUESTED FINANCIAL INFORMATION*”.

6 (c) *EFFECTIVE DATE.*—*The amendments made by this*  
7 *section shall apply to failures occurring on or after the date*  
8 *of the enactment of this Act.*

9 **SEC. 554. OFFICE OF CHIEF COUNSEL REVIEW OF OFFERS-**  
10 **IN-COMPROMISE.**

11 (a) *IN GENERAL.*—*Section 7122(b) (relating to record)*  
12 *is amended by striking “Whenever a compromise” and all*  
13 *that follows through “his delegate, with his reasons therefor”*  
14 *and inserting “If the Secretary determines that an opinion*  
15 *of the General Counsel for the Department of the Treasury,*  
16 *or the Counsel’s delegate, is required with respect to a com-*  
17 *promise, there shall be placed on file in the office of the*  
18 *Secretary such opinion, with the reasons therefor”.*

19 (b) *CONFORMING AMENDMENTS.*—*Section 7122(b) is*  
20 *amended by striking the second and third sentences.*

21 (c) *EFFECTIVE DATE.*—*The amendments made by this*  
22 *section shall apply to offers-in-compromise submitted or*  
23 *pending on or after the date of the enactment of this Act.*

1 **SEC. 555. AUTHORIZATION FOR FINANCIAL MANAGEMENT**  
2 **SERVICE RETENTION OF TRANSACTION FEES**  
3 **FROM LEVIED AMOUNTS.**

4 (a) *IN GENERAL.*—Subsection (h) of section 6331 (re-  
5 lating to continuing levy on certain payments) is amended  
6 by adding at the end the following new paragraph:

7 “(4) *IMPOSITION OF FINANCIAL MANAGEMENT*  
8 *SERVICES TRANSACTION FEES.*—If the Secretary ap-  
9 proves a levy under this subsection, the Secretary  
10 may impose on the taxpayer a transaction fee suffi-  
11 cient to cover the full cost of implementing the levy  
12 under this subsection. Such fee—

13 “(A) shall be treated as an expense under  
14 section 6341,

15 “(B) may be collected through a levy under  
16 this subsection, and

17 “(C) shall be in addition to the amount of  
18 tax liability with respect to which such levy was  
19 approved.”.

20 (b) *RETENTION OF FEES BY FINANCIAL MANAGEMENT*  
21 *SERVICE.*—The Financial Management Service may retain  
22 the amount of any transaction fee imposed under section  
23 6331(h)(4) of the Internal Revenue Code of 1986. Any  
24 amount retained by the Financial Management Service  
25 under that section shall be deposited into the account of the

1 *Department of the Treasury under section 3711(g)(7) of*  
2 *title 31, United States Code.*

3 (c) *EFFECTIVE DATE.*—*The amendment made by this*  
4 *section shall apply to amounts levied after the date of the*  
5 *enactment of this Act.*

6 **SEC. 556. AUTHORITY FOR UNDERCOVER OPERATIONS.**

7 *Paragraph (6) of section 7608(c) (relating to applica-*  
8 *tion of section) is amended by striking “2007” both places*  
9 *it appears and inserting “2008”.*

10 **SEC. 557. INCREASE IN PENALTY EXCISE TAXES ON THE PO-**

11 **LITICAL AND EXCESS LOBBYING ACTIVITIES**

12 **OF SECTION 501(c)(3) ORGANIZATIONS.**

13 (a) *TAXES ON DISQUALIFYING LOBBYING EXPENDI-*  
14 *TURES OF CERTAIN ORGANIZATIONS.*—

15 (1) *IN GENERAL.*—*Section 4912(a) (relating to*  
16 *tax on organization) is amended by striking “5 per-*  
17 *cent” and inserting “10 percent”.*

18 (2) *TAX ON MANAGEMENT.*—*Section 4912(b) is*  
19 *amended by striking “5 percent” and inserting “10*  
20 *percent”.*

21 (b) *TAXES ON POLITICAL EXPENDITURES OF SECTION*

22 *501(c)(3) ORGANIZATIONS.*—

23 (1) *IN GENERAL.*—*Section 4955(a) (relating to*  
24 *initial taxes) is amended—*

1           (A) in paragraph (1), by striking “10 per-  
2 cent” and inserting “20 percent”, and

3           (B) in paragraph (2), by striking “2<sup>1</sup>/<sub>2</sub> per-  
4 cent” and inserting “5 percent”.

5           (2) *INCREASED LIMITATION FOR MANAGERS.*—  
6 Section 4955(c)(2) is amended—

7           (A) by striking “\$5,000” and inserting  
8 “\$10,000”, and

9           (B) by striking “\$10,000” and inserting  
10 “\$20,000”.

11          (c) *EFFECTIVE DATE.*—The amendments made by this  
12 section shall apply to taxable years beginning after the date  
13 of the enactment of this Act.

14 **SEC. 558. INCREASED PENALTY FOR FAILURE TO FILE FOR**  
15 **EXEMPT ORGANIZATIONS.**

16          (a) *IN GENERAL.*—Subparagraph (A) of section  
17 6652(c)(1) (relating to annual returns under section  
18 6033(a)(1) or 6012(a)(6)) is amended by adding at the end  
19 the following new sentence: “In the case of an organization  
20 having gross receipts exceeding \$25,000,000 for any year,  
21 with respect to the return so required, the first sentence of  
22 this subparagraph shall be applied by substituting ‘\$250’  
23 for ‘\$20’ and, in lieu of applying the second sentence of  
24 this subparagraph, the maximum penalty under this sub-  
25 paragraph shall not exceed \$125,000.”.



1           “(A) *the amount of the penalty under such*  
2           *section, determined without regard to this sec-*  
3           *tion, or*

4           “(B) *the amount determined under sub-*  
5           *section (b).*

6           “(b) *AMOUNT OF PENALTY.—*

7           “(1) *IN GENERAL.—Except as provided in para-*  
8           *graphs (2) and (3), the penalty determined under this*  
9           *subsection is equal to \$40 for each day during which*  
10           *a failure described under subsection (a) continues.*  
11           *The maximum penalty under this paragraph on fail-*  
12           *ures with respect to any 1 return shall not exceed the*  
13           *lesser of \$20,000 or 10 percent of the gross receipts of*  
14           *the taxpayer for the year.*

15           “(2) *INCREASED PENALTIES FOR TAXPAYERS*  
16           *WITH GROSS RECEIPTS BETWEEN \$1,000,000 AND*  
17           *\$100,000,000.—*

18           “(A) *TAXPAYERS WITH GROSS RECEIPTS*  
19           *BETWEEN \$1,000,000 AND \$25,000,000.—In the case*  
20           *of a taxpayer having gross receipts exceeding*  
21           *\$1,000,000 but not exceeding \$25,000,000 for*  
22           *any year—*

23           “(i) *the first sentence of paragraph (1)*  
24           *shall be applied by substituting ‘\$200’ for*  
25           *‘\$40’, and*



1           “(ii) in lieu of applying the second  
2           sentence of paragraph (1), the maximum  
3           penalty under paragraph (1) shall not ex-  
4           ceed \$100,000.

5           “(B) *TAXPAYERS WITH GROSS RECEIPTS*  
6           *OVER \$25,000,000.—Except as provided in para-*  
7           *graph (3), in the case of a taxpayer having gross*  
8           *receipts exceeding \$25,000,000 for any year—*

9           “(i) the first sentence of paragraph (1)  
10          shall be applied by substituting ‘\$500’ for  
11          ‘\$40’, and

12          “(ii) in lieu of applying the second  
13          sentence of paragraph (1), the maximum  
14          penalty under paragraph (1) shall not ex-  
15          ceed \$250,000.

16          “(3) *INCREASED PENALTIES FOR CERTAIN TAX-*  
17          *PAYERS WITH GROSS RECEIPTS EXCEEDING*  
18          *\$100,000,000.—In the case of a return described in sec-*  
19          *tion 6651—*

20          “(A) *TAXPAYERS WITH GROSS RECEIPTS*  
21          *BETWEEN \$100,000,000 AND \$250,000,000.—In the*  
22          *case of a taxpayer having gross receipts exceed-*  
23          *ing \$100,000,000 but not exceeding \$250,000,000*  
24          *for any year—*

1           “(i) the amount of the penalty deter-  
2           mined under this subsection shall equal the  
3           sum of—

4                     “(I) \$50,000, plus

5                     “(II) \$1,000 for each day during  
6           which such failure continues (twice  
7           such amount for each day such failure  
8           continues after the first such 60 days),  
9           and

10           “(ii) the maximum amount under  
11           clause (i)(II) on failures with respect to any  
12           1 return shall not exceed \$200,000.

13           “(B) *TAXPAYERS WITH GROSS RECEIPTS*  
14           *OVER \$250,000,000.—In the case of a taxpayer*  
15           *having gross receipts exceeding \$250,000,000 for*  
16           *any year—*

17           “(i) the amount of the penalty deter-  
18           mined under this subsection shall equal the  
19           sum of—

20                     “(I) \$250,000, plus

21                     “(II) \$2,500 for each day during  
22           which such failure continues (twice  
23           such amount for each day such failure  
24           continues after the first such 60 days),  
25           and

1                   “(i) the maximum amount under  
2                   clause (i)(II) on failures with respect to any  
3                   1 return shall not exceed \$250,000.

4                   “(C) EXCEPTION FOR CERTAIN RETURNS.—  
5                   Subparagraphs (A) and (B) shall not apply to  
6                   any return of tax imposed under section 511.”.

7                   (b) CLERICAL AMENDMENT.—The table of sections for  
8                   part I of subchapter A of chapter 68 is amended by insert-  
9                   ing after the item relating to section 6652 the following new  
10                  item:

                  “Sec. 6652A. Failure to file certain returns electronically.”.

11                  (c) EFFECTIVE DATE.—The amendments made by this  
12                  section shall apply to returns required to be filed on or after  
13                  January 1, 2008.

### 14                                   **PART III—GENERAL PROVISIONS**

#### 15                   **SEC. 561. ENHANCED COMPLIANCE ASSISTANCE FOR SMALL** 16                                   **BUSINESSES.**

17                  (a) IN GENERAL.—Section 212 of the Small Business  
18                  Regulatory Enforcement Fairness Act of 1996 (5 U.S.C. 601  
19                  note) is amended by striking subsection (a) and inserting  
20                  the following:

21                  “(a) COMPLIANCE GUIDE.—

22                                   “(1) IN GENERAL.—For each rule or group of re-  
23                                   lated rules for which an agency is required to prepare  
24                                   a final regulatory flexibility analysis under section  
25                                   605(b) of title 5, United States Code, the agency shall

1 *publish 1 or more guides to assist small entities in*  
2 *complying with the rule and shall entitle such publi-*  
3 *cations ‘small entity compliance guides’.*

4 “(2) *PUBLICATION OF GUIDES.*—*The publication*  
5 *of each guide under this subsection shall include—*

6 “(A) *the posting of the guide in an easily*  
7 *identified location on the website of the agency;*  
8 *and*

9 “(B) *distribution of the guide to known in-*  
10 *dustry contacts, such as small entities, associa-*  
11 *tions, or industry leaders affected by the rule.*

12 “(3) *PUBLICATION DATE.*—*An agency shall pub-*  
13 *lish each guide (including the posting and distribu-*  
14 *tion of the guide as described under paragraph (2))—*

15 “(A) *on the same date as the date of publi-*  
16 *cation of the final rule (or as soon as possible*  
17 *after that date); and*

18 “(B) *not later than the date on which the*  
19 *requirements of that rule become effective.*

20 “(4) *COMPLIANCE ACTIONS.*—

21 “(A) *IN GENERAL.*—*Each guide shall ex-*  
22 *plain the actions a small entity is required to*  
23 *take to comply with a rule.*

24 “(B) *EXPLANATION.*—*The explanation*  
25 *under subparagraph (A)—*

1           “(i) shall include a description of ac-  
2           tions needed to meet the requirements of a  
3           rule, to enable a small entity to know when  
4           such requirements are met; and

5           “(ii) if determined appropriate by the  
6           agency, may include a description of pos-  
7           sible procedures, such as conducting tests,  
8           that may assist a small entity in meeting  
9           such requirements, except that, compliance  
10          with any procedures described pursuant to  
11          this section does not establish compliance  
12          with the rule, or establish a presumption or  
13          inference of such compliance.

14          “(C) PROCEDURES.—Procedures described  
15          under subparagraph (B)(i)—

16               “(i) shall be suggestions to assist small  
17               entities; and

18               “(ii) shall not be additional require-  
19               ments, or diminish requirements, relating to  
20               the rule.

21          “(5) AGENCY PREPARATION OF GUIDES.—The  
22          agency shall, in its sole discretion, taking into ac-  
23          count the subject matter of the rule and the language  
24          of relevant statutes, ensure that the guide is written  
25          using sufficiently plain language likely to be under-

1 *stood by affected small entities. Agencies may prepare*  
2 *separate guides covering groups or classes of similarly*  
3 *affected small entities and may cooperate with asso-*  
4 *ciations of small entities to develop and distribute*  
5 *such guides. An agency may prepare guides and*  
6 *apply this section with respect to a rule or a group*  
7 *of related rules.*

8 *“(6) REPORTING.—Not later than 1 year after*  
9 *the date of enactment of the Fair Minimum Wage Act*  
10 *of 2007, and annually thereafter, the head of each*  
11 *agency shall submit a report to the Committee on*  
12 *Small Business and Entrepreneurship of the Senate,*  
13 *the Committee on Small Business of the House of*  
14 *Representatives, and any other committee of relevant*  
15 *jurisdiction describing the status of the agency’s com-*  
16 *pliance with paragraphs (1) through (5).”.*

17 *(b) TECHNICAL AND CONFORMING AMENDMENT.—Sec-*  
18 *tion 211(3) of the Small Business Regulatory Enforcement*  
19 *Fairness Act of 1996 (5 U.S.C. 601 note) is amended by*  
20 *inserting “and entitled” after “designated”.*

21 **SEC. 562. SMALL BUSINESS CHILD CARE GRANT PROGRAM.**

22 *(a) ESTABLISHMENT.—The Secretary of Health and*  
23 *Human Services (referred to in this section as the “Sec-*  
24 *retary”)* shall establish a program to award grants to  
25 *States, on a competitive basis, to assist States in providing*

1 *funds to encourage the establishment and operation of em-*  
2 *ployer-operated child care programs.*

3       **(b) APPLICATION.**—*To be eligible to receive a grant*  
4 *under this section, a State shall prepare and submit to the*  
5 *Secretary an application at such time, in such manner, and*  
6 *containing such information as the Secretary may require,*  
7 *including an assurance that the funds required under sub-*  
8 *section (e) will be provided.*

9       **(c) AMOUNT AND PERIOD OF GRANT.**—*The Secretary*  
10 *shall determine the amount of a grant to a State under*  
11 *this section based on the population of the State as com-*  
12 *pared to the population of all States receiving grants under*  
13 *this section. The Secretary shall make the grant for a period*  
14 *of 3 years.*

15       **(d) USE OF FUNDS.**—

16           **(1) IN GENERAL.**—*A State shall use amounts*  
17 *provided under a grant awarded under this section to*  
18 *provide assistance to small businesses (or consortia*  
19 *formed in accordance with paragraph (3)) located in*  
20 *the State to enable the small businesses (or consortia)*  
21 *to establish and operate child care programs. Such as-*  
22 *sistance may include—*

23                   **(A)** *technical assistance in the establishment*  
24 *of a child care program;*

1           (B) assistance for the startup costs related  
2 to a child care program;

3           (C) assistance for the training of child care  
4 providers;

5           (D) scholarships for low-income wage earn-  
6 ers;

7           (E) the provision of services to care for sick  
8 children or to provide care to school-aged chil-  
9 dren;

10          (F) the entering into of contracts with local  
11 resource and referral organizations or local  
12 health departments;

13          (G) assistance for care for children with  
14 disabilities;

15          (H) payment of expenses for renovation or  
16 operation of a child care facility; or

17          (I) assistance for any other activity deter-  
18 mined appropriate by the State.

19          (2) *APPLICATION.*—In order for a small business  
20 or consortium to be eligible to receive assistance from  
21 a State under this section, the small business involved  
22 shall prepare and submit to the State an application  
23 at such time, in such manner, and containing such  
24 information as the State may require.

25          (3) *PREFERENCE.*—



1           (A) *IN GENERAL.*—*In providing assistance*  
2           *under this section, a State shall give priority to*  
3           *an applicant that desires to form a consortium*  
4           *to provide child care in a geographic area within*  
5           *the State where such care is not generally avail-*  
6           *able or accessible.*

7           (B) *CONSORTIUM.*—*For purposes of sub-*  
8           *paragraph (A), a consortium shall be made up*  
9           *of 2 or more entities that shall include small*  
10           *businesses and that may include large businesses,*  
11           *nonprofit agencies or organizations, local govern-*  
12           *ments, or other appropriate entities.*

13           (4) *LIMITATIONS.*—*With respect to grant funds*  
14           *received under this section, a State may not provide*  
15           *in excess of \$500,000 in assistance from such funds*  
16           *to any single applicant.*

17           (e) *MATCHING REQUIREMENT.*—*To be eligible to re-*  
18           *ceive a grant under this section, a State shall provide assur-*  
19           *ances to the Secretary that, with respect to the costs to be*  
20           *incurred by a covered entity receiving assistance in car-*  
21           *rying out activities under this section, the covered entity*  
22           *will make available (directly or through donations from*  
23           *public or private entities) non-Federal contributions to such*  
24           *costs in an amount equal to—*

1           (1) *for the first fiscal year in which the covered*  
2 *entity receives such assistance, not less than 50 per-*  
3 *cent of such costs (\$1 for each \$1 of assistance pro-*  
4 *vided to the covered entity under the grant);*

5           (2) *for the second fiscal year in which the cov-*  
6 *ered entity receives such assistance, not less than 66<sup>2</sup>/<sub>3</sub>*  
7 *percent of such costs (\$2 for each \$1 of assistance pro-*  
8 *vided to the covered entity under the grant); and*

9           (3) *for the third fiscal year in which the covered*  
10 *entity receives such assistance, not less than 75 per-*  
11 *cent of such costs (\$3 for each \$1 of assistance pro-*  
12 *vided to the covered entity under the grant).*

13       (f) *REQUIREMENTS OF PROVIDERS.—To be eligible to*  
14 *receive assistance under a grant awarded under this section,*  
15 *a child care provider—*

16           (1) *who receives assistance from a State shall*  
17 *comply with all applicable State and local licensing*  
18 *and regulatory requirements and all applicable health*  
19 *and safety standards in effect in the State; and*

20           (2) *who receives assistance from an Indian tribe*  
21 *or tribal organization shall comply with all applica-*  
22 *ble regulatory standards.*

23       (g) *STATE-LEVEL ACTIVITIES.—A State may not re-*  
24 *tain more than 3 percent of the amount described in sub-*

1 *section (c) for State administration and other State-level*  
2 *activities.*

3 *(h) ADMINISTRATION.—*

4 *(1) STATE RESPONSIBILITY.—A State shall have*  
5 *responsibility for administering a grant awarded for*  
6 *the State under this section and for monitoring cov-*  
7 *ered entities that receive assistance under such grant.*

8 *(2) AUDITS.—A State shall require each covered*  
9 *entity receiving assistance under the grant awarded*  
10 *under this section to conduct an annual audit with*  
11 *respect to the activities of the covered entity. Such au-*  
12 *dits shall be submitted to the State.*

13 *(3) MISUSE OF FUNDS.—*

14 *(A) REPAYMENT.—If the State determines,*  
15 *through an audit or otherwise, that a covered en-*  
16 *tity receiving assistance under a grant awarded*  
17 *under this section has misused the assistance, the*  
18 *State shall notify the Secretary of the misuse.*  
19 *The Secretary, upon such a notification, may*  
20 *seek from such a covered entity the repayment of*  
21 *an amount equal to the amount of any such mis-*  
22 *used assistance plus interest.*

23 *(B) APPEALS PROCESS.—The Secretary*  
24 *shall by regulation provide for an appeals proc-*

1            *ess with respect to repayments under this para-*  
2            *graph.*

3            *(i) REPORTING REQUIREMENTS.—*

4            *(1) 2-YEAR STUDY.—*

5            *(A) IN GENERAL.—Not later than 2 years*  
6            *after the date on which the Secretary first*  
7            *awards grants under this section, the Secretary*  
8            *shall conduct a study to determine—*

9                    *(i) the capacity of covered entities to*  
10                   *meet the child care needs of communities*  
11                   *within States;*

12                   *(ii) the kinds of consortia that are*  
13                   *being formed with respect to child care at*  
14                   *the local level to carry out programs funded*  
15                   *under this section; and*

16                   *(iii) who is using the programs funded*  
17                   *under this section and the income levels of*  
18                   *such individuals.*

19            *(B) REPORT.—Not later than 28 months*  
20            *after the date on which the Secretary first*  
21            *awards grants under this section, the Secretary*  
22            *shall prepare and submit to the appropriate*  
23            *committees of Congress a report on the results of*  
24            *the study conducted in accordance with subpara-*  
25            *graph (A).*

1           (2) *4-YEAR STUDY.*—

2                   (A) *IN GENERAL.*—Not later than 4 years  
3           after the date on which the Secretary first  
4           awards grants under this section, the Secretary  
5           shall conduct a study to determine the number of  
6           child care facilities that are funded through cov-  
7           ered entities that received assistance through a  
8           grant awarded under this section and that re-  
9           main in operation, and the extent to which such  
10          facilities are meeting the child care needs of the  
11          individuals served by such facilities.

12                   (B) *REPORT.*—Not later than 52 months  
13          after the date on which the Secretary first  
14          awards grants under this section, the Secretary  
15          shall prepare and submit to the appropriate  
16          committees of Congress a report on the results of  
17          the study conducted in accordance with subpara-  
18          graph (A).

19          (j) *DEFINITIONS.*—In this section:

20                   (1) *COVERED ENTITY.*—The term “covered enti-  
21          ty” means a small business or a consortium formed  
22          in accordance with subsection (d)(3).

23                   (2) *INDIAN COMMUNITY.*—The term “Indian  
24          community” means a community served by an In-  
25          dian tribe or tribal organization.

1           (3) *INDIAN TRIBE; TRIBAL ORGANIZATION.*—*The*  
2           *terms “Indian tribe” and “tribal organization” have*  
3           *the meanings given the terms in section 658P of the*  
4           *Child Care and Development Block Grant Act of 1990*  
5           *(42 U.S.C. 9858n).*

6           (4) *SMALL BUSINESS.*—*The term “small busi-*  
7           *ness” means an employer who employed an average*  
8           *of at least 2 but not more than 50 employees on the*  
9           *business days during the preceding calendar year.*

10          (5) *STATE.*—*The term “State” has the meaning*  
11          *given the term in section 658P of the Child Care and*  
12          *Development Block Grant Act of 1990 (42 U.S.C.*  
13          *9858n).*

14          (k) *APPLICATION TO INDIAN TRIBES AND TRIBAL OR-*  
15          *GANIZATIONS.*—*In this section:*

16               (1) *IN GENERAL.*—*Except as provided in sub-*  
17               *section (f)(1), and in paragraphs (2) and (3), the*  
18               *term “State” includes an Indian tribe or tribal orga-*  
19               *nization.*

20               (2) *GEOGRAPHIC REFERENCES.*—*The term*  
21               *“State” includes an Indian community in subsections*  
22               *(c) (the second and third place the term appears),*  
23               *(d)(1) (the second place the term appears), (d)(3)(A)*  
24               *(the second place the term appears), and (i)(1)(A)(i).*

1           (3) *STATE-LEVEL ACTIVITIES.*—*The term “State-*  
2 *level activities” includes activities at the tribal level.*

3           (4) *AUTHORIZATION OF APPROPRIATIONS.*—

4           (1) *IN GENERAL.*—*There is authorized to be ap-*  
5 *propriated to carry out this section, \$50,000,000 for*  
6 *the period of fiscal years 2008 through 2012.*

7           (2) *STUDIES AND ADMINISTRATION.*—*With re-*  
8 *spect to the total amount appropriated for such pe-*  
9 *riod in accordance with this subsection, not more*  
10 *than \$2,500,000 of that amount may be used for ex-*  
11 *penditures related to conducting studies required*  
12 *under, and the administration of, this section.*

13           (5) *TERMINATION OF PROGRAM.*—*The program estab-*  
14 *lished under subsection (a) shall terminate on September*  
15 *30, 2012.*

16 **SEC. 563. STUDY OF UNIVERSAL USE OF ADVANCE PAY-**  
17 **MENT OF EARNED INCOME CREDIT.**

18           *Not later than 180 days after the date of the enactment*  
19 *of this Act, the Secretary of the Treasury shall report to*  
20 *Congress on a study of the benefits, costs, risks, and barriers*  
21 *to workers and to businesses (with a special emphasis on*  
22 *small businesses) if the advance earned income tax credit*  
23 *program (under section 3507 of the Internal Revenue Code*  
24 *of 1986) included all recipients of the earned income tax*

1 *credit (under section 32 of such Code) and what steps would*  
2 *be necessary to implement such inclusion.*

3 **SEC. 564. SENSE OF THE SENATE CONCERNING PERSONAL**  
4 **SAVINGS.**

5 *(a) FINDINGS.—The Senate finds that—*

6 *(1) the personal saving rate in the United States*  
7 *is at its lowest point since the Great Depression, with*  
8 *the rate having fallen into negative territory;*

9 *(2) the United States ranks at the bottom of the*  
10 *Group of Twenty (G–20) nations in terms of net na-*  
11 *tional saving rate;*

12 *(3) approximately half of all the working people*  
13 *of the United States work for an employer that does*  
14 *not offer any kind of retirement plan;*

15 *(4) existing savings policies enacted by Congress*  
16 *provide limited incentives to save for low- and mod-*  
17 *erate-income families; and*

18 *(5) the Social Security program was enacted to*  
19 *serve as the safest component of a retirement system*  
20 *that also includes employer-sponsored retirement*  
21 *plans and personal savings.*

22 *(b) SENSE OF THE SENATE.—It is the sense of the Sen-*  
23 *ate that—*

24 *(1) Congress should enact policies that promote*  
25 *savings vehicles for retirement that are simple, easily*



1       *accessible and provide adequate financial security for*  
 2       *all the people of the United States;*

3               *(2) it is important to begin retirement saving as*  
 4       *early as possible to take full advantage of the power*  
 5       *of compound interest; and*

6               *(3) regularly contributing money to a finan-*  
 7       *cially-sound investment account is one important*  
 8       *method for helping to achieve one's retirement goals.*

9       **SEC. 565. RENEWAL GRANTS FOR WOMEN'S BUSINESS CEN-**  
 10               **TERS.**

11       *(a) IN GENERAL.—Section 29 of the Small Business*  
 12       *Act (15 U.S.C. 656) is amended by adding at the end the*  
 13       *following:*

14               *“(m) CONTINUED FUNDING FOR CENTERS.—*

15                       *“(1) IN GENERAL.—A nonprofit organization de-*  
 16       *scribed in paragraph (2) shall be eligible to receive,*  
 17       *subject to paragraph (3), a 3-year grant under this*  
 18       *subsection.*

19                       *“(2) APPLICABILITY.—A nonprofit organization*  
 20       *described in this paragraph is a nonprofit organiza-*  
 21       *tion that has received funding under subsection (b) or*  
 22       *(l).*

23                       *“(3) APPLICATION AND APPROVAL CRITERIA.—*

24                               *“(A) CRITERIA.—Subject to subparagraph*  
 25       *(B), the Administrator shall develop and publish*

1           *criteria for the consideration and approval of*  
2           *applications by nonprofit organizations under*  
3           *this subsection.*

4           “(B) *CONTENTS.*—*Except as otherwise pro-*  
5           *vided in this subsection, the conditions for par-*  
6           *ticipation in the grant program under this sub-*  
7           *section shall be the same as the conditions for*  
8           *participation in the program under subsection*  
9           *(l), as in effect on the date of enactment of this*  
10          *Act.*

11          “(C) *NOTIFICATION.*—*Not later than 60*  
12          *days after the date of the deadline to submit ap-*  
13          *plications for each fiscal year, the Administrator*  
14          *shall approve or deny any application under*  
15          *this subsection and notify the applicant for each*  
16          *such application.*

17          “(4) *AWARD OF GRANTS.*—

18                 “(A) *IN GENERAL.*—*Subject to the avail-*  
19                 *ability of appropriations, the Administrator*  
20                 *shall make a grant for the Federal share of the*  
21                 *cost of activities described in the application to*  
22                 *each applicant approved under this subsection.*

23                 “(B) *AMOUNT.*—*A grant under this sub-*  
24                 *section shall be for not more than \$150,000, for*  
25                 *each year of that grant.*

1           “(C) *FEDERAL SHARE.*—*The Federal share*  
2           *under this subsection shall be not more than 50*  
3           *percent.*

4           “(D) *PRIORITY.*—*In allocating funds made*  
5           *available for grants under this section, the Ad-*  
6           *ministrator shall give applications under this*  
7           *subsection or subsection (l) priority over first-*  
8           *time applications under subsection (b).*

9           “(5) *RENEWAL.*—

10           “(A) *IN GENERAL.*—*The Administrator*  
11           *may renew a grant under this subsection for ad-*  
12           *ditional 3-year periods, if the nonprofit organi-*  
13           *zation submits an application for such renewal*  
14           *at such time, in such manner, and accompanied*  
15           *by such information as the Administrator may*  
16           *establish.*

17           “(B) *UNLIMITED RENEWALS.*—*There shall*  
18           *be no limitation on the number of times a grant*  
19           *may be renewed under subparagraph (A).*

20           “(n) *PRIVACY REQUIREMENTS.*—

21           “(1) *IN GENERAL.*—*A women’s business center*  
22           *may not disclose the name, address, or telephone*  
23           *number of any individual or small business concern*  
24           *receiving assistance under this section without the*

1       *consent of such individual or small business concern,*  
2       *unless—*

3               “(A) *the Administrator is ordered to make*  
4               *such a disclosure by a court in any civil or*  
5               *criminal enforcement action initiated by a Fed-*  
6               *eral or State agency; or*

7               “(B) *the Administrator considers such a*  
8               *disclosure to be necessary for the purpose of con-*  
9               *ducting a financial audit of a women’s business*  
10              *center, but a disclosure under this subparagraph*  
11              *shall be limited to the information necessary for*  
12              *such audit.*

13              “(2) *ADMINISTRATION USE OF INFORMATION.—*

14       *This subsection shall not—*

15              “(A) *restrict Administration access to pro-*  
16              *gram activity data; or*

17              “(B) *prevent the Administration from using*  
18              *client information (other than the information*  
19              *described in subparagraph (A)) to conduct client*  
20              *surveys.*

21              “(3) *REGULATIONS.—The Administrator shall*  
22              *issue regulations to establish standards for requiring*  
23              *disclosures during a financial audit under paragraph*  
24              *(1)(B).”.*

1       (b) *REPEAL.*—Section 29(l) of the Small Business Act  
2 (15 U.S.C. 656(l)) is repealed effective October 1 of the first  
3 full fiscal year after the date of enactment of this Act.

4       (c) *TRANSITIONAL RULE.*—Notwithstanding any other  
5 provision of law, a grant or cooperative agreement that was  
6 awarded under subsection (l) of section 29 of the Small  
7 Business Act (15 U.S.C. 656), on or before the day before  
8 the date described in subsection (b) of this section, shall re-  
9 main in full force and effect under the terms, and for the  
10 duration, of such grant or agreement.

11 **SEC. 566. REPORTS ON ACQUISITIONS OF ARTICLES, MATE-**  
12 **RIALS, AND SUPPLIES MANUFACTURED OUT-**  
13 **SIDE THE UNITED STATES.**

14       Section 2 of the Buy American Act (41 U.S.C. 10a)  
15 is amended—

16           (1) by striking “Notwithstanding” and inserting  
17 the following:

18       “(a) *IN GENERAL.*—Notwithstanding”; and

19           (2) by adding at the end the following:

20       “(b) *REPORTS.*—

21           “(1) *IN GENERAL.*—Not later than 180 days  
22 after the end of each of fiscal years 2007 through  
23 2011, the head of each Federal agency shall submit to  
24 the Committee on Homeland Security and Govern-  
25 mental Affairs of the Senate and the Committee on

1        *Oversight and Government Reform of the House of*  
2        *Representatives a report on the amount of the acqui-*  
3        *sitions made by the agency in that fiscal year of arti-*  
4        *cles, materials, or supplies purchased from entities*  
5        *that manufacture the articles, materials, or supplies*  
6        *outside of the United States.*

7            “(2) *CONTENTS OF REPORT.*—*The report re-*  
8        *quired by paragraph (1) shall separately include, for*  
9        *the fiscal year covered by such report—*

10            “(A) *the dollar value of any articles, mate-*  
11        *rials, or supplies that were manufactured outside*  
12        *the United States;*

13            “(B) *an itemized list of all waivers granted*  
14        *with respect to such articles, materials, or sup-*  
15        *plies under this Act, and a citation to the treaty,*  
16        *international agreement, or other law under*  
17        *which each waiver was granted;*

18            “(C) *if any articles, materials, or supplies*  
19        *were acquired from entities that manufacture ar-*  
20        *ticles, materials, or supplies outside the United*  
21        *States, the specific exception under this section*  
22        *that was used to purchase such articles, mate-*  
23        *rials, or supplies; and*

24            “(D) *a summary of—*

1           “(i) the total procurement funds ex-  
2           pended on articles, materials, and supplies  
3           manufactured inside the United States; and

4           “(ii) the total procurement funds ex-  
5           pended on articles, materials, and supplies  
6           manufactured outside the United States.

7           “(3) *PUBLIC AVAILABILITY.*—The head of each  
8           Federal agency submitting a report under paragraph  
9           (1) shall make the report publicly available to the  
10          maximum extent practicable.

11          “(4) *EXCEPTION FOR INTELLIGENCE COMMU-*  
12          *NITY.*—This subsection shall not apply to acquisitions  
13          made by an agency, or component thereof, that is an  
14          element of the intelligence community as specified in,  
15          or designated under, section 3(4) of the National Se-  
16          curity Act of 1947 (50 U.S.C. 401a(4)).”.

17 **SEC. 567. SENSE OF THE SENATE REGARDING REPEAL OF**  
18                           **1993 INCOME TAX INCREASE ON SOCIAL SE-**  
19                           **CURITY BENEFITS.**

20          *It is the sense of the Senate that Congress should repeal*  
21 *the 1993 tax increase on Social Security benefits and elimi-*  
22 *nate wasteful spending, such as spending on unnecessary*  
23 *tax loopholes, in order to fully offset the cost of such repeal*  
24 *and avoid forcing taxpayers to pay substantially more in-*  
25 *terest to foreign creditors.*

1 **SEC. 568. SENSE OF THE SENATE REGARDING PERMANENT**  
2 **TAX INCENTIVES TO MAKE EDUCATION MORE**  
3 **AFFORDABLE AND MORE ACCESSIBLE FOR**  
4 **AMERICAN FAMILIES.**

5 *It is the sense of the Senate that Congress should make*  
6 *permanent the tax incentives to make education more af-*  
7 *fordable and more accessible for American families and*  
8 *eliminate wasteful spending, such as spending on unneces-*  
9 *sary tax loopholes, in order to fully offset the cost of such*  
10 *incentives and avoid forcing taxpayers to pay substantially*  
11 *more interest to foreign creditors.*

12 **SEC. 569. RESPONSIBLE GOVERNMENT CONTRACTOR RE-**  
13 **QUIREMENTS.**

14 *Section 274A(e) of the Immigration and Nationality*  
15 *Act (8 U.S.C. 1324a(e)) is amended by adding at the end*  
16 *the following new paragraph:*

17 *“(10) PROHIBITION ON AWARD OF GOVERNMENT*  
18 *CONTRACTS, GRANTS, AND AGREEMENTS.—*

19 *“(A) EMPLOYERS WITH NO CONTRACTS,*  
20 *GRANTS, OR AGREEMENTS.—*

21 *“(i) IN GENERAL.—Subject to clause*  
22 *(iii) and subparagraph (C), if an employer*  
23 *who does not hold a Federal contract, grant,*  
24 *or cooperative agreement is determined to*  
25 *have violated this section, the employer shall*  
26 *be debarred from the receipt of a Federal*



1           *contract, grant, or cooperative agreement*  
2           *for a period of 7 years.*

3           “(ii) *PLACEMENT ON EXCLUDED*  
4           *LIST.—The Secretary of Homeland Security*  
5           *or the Attorney General shall advise the Ad-*  
6           *ministrator of General Services of the de-*  
7           *barment of an employer under clause (i)*  
8           *and the Administrator of General Services*  
9           *shall list the employer on the List of Parties*  
10           *Excluded from Federal Procurement and*  
11           *Nonprocurement Programs for a period of 7*  
12           *years.*

13           “(iii) *WAIVER.—*

14           “(I) *AUTHORITY.—The Adminis-*  
15           *trator of General Services, in consulta-*  
16           *tion with the Secretary of Homeland*  
17           *Security and the Attorney General,*  
18           *may waive operation of clause (i) or*  
19           *may limit the duration or scope of a*  
20           *debarment under clause (i) if such*  
21           *waiver or limitation is necessary to*  
22           *national defense or in the interest of*  
23           *national security.*

24           “(II) *NOTIFICATION TO CON-*  
25           *GRESS.—If the Administrator grants a*

1           *waiver or limitation described in sub-*  
2           *clause (I), the Administrator shall sub-*  
3           *mit to each member of the Committee*  
4           *on the Judiciary of the Senate and of*  
5           *the Committee on the Judiciary of the*  
6           *House of Representatives immediate*  
7           *notice of such waiver or limitation.*

8                   “(III) *PROHIBITION ON JUDICIAL*  
9                   *REVIEW.—The decision of whether to*  
10                  *debar or take alternative action under*  
11                  *this clause shall not be judicially re-*  
12                  *viewed.*

13                  “(B) *EMPLOYERS WITH CONTRACTS,*  
14                  *GRANTS, OR AGREEMENTS.—*

15                   “(i) *IN GENERAL.—Subject to clause*  
16                   *(iii) and subclause (C), an employer who*  
17                   *holds a Federal contract, grant, or coopera-*  
18                   *tive agreement and is determined to have*  
19                   *violated this section shall be debarred from*  
20                   *the receipt of new Federal contracts, grants,*  
21                   *or cooperative agreements for a period of 10*  
22                   *years.*

23                   “(ii) *NOTICE TO AGENCIES.—Prior to*  
24                   *debarring the employer under clause (i), the*  
25                   *Secretary of Homeland Security, in co-*

1            *operation with the Administrator of Gen-*  
2            *eral Services, shall advise any agency or de-*  
3            *partment holding a contract, grant, or coop-*  
4            *erative agreement with the employer of the*  
5            *Government's intention to debar the em-*  
6            *ployer from the receipt of new Federal con-*  
7            *tracts, grants, or cooperative agreements for*  
8            *a period of 10 years.*

9            “(iii) *WAIVER.—*

10            *“(I) AUTHORITY.—After consider-*  
11            *ation of the views of any agency or de-*  
12            *partment that holds a contract, grant,*  
13            *or cooperative agreement with the em-*  
14            *ployer, the Administrator of General*  
15            *Services, in consultation with the Sec-*  
16            *retary of Homeland Security and the*  
17            *Attorney General, may waive oper-*  
18            *ation of clause (i) or may limit the du-*  
19            *ration or scope of the debarment under*  
20            *clause (i) if such waiver or limitation*  
21            *is necessary to the national defense or*  
22            *in the interest of national security.*

23            “(II) *NOTIFICATION TO CON-*  
24            *GRESS.—If the Administrator grants a*  
25            *waiver or limitation described in sub-*

1           *clause (I), the Administrator shall sub-*  
2           *mit to each member of the Committee*  
3           *on the Judiciary of the Senate and of*  
4           *the Committee on the Judiciary of the*  
5           *House of Representatives immediate*  
6           *notice of such waiver or limitation.*

7                   “(III) *PROHIBITION ON JUDICIAL*  
8           *REVIEW.—The decision of whether to*  
9           *debar or take alternate action under*  
10          *this clause shall not be judicially re-*  
11          *viewed.*

12                   “(C) *EXEMPTION FROM PENALTY FOR EM-*  
13          *PLOYERS PARTICIPATING IN THE BASIC PILOT*  
14          *PROGRAM.—In the case of imposition on an em-*  
15          *ployer of a debarment from the receipt of a Fed-*  
16          *eral contract, grant, or cooperative agreement*  
17          *under subparagraph (A) or (B), that penalty*  
18          *shall be waived if the employer establishes that*  
19          *the employer was voluntarily participating in*  
20          *the basic pilot program under section 403(a) of*  
21          *the Illegal Immigration Reform and Immigrant*  
22          *Responsibility Act of 1996 (8 U.S.C. 1324a note)*  
23          *at the time of the violations of this section that*  
24          *resulted in the debarment.”.*

1 **SEC. 570. DISABILITY PREFERENCE PROGRAM FOR TAX**  
2 **COLLECTION CONTRACTS.**

3 (a) *IN GENERAL.*—Section 6306 (relating to qualified  
4 tax collection contracts) is amended—

5 (1) by striking “Nothing” in subsection (a) and  
6 inserting “Except as provided in subsection (c), noth-  
7 ing”,

8 (2) by redesignating subsections (c), (d), (e), and  
9 (f) as subsections (d), (e), (f), and (g), respectively,  
10 and

11 (3) by inserting after subsection (b) the following  
12 new subsection:

13 “(c) *DISABILITY PREFERENCE PROGRAM FOR TAX*  
14 *COLLECTION CONTRACTS.*—

15 “(1) *IN GENERAL.*—The Secretary shall provide  
16 a qualifying disability preference to any program  
17 under which any qualified tax collection contract is  
18 awarded on or after the effective date of this sub-  
19 section and shall ensure compliance with the require-  
20 ments of paragraph (3).

21 “(2) *QUALIFYING DISABILITY PREFERENCE.*—

22 “(A) *IN GENERAL.*—For purposes of this  
23 subsection, the term ‘qualifying disability pref-  
24 erence’ means a preference pursuant to which at  
25 least 10 percent (in both number and aggregate  
26 dollar amount) of the accounts covered by quali-

1        *fied tax collection contracts are awarded to per-*  
2        *sons satisfying the following criteria:*

3                *“(i) Such person employs within the*  
4                *United States at least 50 severely disabled*  
5                *individuals.*

6                *“(ii) Such person shall agree as an en-*  
7                *forceable condition of its bid for a qualified*  
8                *tax collection contract that within 90 days*  
9                *after the date such contract is awarded, not*  
10               *less than 35 percent of the employees of such*  
11               *person employed in connection with pro-*  
12               *viding services under such contract shall—*

13                        *“(I) be hired after the date such*  
14                        *contract is awarded, and*

15                        *“(II) be severely disabled individ-*  
16                        *uals.*

17                *“(B) DETERMINATION OF SATISFACTION OF*  
18                *CRITERIA.—Within 60 days after the end of the*  
19                *period specified in subparagraph (A)(ii), the*  
20                *Secretary shall determine whether such person*  
21                *has met the 35 percent requirement specified in*  
22                *such subparagraph, and if such requirement has*  
23                *not been met, shall terminate the contract for*  
24                *nonperformance. For purposes of determining*  
25                *whether such 35 percent requirement has been*

1           *satisfied, severely disabled individuals providing*  
2           *services under such contract shall not include*  
3           *any severely disabled individuals who were*  
4           *counted toward satisfaction of the 50-employee*  
5           *requirement specified in subparagraph (A)(i),*  
6           *unless such person replaced such individuals by*  
7           *hiring additional severely disabled individuals*  
8           *who do not perform services under such contract.*

9           “(3) *PROGRAM-WIDE EMPLOYMENT OF SEVERELY*  
10          *DISABLED INDIVIDUALS.*—*Not less than 15 percent of*  
11          *all individuals hired by all persons to whom tax col-*  
12          *lection contracts are issued by the Secretary under*  
13          *this section, to perform work under such tax collection*  
14          *contracts, shall qualify as severely disabled individ-*  
15          *uals.*

16          “(4) *SEVERELY DISABLED INDIVIDUAL.*—*For*  
17          *purposes of this subsection, the term ‘severely disabled*  
18          *individual’ means any one of the following:*

19                 “(A) *Any veteran of the United States*  
20                 *Armed Forces with—*

21                         “(i) *a disability determined by the*  
22                         *Secretary of Veterans Affairs to be service-*  
23                         *connected, or*

24                         “(ii) *a disability deemed by statute to*  
25                         *be service-connected.*

1           “(B) *Any individual who is a disabled ben-*  
2           *eficiary (as defined in section 1148(k)(2) of the*  
3           *Social Security Act (42 U.S.C. 1320b–19(k)(2))*  
4           *or who would be considered to be such a disabled*  
5           *beneficiary but for having income or assets in ex-*  
6           *cess of the income or asset eligibility limits es-*  
7           *tablished under title II or XVI of the Social Se-*  
8           *curity Act, respectively.”.*

9           (b) *REPORT BY GOVERNMENT ACCOUNTABILITY OF-*  
10 *FICE.—*

11           (1) *IN GENERAL.—The Comptroller General of*  
12           *the United States shall conduct a study of the effec-*  
13           *tiveness and efficiency of the use of private contrac-*  
14           *tors for Internal Revenue Service debt collection. The*  
15           *study required by this paragraph shall be completed*  
16           *in time to be taken into account by Congress before*  
17           *any new contracting is carried out under section*  
18           *6306 of the Internal Revenue Code of 1986 in years*  
19           *following 2008.*

20           (2) *STUDY OF COMPARABLE EFFORTS.—As part*  
21           *of the study required under paragraph (1), the Comp-*  
22           *troller General shall—*

23           (A) *make every effort to determine the rel-*  
24           *ative effectiveness and efficiency of debt collection*  
25           *contracting by Federal staff compared to private*



