

MIDDLE CLASS TAX RELIEF AND JOB CREATION ACT OF 2012

_____, 2012.—Ordered to be printed

Mr. Camp, from the committee of conference,
submitted the following

CONFERENCE REPORT

[To accompany H.R. 3630]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 3630), to provide incentives for the creation of jobs, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the bill and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment, insert the following:

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

2 (a) SHORT TITLE.—This Act may be cited as the
3 “Middle Class Tax Relief and Job Creation Act of 2012”.

4 (b) TABLE OF CONTENTS.—The table of contents for
5 this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—EXTENSION OF PAYROLL TAX REDUCTION

Sec. 1001. Extension of payroll tax reduction.

TITLE II—UNEMPLOYMENT BENEFIT CONTINUATION AND
PROGRAM IMPROVEMENT

Sec. 2001. Short title.

Subtitle A—Reforms of Unemployment Compensation to Promote Work and
Job Creation

Sec. 2101. Consistent job search requirements.

Sec. 2102. State flexibility to promote the reemployment of unemployed work-
ers.

Sec. 2103. Improving program integrity by better recovery of overpayments.

Sec. 2104. Data exchange standardization for improved interoperability.

Sec. 2105. Drug testing of applicants.

Subtitle B—Provisions Relating To Extended Benefits

Sec. 2121. Short title.

Sec. 2122. Extension and modification of emergency unemployment compensa-
tion program.

Sec. 2123. Temporary extension of extended benefit provisions.

Sec. 2124. Additional extended unemployment benefits under the Railroad Un-
employment Insurance Act.

Subtitle C—Improving Reemployment Strategies Under the Emergency
Unemployment Compensation Program

Sec. 2141. Improved work search for the long-term unemployed.

Sec. 2142. Reemployment services and reemployment and eligibility assessment
activities.

Sec. 2143. Promoting program integrity through better recovery of overpay-
ments.

Sec. 2144. Restore State flexibility to improve unemployment program solvency.

Subtitle D—Short-Time Compensation Program

Sec. 2160. Short title.

- Sec. 2161. Treatment of short-time compensation programs.
- Sec. 2162. Temporary financing of short-time compensation payments in States with programs in law.
- Sec. 2163. Temporary financing of short-time compensation agreements.
- Sec. 2164. Grants for short-time compensation programs.
- Sec. 2165. Assistance and guidance in implementing programs.
- Sec. 2166. Reports.

Subtitle E—Self-Employment Assistance

- Sec. 2181. State administration of self-employment assistance programs.
- Sec. 2182. Grants for self-employment assistance programs.
- Sec. 2183. Assistance and guidance in implementing self-employment assistance programs.
- Sec. 2184. Definitions.

TITLE III—MEDICARE AND OTHER HEALTH PROVISIONS

Subtitle A—Medicare Extensions

- Sec. 3001. Extension of MMA section 508 reclassifications.
- Sec. 3002. Extension of outpatient hold harmless payments.
- Sec. 3003. Physician payment update.
- Sec. 3004. Work geographic adjustment.
- Sec. 3005. Payment for outpatient therapy services.
- Sec. 3006. Payment for technical component of certain physician pathology services.
- Sec. 3007. Ambulance add-on payments.

Subtitle B—Other Health Provisions

- Sec. 3101. Qualifying individual program.
- Sec. 3102. Transitional medical assistance.

Subtitle C—Health Offsets

- Sec. 3201. Reduction of bad debt treated as an allowable cost.
- Sec. 3202. Rebase Medicare clinical laboratory payment rates.
- Sec. 3203. Rebasing State DSH allotments for fiscal year 2021.
- Sec. 3204. Technical correction to the disaster recovery FMAP provision.
- Sec. 3205. Prevention and Public Health Fund.

TITLE IV—TANF EXTENSION

- Sec. 4001. Short title.
- Sec. 4002. Extension of program.
- Sec. 4003. Data exchange standardization for improved interoperability.
- Sec. 4004. Spending policies for assistance under State TANF programs.
- Sec. 4005. Technical corrections.

TITLE V—FEDERAL EMPLOYEES RETIREMENT

- Sec. 5001. Increase in contributions to Federal Employees' Retirement System for new employees.
- Sec. 5002. Foreign Service Pension System.
- Sec. 5003. Central Intelligence Agency Retirement and Disability System.

TITLE VI—PUBLIC SAFETY COMMUNICATIONS AND
ELECTROMAGNETIC SPECTRUM AUCTIONS

- Sec. 6001. Definitions.
- Sec. 6002. Rule of construction.
- Sec. 6003. Enforcement.
- Sec. 6004. National security restrictions on use of funds and auction participation.

Subtitle A—Reallocation of Public Safety Spectrum

- Sec. 6101. Reallocation of D block to public safety.
- Sec. 6102. Flexible use of narrowband spectrum.
- Sec. 6103. 470–512 MHz public safety spectrum.

Subtitle B—Governance of Public Safety Spectrum

- Sec. 6201. Single public safety wireless network licensee.
- Sec. 6202. Public safety broadband network.
- Sec. 6203. Public Safety Interoperability Board.
- Sec. 6204. Establishment of the First Responder Network Authority.
- Sec. 6205. Advisory committees of the First Responder Network Authority.
- Sec. 6206. Powers, duties, and responsibilities of the First Responder Network Authority.
- Sec. 6207. Initial funding for the First Responder Network Authority.
- Sec. 6208. Permanent self-funding; duty to assess and collect fees for network use.
- Sec. 6209. Audit and report.
- Sec. 6210. Annual report to Congress.
- Sec. 6211. Public safety roaming and priority access.
- Sec. 6212. Prohibition on direct offering of commercial telecommunications service directly to consumers.
- Sec. 6213. Provision of technical assistance.

Subtitle C—Public Safety Commitments

- Sec. 6301. State and Local Implementation Fund.
- Sec. 6302. State and local implementation.
- Sec. 6303. Public safety wireless communications research and development.

Subtitle D—Spectrum Auction Authority

- Sec. 6401. Deadlines for auction of certain spectrum.
- Sec. 6402. General authority for incentive auctions.
- Sec. 6403. Special requirements for incentive auction of broadcast TV spectrum.
- Sec. 6404. Certain conditions on auction participation prohibited.
- Sec. 6405. Extension of auction authority.
- Sec. 6406. Unlicensed use in the 5 GHz band.
- Sec. 6407. Guard bands and unlicensed use.
- Sec. 6408. Study on receiver performance and spectrum efficiency.
- Sec. 6409. Wireless facilities deployment.
- Sec. 6410. Functional responsibility of NTIA to ensure efficient use of spectrum.
- Sec. 6411. System certification.
- Sec. 6412. Deployment of 11 GHz, 18 GHz, and 23 GHz microwave bands.
- Sec. 6413. Public Safety Trust Fund.

Sec. 6414. Study on emergency communications by amateur radio and impediments to amateur radio communications.

Subtitle E—Next Generation 9–1–1 Advancement Act of 2012

- Sec. 6501. Short title.
- Sec. 6502. Definitions.
- Sec. 6503. Coordination of 9–1–1 implementation.
- Sec. 6504. Requirements for multi-line telephone systems.
- Sec. 6505. GAO study of State and local use of 9–1–1 service charges.
- Sec. 6506. Parity of protection for provision or use of Next Generation 9–1–1 services.
- Sec. 6507. Commission proceeding on autodialing.
- Sec. 6508. Report on costs for requirements and specifications of Next Generation 9–1–1 services.
- Sec. 6509. Commission recommendations for legal and statutory framework for Next Generation 9–1–1 services.

Subtitle F—Telecommunications Development Fund

- Sec. 6601. No additional Federal funds.
- Sec. 6602. Independence of the Fund.

Subtitle G—Federal Spectrum Relocation

- Sec. 6701. Relocation of and spectrum sharing by Federal Government stations.
- Sec. 6702. Spectrum Relocation Fund.
- Sec. 6703. National security and other sensitive information.

TITLE VII—MISCELLANEOUS PROVISIONS

- Sec. 7001. Repeal of certain shifts in the timing of corporate estimated tax payments.
- Sec. 7002. Repeal of requirement relating to time for remitting certain merchandise processing fees.
- Sec. 7003. Treatment for PAYGO purposes.

1 **TITLE I—EXTENSION OF**
 2 **PAYROLL TAX REDUCTION**

3 **SEC. 1001. EXTENSION OF PAYROLL TAX REDUCTION.**

4 (a) IN GENERAL.—Subsection (c) of section 601 of
 5 the Tax Relief, Unemployment Insurance Reauthorization,
 6 and Job Creation Act of 2010 (26 U.S.C. 1401 note) is
 7 amended to read as follows:

1 “(c) PAYROLL TAX HOLIDAY PERIOD.—The term
2 ‘payroll tax holiday period’ means calendar years 2011
3 and 2012.”.

4 (b) CONFORMING AMENDMENTS.—Section 601 of
5 such Act (26 U.S.C. 1401 note) is amended by striking
6 subsections (f) and (g).

7 (c) EFFECTIVE DATE.—The amendments made by
8 this section shall apply to remuneration received, and tax-
9 able years beginning, after December 31, 2011.

10 **TITLE II—UNEMPLOYMENT BEN-**
11 **EFIT CONTINUATION AND**
12 **PROGRAM IMPROVEMENT**

13 **SEC. 2001. SHORT TITLE.**

14 This title may be cited as the “Extended Benefits,
15 Reemployment, and Program Integrity Improvement
16 Act”.

17 **Subtitle A—Reforms of Unemploy-**
18 **ment Compensation to Promote**
19 **Work and Job Creation**

20 **SEC. 2101. CONSISTENT JOB SEARCH REQUIREMENTS.**

21 (a) IN GENERAL.—Section 303(a) of the Social Secu-
22 rity Act is amended by adding at the end the following:

23 “(12) A requirement that, as a condition of eli-
24 gibility for regular compensation for any week, a

1 claimant must be able to work, available to work,
2 and actively seeking work.”.

3 (b) **EFFECTIVE DATE.**—The amendment made by
4 subsection (a) shall apply to weeks beginning after the end
5 of the first session of the State legislature which begins
6 after the date of enactment of this Act.

7 **SEC. 2102. STATE FLEXIBILITY TO PROMOTE THE REEM-**
8 **PLOYMENT OF UNEMPLOYED WORKERS.**

9 Title III of the Social Security Act (42 U.S.C. 501
10 and following) is amended by adding at the end the fol-
11 lowing:

12 “**DEMONSTRATION PROJECTS**

13 “**SEC. 305.** (a) The Secretary of Labor may enter
14 into agreements, with up to 10 States that submit an ap-
15 plication described in subsection (b), for the purpose of
16 allowing such States to conduct demonstration projects to
17 test and evaluate measures designed—

18 “(1) to expedite the reemployment of individ-
19 uals who have established a benefit year and are
20 otherwise eligible to claim unemployment compensa-
21 tion under the State law of such State; or

22 “(2) to improve the effectiveness of a State in
23 carrying out its State law with respect to reemploy-
24 ment.

25 “(b) The Governor of any State desiring to conduct
26 a demonstration project under this section shall submit

1 an application to the Secretary of Labor. Any such appli-
2 cation shall include—

3 “(1) a general description of the proposed dem-
4 onstration project, including the authority (under
5 the laws of the State) for the measures to be tested,
6 as well as the period of time during which such dem-
7 onstration project would be conducted;

8 “(2) if a waiver under subsection (c) is re-
9 quested, a statement describing the specific aspects
10 of the project to which the waiver would apply and
11 the reasons why such waiver is needed;

12 “(3) a description of the goals and the expected
13 programmatic outcomes of the demonstration
14 project, including how the project would contribute
15 to the objective described in subsection (a)(1), sub-
16 section (a)(2), or both;

17 “(4) assurances (accompanied by supporting
18 analysis) that the demonstration project would oper-
19 ate for a period of at least 1 calendar year and not
20 result in any increased net costs to the State’s ac-
21 count in the Unemployment Trust Fund;

22 “(5) a description of the manner in which the
23 State—

24 “(A) will conduct an impact evaluation,
25 using a methodology appropriate to determine

1 the effects of the demonstration project, includ-
2 ing on individual skill levels, earnings, and em-
3 ployment retention; and

4 “(B) will determine the extent to which the
5 goals and outcomes described in paragraph (3)
6 were achieved;

7 “(6) assurances that the State will provide any
8 reports relating to the demonstration project, after
9 its approval, as the Secretary of Labor may require;
10 and

11 “(7) assurances that employment meets the
12 State’s suitable work requirement and the require-
13 ments of section 3304(a)(5) of the Internal Revenue
14 Code of 1986.

15 “(c) The Secretary of Labor may waive any of the
16 requirements of section 3304(a)(4) of the Internal Rev-
17 enue Code of 1986 or of paragraph (1) or (5) of section
18 303(a), to the extent and for the period the Secretary of
19 Labor considers necessary to enable the State to carry out
20 a demonstration project under this section.

21 “(d) A demonstration project under this section—

22 “(1) may be commenced any time after the date
23 of enactment of this section;

24 “(2) may not be approved for a period of time
25 greater than 3 years; and

1 “(3) must be completed by not later than De-
2 cember 31, 2015.

3 “(e) Activities that may be pursued under a dem-
4 onstration project under this section are limited to—

5 “(1) subsidies for employer-provided training,
6 such as wage subsidies; and

7 “(2) direct disbursements to employers who hire
8 individuals receiving unemployment compensation,
9 not to exceed the weekly benefit amount for each
10 such individual, to pay part of the cost of wages that
11 exceed the unemployed individual’s prior benefit
12 level.

13 “(f) The Secretary of Labor shall, in the case of any
14 State for which an application is submitted under sub-
15 section (b)—

16 “(1) notify the State as to whether such appli-
17 cation has been approved or denied within 30 days
18 after receipt of a complete application; and

19 “(2) provide public notice of the decision within
20 10 days after providing notification to the State in
21 accordance with paragraph (1).

22 Public notice under paragraph (2) may be provided
23 through the Internet or other appropriate means. Any ap-
24 plication under this section that has not been denied with-
25 in the 30-day period described in paragraph (1) shall be

1 deemed approved, and public notice of any approval under
2 this sentence shall be provided within 10 days thereafter.

3 “(g) The Secretary of Labor may terminate a dem-
4 onstration project under this section if the Secretary de-
5 termines that the State has violated the substantive terms
6 or conditions of the project.

7 “(h) Funding certified under section 302(a) may be
8 used for an approved demonstration project.”.

9 **SEC. 2103. IMPROVING PROGRAM INTEGRITY BY BETTER**
10 **RECOVERY OF OVERPAYMENTS.**

11 (a) USE OF UNEMPLOYMENT COMPENSATION TO
12 REPAY OVERPAYMENTS.—Section 3304(a)(4)(D) of the
13 Internal Revenue Code of 1986 and section 303(g)(1) of
14 the Social Security Act are each amended by striking
15 “may” and inserting “shall”.

16 (b) USE OF UNEMPLOYMENT COMPENSATION TO
17 REPAY FEDERAL ADDITIONAL COMPENSATION OVERPAY-
18 MENTS.—Section 303(g)(3) of the Social Security Act is
19 amended by inserting “Federal additional compensation,”
20 after “trade adjustment allowances,”.

21 (c) EFFECTIVE DATE.—The amendments made by
22 this section shall apply to weeks beginning after the end
23 of the first session of the State legislature which begins
24 after the date of enactment of this Act.

1 **SEC. 2104. DATA EXCHANGE STANDARDIZATION FOR IM-**
2 **PROVED INTEROPERABILITY.**

3 (a) IN GENERAL.—Title IX of the Social Security Act
4 is amended by adding at the end the following:

5 “DATA EXCHANGE STANDARDIZATION FOR IMPROVED
6 INTEROPERABILITY

7 “Data Exchange Standards

8 “SEC. 911. (a)(1) The Secretary of Labor, in con-
9 sultation with an interagency work group which shall be
10 established by the Office of Management and Budget, and
11 considering State and employer perspectives, shall, by
12 rule, designate a data exchange standard for any category
13 of information required under title III, title XII, or this
14 title.

15 “(2) Data exchange standards designated under
16 paragraph (1) shall, to the extent practicable, be non-
17 proprietary and interoperable.

18 “(3) In designating data exchange standards under
19 this subsection, the Secretary of Labor shall, to the extent
20 practicable, incorporate—

21 “(A) interoperable standards developed and
22 maintained by an international voluntary consensus
23 standards body, as defined by the Office of Manage-
24 ment and Budget, such as the International Organi-
25 zation for Standardization;

1 “(B) interoperable standards developed and
2 maintained by intergovernmental partnerships, such
3 as the National Information Exchange Model; and

4 “(C) interoperable standards developed and
5 maintained by Federal entities with authority over
6 contracting and financial assistance, such as the
7 Federal Acquisition Regulations Council.

8 “Data Exchange Standards for Reporting

9 “(b)(1) The Secretary of Labor, in consultation with
10 an interagency work group established by the Office of
11 Management and Budget, and considering State and em-
12 ployer perspectives, shall, by rule, designate data exchange
13 standards to govern the reporting required under title III,
14 title XII, or this title.

15 “(2) The data exchange standards required by para-
16 graph (1) shall, to the extent practicable—

17 “(A) incorporate a widely accepted, nonpropri-
18 etary, searchable, computer-readable format;

19 “(B) be consistent with and implement applica-
20 ble accounting principles; and

21 “(C) be capable of being continually upgraded
22 as necessary.

23 “(3) In designating reporting standards under this
24 subsection, the Secretary of Labor shall, to the extent

1 practicable, incorporate existing nonproprietary standards,
2 such as the eXtensible Markup Language.”.

3 (b) EFFECTIVE DATES.—

4 (1) DATA EXCHANGE STANDARDS.—The Sec-
5 retary of Labor shall issue a proposed rule under
6 section 911(a)(1) of the Social Security Act (as
7 added by subsection (a)) within 12 months after the
8 date of the enactment of this section, and shall issue
9 a final rule under such section 911(a)(1), after pub-
10 lic comment, within 24 months after such date of
11 enactment.

12 (2) DATA REPORTING STANDARDS.—The re-
13 porting standards required under section 911(b)(1)
14 of such Act (as so added) shall become effective with
15 respect to reports required in the first reporting pe-
16 riod, after the effective date of the final rule referred
17 to in paragraph (1) of this subsection, for which the
18 authority for data collection and reporting is estab-
19 lished or renewed under the Paperwork Reduction
20 Act.

21 **SEC. 2105. DRUG TESTING OF APPLICANTS.**

22 Section 303 of the Social Security Act is amended
23 by adding at the end the following:

1 “(l)(1) Nothing in this Act or any other provision of
2 Federal law shall be considered to prevent a State from
3 enacting legislation to provide for—

4 “(A) testing an applicant for unemployment
5 compensation for the unlawful use of controlled sub-
6 stances as a condition for receiving such compensa-
7 tion, if such applicant—

8 “(i) was terminated from employment with
9 the applicant’s most recent employer (as de-
10 fined under the State law) because of the un-
11 lawful use of controlled substances; or

12 “(ii) is an individual for whom suitable
13 work (as defined under the State law) is only
14 available in an occupation that regularly con-
15 ducts drug testing (as determined under regula-
16 tions issued by the Secretary of Labor); or

17 “(B) denying such compensation to such appli-
18 cant on the basis of the result of the testing con-
19 ducted by the State under legislation described in
20 subparagraph (A).

21 “(2) For purposes of this subsection—

22 “(A) the term ‘unemployment compensation’
23 has the meaning given such term in subsection
24 (d)(2)(A); and

1 “(B) the term ‘controlled substance’ has the
2 meaning given such term in section 102 of the Con-
3 trolled Substances Act (21 U.S.C. 802).”.

4 **Subtitle B—Provisions Relating To** 5 **Extended Benefits**

6 **SEC. 2121. SHORT TITLE.**

7 This subtitle may be cited as the “Unemployment
8 Benefits Extension Act of 2012”.

9 **SEC. 2122. EXTENSION AND MODIFICATION OF EMERGENCY** 10 **UNEMPLOYMENT COMPENSATION PROGRAM.**

11 (a) EXTENSION.—Section 4007 of the Supplemental
12 Appropriations Act, 2008 (Public Law 110–252; 26
13 U.S.C. 3304 note) is amended—

14 (1) in subsection (a)—

15 (A) by striking “Except as provided in
16 subsection (b), an” and inserting “An”; and

17 (B) by striking “March 6, 2012” and in-
18 serting “January 2, 2013”; and

19 (2) by striking subsection (b) and inserting the
20 following:

21 “(b) TERMINATION.—No compensation under this
22 title shall be payable for any week subsequent to the last
23 week described in subsection (a).”.

24 (b) MODIFICATIONS RELATING TO TRIGGERS.—

1 (1) FOR SECOND-TIER EMERGENCY UNEMPLOY-
2 MENT COMPENSATION.—Section 4002(c) of such Act
3 is amended—

4 (A) in the subsection heading, by striking
5 “SPECIAL RULE” and inserting “SECOND-TIER
6 EMERGENCY UNEMPLOYMENT COMPENSA-
7 TION”;

8 (B) in paragraph (1), by striking “At” and
9 all that follows through “augmented by an
10 amount” and inserting “If, at the time that the
11 amount established in an individual’s account
12 under subsection (b) is exhausted or at any
13 time thereafter, such individual’s State is in an
14 extended benefit period (as determined under
15 paragraph (2)), such account shall be aug-
16 mented by an amount (hereinafter ‘second-tier
17 emergency unemployment compensation’);

18 (C) by redesignating paragraph (2) as
19 paragraph (4); and

20 (D) by inserting after paragraph (1) the
21 following:

22 “(2) EXTENDED BENEFIT PERIOD.—For pur-
23 poses of paragraph (1), a State shall be considered
24 to be in an extended benefit period, as of any given

1 time, if such a period would then be in effect for
2 such State under such Act if—

3 “(A) section 203(f) of the Federal-State
4 Extended Unemployment Compensation Act of
5 1970 were applied to such State (regardless of
6 whether the State by law had provided for such
7 application); and

8 “(B) such section 203(f)—

9 “(i) were applied by substituting the
10 applicable percentage under paragraph (3)
11 for ‘6.5 percent’ in paragraph (1)(A)(i)
12 thereof; and

13 “(ii) did not include the requirement
14 under paragraph (1)(A)(ii) thereof.

15 “(3) APPLICABLE PERCENTAGE.—The applica-
16 ble percentage under this paragraph is, for purposes
17 of determining if a State is in an extended benefit
18 period as of a date occurring in a week ending—

19 “(A) before June 1, 2012, 0 percent; and

20 “(B) after the last week under subpara-
21 graph (A), 6 percent.”.

22 (2) FOR THIRD-TIER EMERGENCY UNEMPLOY-
23 MENT COMPENSATION.—Section 4002(d) of such Act
24 is amended—

1 (A) in paragraph (2)(A), by striking
2 “under such Act” and inserting “under the
3 Federal-State Extended Unemployment Com-
4 pensation Act of 1970”;

5 (B) in paragraph (2)(B)(ii)(I), by striking
6 the matter after “substituting” and before “in
7 paragraph (1)(A)(i) thereof” and inserting “the
8 applicable percentage under paragraph (3) for
9 ‘6.5 percent’ ”;

10 (C) by redesignating paragraph (3) as
11 paragraph (4); and

12 (D) by inserting after paragraph (2) the
13 following:

14 “(3) APPLICABLE PERCENTAGE.—The applica-
15 ble percentage under this paragraph is, for purposes
16 of determining if a State is in an extended benefit
17 period as of a date occurring in a week ending—

18 “(A) before June 1, 2012, 6 percent; and

19 “(B) after the last week under subpara-
20 graph (A), 7 percent.”.

21 (3) FOR FOURTH-TIER EMERGENCY UNEMPLOY-
22 MENT COMPENSATION.—Section 4002(e) of such Act
23 is amended—

24 (A) in paragraph (2)(A), by striking
25 “under such Act” and inserting “under the

1 Federal-State Extended Unemployment Com-
2 pensation Act of 1970”;

3 (B) in paragraph (2)(B)(ii)(I), by striking
4 the matter after “substituting” and before “in
5 paragraph (1)(A)(i) thereof” and inserting “the
6 applicable percentage under paragraph (3) for
7 ‘6.5 percent’ ”;

8 (C) by redesignating paragraph (3) as
9 paragraph (4); and

10 (D) by inserting after paragraph (2) the
11 following:

12 “(3) APPLICABLE PERCENTAGE.—The applica-
13 ble percentage under this paragraph is, for purposes
14 of determining if a State is in an extended benefit
15 period as of a date occurring in a week ending—

16 “(A) before June 1, 2012, 8.5 percent; and

17 “(B) after the last week under subpara-
18 graph (A), 9 percent.”.

19 (c) MODIFICATIONS RELATING TO WEEKS OF EMER-
20 GENCY UNEMPLOYMENT COMPENSATION.—

21 (1) NUMBER OF WEEKS IN FIRST TIER BEGIN-
22 NING AFTER SEPTEMBER 2, 2012.—Section 4002(b)
23 of such Act is amended—

24 (A) by redesignating paragraph (2) as
25 paragraph (3); and

1 (B) by inserting after paragraph (1) the
2 following:

3 “(2) SPECIAL RULE RELATING TO AMOUNTS ES-
4 TABLISHED IN AN ACCOUNT AS OF A WEEK ENDING
5 AFTER SEPTEMBER 2, 2012.—Notwithstanding any
6 provision of paragraph (1), in the case of any ac-
7 count established as of a week ending after Sep-
8 tember 2, 2012—

9 “(A) paragraph (1)(A) shall be applied by
10 substituting ‘54 percent’ for ‘80 percent’; and

11 “(B) paragraph (1)(B) shall be applied by
12 substituting ‘14 weeks’ for ‘20 weeks.’”.

13 (2) NUMBER OF WEEKS IN THIRD TIER BEGIN-
14 NING AFTER SEPTEMBER 2, 2012.—Section 4002(d)
15 of such Act is amended by adding after paragraph
16 (4) (as so redesignated by subsection (b)(2)(C)) the
17 following:

18 “(5) SPECIAL RULE RELATING TO AMOUNTS
19 ADDED TO AN ACCOUNT AS OF A WEEK ENDING
20 AFTER SEPTEMBER 2, 2012.—Notwithstanding any
21 provision of paragraph (1), if augmentation under
22 this subsection occurs as of a week ending after Sep-
23 tember 2, 2012—

24 “(A) paragraph (1)(A) shall be applied by
25 substituting ‘35 percent’ for ‘50 percent’; and

1 “(B) paragraph (1)(B) shall be applied by
2 substituting ‘9 times’ for ‘13 times’.”

3 (3) NUMBER OF WEEKS IN FOURTH TIER.—
4 Section 4002(e) of such Act is amended by adding
5 after paragraph (4) (as so redesignated by sub-
6 section (b)(3)(C)) the following:

7 “(5) SPECIAL RULES RELATING TO AMOUNTS
8 ADDED TO AN ACCOUNT.—

9 “(A) MARCH TO MAY OF 2012.—

10 “(i) SPECIAL RULE.—Notwith-
11 standing any provision of paragraph (1)
12 but subject to the following 2 sentences, if
13 augmentation under this subsection occurs
14 as of a week ending after the date of en-
15 actment of this paragraph and before June
16 1, 2012 (or if, as of such date of enact-
17 ment, any fourth-tier amounts remain in
18 the individual’s account)—

19 “(I) paragraph (1)(A) shall be
20 applied by substituting ‘62 percent’
21 for ‘24 percent’; and

22 “(II) paragraph (1)(B) shall be
23 applied by substituting ‘16 times’ for
24 ‘6 times’.

1 The preceding sentence shall apply only if,
2 at the time that the account would be aug-
3 mented under this subparagraph, such in-
4 dividual's State is not in an extended ben-
5 efit period as determined under the Fed-
6 eral-State Extended Unemployment Com-
7 pensation Act of 1970. In no event shall
8 the total amount added to the account of
9 an individual under this subparagraph
10 cause, in the case of an individual de-
11 scribed in the parenthetical matter in the
12 first sentence of this clause, the sum of the
13 total amount previously added to such indi-
14 vidual's account under this subsection (as
15 in effect before the date of enactment of
16 this paragraph) and any further amounts
17 added as a result of the enactment of this
18 clause, to exceed the total amount allow-
19 able under subclause (I) or (II), as the
20 case may be.

21 “(ii) LIMITATION.—Notwithstanding
22 any other provision of this title, the
23 amounts added to the account of an indi-
24 vidual under this subparagraph may not
25 cause the sum of the amounts previously

1 established in or added to such account,
2 plus any weeks of extended benefits pro-
3 vided to such individual under the Federal-
4 State Extended Unemployment Compensa-
5 tion Act of 1970 (based on the same ex-
6 haustion of regular compensation under
7 section 4001(b)(1)), to in the aggregate ex-
8 ceed the lesser of—

9 “(I) 282 percent of the total
10 amount of regular compensation (in-
11 cluding dependents’ allowances) pay-
12 able to the individual during the indi-
13 vidual’s benefit year under the State
14 law; or

15 “(II) 73 times the individual’s
16 average weekly benefit amount (as de-
17 termined under subsection (b)(3)) for
18 the benefit year.

19 “(B) AFTER AUGUST OF 2012.—Notwith-
20 standing any provision of paragraph (1), if aug-
21 mentation under this subsection occurs as of a
22 week ending after September 2, 2012—

23 “(i) paragraph (1)(A) shall be applied
24 by substituting ‘39 percent’ for ‘24 per-
25 cent’; and

1 “(ii) paragraph (1)(B) shall be ap-
2 plied by substituting ‘10 times’ for ‘6
3 times’.”.

4 (d) ORDER OF PAYMENTS REQUIREMENT.—

5 (1) IN GENERAL.—Section 4001(e) of such Act
6 is amended to read as follows:

7 “(e) COORDINATION RULE.—An agreement under
8 this section shall apply with respect to a State only upon
9 a determination by the Secretary that, under the State
10 law or other applicable rules of such State, the payment
11 of extended compensation for which an individual is other-
12 wise eligible must be deferred until after the payment of
13 any emergency unemployment compensation under section
14 4002, as amended by the Unemployment Benefits Exten-
15 sion Act of 2012, for which the individual is concurrently
16 eligible.”.

17 (2) TECHNICAL AND CONFORMING AMEND-
18 MENTS.—Section 4001(b)(2) of such Act is amend-
19 ed—

20 (A) by striking “or extended compensa-
21 tion”; and

22 (B) by striking “law (except as provided
23 under subsection (e));” and inserting “law;”.

24 (e) FUNDING.—Section 4004(e)(1) of such Act is
25 amended—

1 (1) in subparagraph (G), by striking “and” at
2 the end; and

3 (2) by inserting after subparagraph (H) the fol-
4 lowing:

5 “(I) the amendments made by section
6 2122 of the Unemployment Benefits Extension
7 Act of 2012; and”.

8 (f) EFFECTIVE DATES.—

9 (1) IN GENERAL.—The amendments made by
10 subsections (b), (c), and (d) shall take effect as of
11 February 28, 2012, and shall apply with respect to
12 weeks of unemployment beginning after that date.

13 (2) WEEK DEFINED.—For purposes of this sub-
14 section, the term “week” has the meaning given
15 such term under section 4006 of the Supplemental
16 Appropriations Act, 2008.

17 **SEC. 2123. TEMPORARY EXTENSION OF EXTENDED BENEFIT**
18 **PROVISIONS.**

19 (a) IN GENERAL.—Section 2005 of the Assistance for
20 Unemployed Workers and Struggling Families Act, as
21 contained in Public Law 111–5 (26 U.S.C. 3304 note),
22 is amended—

23 (1) by striking “March 7, 2012” each place it
24 appears and inserting “December 31, 2012”; and

1 (2) in subsection (c), by striking “August 15,
2 2012” and inserting “June 30, 2013”.

3 (b) EXTENSION OF MATCHING FOR STATES WITH
4 NO WAITING WEEK.—Section 5 of the Unemployment
5 Compensation Extension Act of 2008 (Public Law 110–
6 449; 26 U.S.C. 3304 note) is amended by striking “Au-
7 gust 15, 2012” and inserting “June 30, 2013”.

8 (c) EXTENSION OF MODIFICATION OF INDICATORS
9 UNDER THE EXTENDED BENEFIT PROGRAM.—Section
10 203 of the Federal-State Extended Unemployment Com-
11 pensation Act of 1970 (26 U.S.C. 3304 note) is amend-
12 ed—

13 (1) in subsection (d), by striking “February 29,
14 2012” and inserting “December 31, 2012”; and

15 (2) in subsection (f)(2), by striking “February
16 29, 2012” and inserting “December 31, 2012”.

17 (d) EFFECTIVE DATE.—The amendments made by
18 this section shall take effect as if included in the enact-
19 ment of the Temporary Payroll Tax Cut Continuation Act
20 of 2011 (Public Law 112-78).

21 **SEC. 2124. ADDITIONAL EXTENDED UNEMPLOYMENT BENE-**
22 **FITS UNDER THE RAILROAD UNEMPLOY-**
23 **MENT INSURANCE ACT.**

24 (a) EXTENSION.—Section 2(c)(2)(D)(iii) of the Rail-
25 road Unemployment Insurance Act, as added by section

1 2006 of the American Recovery and Reinvestment Act of
2 2009 (Public Law 96 111–5) and as amended by section
3 9 of the Worker, Homeownership, and Business Assist-
4 ance Act of 2009 (Public Law 111–92), section 505 of
5 the Tax Relief, Unemployment Insurance Reauthorization,
6 and Job Creation Act of 2010 (Public Law 111–312), and
7 section 202 of the Temporary Payroll Tax Cut Continu-
8 ation Act of 2011 (Public Law 112-78), is amended—

9 (1) by striking “August 31, 2011” and insert-
10 ing “June 30, 2012”; and

11 (2) by striking “February 29, 2012” and in-
12 serting “December 31, 2012”.

13 (b) CLARIFICATION ON AUTHORITY TO USE
14 FUNDS.—Funds appropriated under either the first or
15 second sentence of clause (iv) of section 2(c)(2)(D) of the
16 Railroad Unemployment Insurance Act shall be available
17 to cover the cost of additional extended unemployment
18 benefits provided under such section 2(c)(2)(D) by reason
19 of the amendments made by subsection (a) as well as to
20 cover the cost of such benefits provided under such section
21 2(c)(2)(D), as in effect on the day before the date of en-
22 actment of this Act.

23 (c) FUNDING FOR ADMINISTRATION.—Out of any
24 funds in the Treasury not otherwise appropriated, there
25 are appropriated to the Railroad Retirement Board

1 \$500,000 for administrative expenses associated with the
2 payment of additional extended unemployment benefits
3 provided under section 2(c)(2)(D) of the Railroad Unem-
4 ployment Insurance Act by reason of the amendments
5 made by subsection (a), to remain available until ex-
6 pended.

7 **Subtitle C—Improving Reemploy-**
8 **ment Strategies Under the**
9 **Emergency Unemployment**
10 **Compensation Program**

11 **SEC. 2141. IMPROVED WORK SEARCH FOR THE LONG-TERM**
12 **UNEMPLOYED.**

13 (a) IN GENERAL.—Section 4001(b) of the Supple-
14 mental Appropriations Act, 2008 (Public Law 110–252;
15 26 U.S.C. 3304 note) is amended—

16 (1) by striking “and” at the end of paragraph
17 (2);

18 (2) by striking the period at the end of para-
19 graph (3) and inserting “; and”; and

20 (3) by adding at the end the following:

21 “(4) are able to work, available to work, and
22 actively seeking work.”.

23 (b) ACTIVELY SEEKING WORK.—Section 4001 of
24 such Act is amended by adding at the end the following:

25 “(h) ACTIVELY SEEKING WORK.—

1 “(1) IN GENERAL.—For purposes of subsection
2 (b)(4), the term ‘actively seeking work’ means, with
3 respect to any individual, that such individual—

4 “(A) is registered for employment services
5 in such a manner and to such extent as pre-
6 scribed by the State agency;

7 “(B) has engaged in an active search for
8 employment that is appropriate in light of the
9 employment available in the labor market, the
10 individual’s skills and capabilities, and includes
11 a number of employer contacts that is con-
12 sistent with the standards communicated to the
13 individual by the State;

14 “(C) has maintained a record of such work
15 search, including employers contacted, method
16 of contact, and date contacted; and

17 “(D) when requested, has provided such
18 work search record to the State agency.

19 “(2) RANDOM AUDITING.—The Secretary shall
20 establish for each State a minimum number of
21 claims for which work search records must be au-
22 dited on a random basis in any given week.”.

1 **SEC. 2142. REEMPLOYMENT SERVICES AND REEMPLOY-**
2 **MENT AND ELIGIBILITY ASSESSMENT ACTIVI-**
3 **TIES.**

4 (a) PROVISION OF SERVICES AND ACTIVITIES.—Sec-
5 tion 4001 of such Act, as amended by section 2141(b),
6 is further amended by added at the end the following:

7 “(i) PROVISION OF SERVICES AND ACTIVITIES.—

8 “(1) IN GENERAL.—An agreement under this
9 section shall require the following:

10 “(A) The State which is party to such
11 agreement shall provide reemployment services
12 and reemployment and eligibility assessment ac-
13 tivities to each individual—

14 “(i) who, on or after the 30th day
15 after the date of enactment of the Ex-
16 tended Benefits, Reemployment, and Pro-
17 gram Integrity Improvement Act, begins
18 receiving amounts described in subsections
19 (b) and (c); and

20 “(ii) while such individual continues
21 to receive emergency unemployment com-
22 pensation under this title.

23 “(B) As a condition of eligibility for emer-
24 gency unemployment compensation for any
25 week—

1 “(i) a claimant who has been duly re-
2 ferred to reemployment services shall par-
3 ticipate in such services; and

4 “(ii) a claimant shall be actively seek-
5 ing work (determined applying subsection
6 (i)).

7 “(2) DESCRIPTION OF SERVICES AND ACTIVI-
8 TIES.—The reemployment services and in-person re-
9 employment and eligibility assessment activities pro-
10 vided to individuals receiving emergency unemploy-
11 ment compensation described in paragraph (1)—

12 “(A) shall include—

13 “(i) the provision of labor market and
14 career information;

15 “(ii) an assessment of the skills of the
16 individual;

17 “(iii) orientation to the services avail-
18 able through the one-stop centers estab-
19 lished under title I of the Workforce In-
20 vestment Act of 1998; and

21 “(iv) review of the eligibility of the in-
22 dividual for emergency unemployment com-
23 pensation relating to the job search activi-
24 ties of the individual; and

25 “(B) may include the provision of—

1 “(i) comprehensive and specialized as-
2 sessments;

3 “(ii) individual and group career
4 counseling;

5 “(iii) training services;

6 “(iv) additional reemployment serv-
7 ices; and

8 “(v) job search counseling and the de-
9 velopment or review of an individual reem-
10 ployment plan that includes participation
11 in job search activities and appropriate
12 workshops.

13 “(3) PARTICIPATION REQUIREMENT.—As a con-
14 dition of continuing eligibility for emergency unem-
15 ployment compensation for any week, an individual
16 who has been referred to reemployment services or
17 reemployment and eligibility assessment activities
18 under this subsection shall participate in such serv-
19 ices or activities, unless the State agency responsible
20 for the administration of State unemployment com-
21 pensation law determines that—

22 “(A) such individual has completed partici-
23 pating in such services or activities; or

24 “(B) there is justifiable cause for failure to
25 participate or to complete participating in such

1 services or activities, as determined in accord-
2 ance with guidance to be issued by the Sec-
3 retary.”.

4 (b) ISSUANCE OF GUIDANCE.—Not later than 30
5 days after the date of enactment of this Act, the Secretary
6 shall issue guidance on the implementation of the reem-
7 ployment services and reemployment and eligibility assess-
8 ment activities required to be provided under the amend-
9 ment made by subsection (a).

10 (c) FUNDING.—

11 (1) IN GENERAL.—Section 4004(c) of the Sup-
12 plemental Appropriations Act, 2008 (Public Law
13 110–252; 26 U.S.C. 3304 note) is amended—

14 (A) by striking “STATES.—There” and in-
15 serting the following: “STATES.—

16 “(1) ADMINISTRATION.—There”; and

17 (B) by adding at the end the following new
18 paragraph:

19 “(2) REEMPLOYMENT SERVICES AND REEM-
20 PLOYMENT AND ELIGIBILITY ASSESSMENT ACTIVI-
21 TIES.—

22 “(A) APPROPRIATION.—There are appro-
23 priated from the general fund of the Treasury,
24 for the period of fiscal year 2012 through fiscal
25 year 2013, out of the employment security ad-

1 ministration account (as established by section
2 901(a) of the Social Security Act), such sums
3 as determined by the Secretary of Labor in ac-
4 cordance with subparagraph (B) to assist
5 States in providing reemployment services and
6 reemployment and eligibility assessment activi-
7 ties described in section 4001(h)(2).

8 “(B) DETERMINATION OF TOTAL
9 AMOUNT.—The amount referred to in subpara-
10 graph (A) is the amount the Secretary of Labor
11 estimates is equal to—

12 “(i) the number of individuals who
13 will receive reemployment services and re-
14 employment eligibility and assessment ac-
15 tivities described in section 4001(h)(2) in
16 all States through the date specified in sec-
17 tion 4007(b)(3); multiplied by

18 “(ii) \$85.

19 “(C) DISTRIBUTION AMONG STATES.—Of
20 the amounts appropriated under subparagraph
21 (A), the Secretary of Labor shall distribute
22 amounts to each State, in accordance with sec-
23 tion 4003(c), that the Secretary estimates is
24 equal to—

1 “(i) the number of individuals who
2 will receive reemployment services and re-
3 employment and eligibility assessment ac-
4 tivities described in section 4001(h)(2) in
5 such State through the date specified in
6 section 4007(b)(3); multiplied by

7 “(ii) \$85.”.

8 (2) TRANSFER OF FUNDS.—Section 4004(e) of
9 the Supplemental Appropriations Act, 2008 (Public
10 Law 110–252; 26 U.S.C. 3304 note) is amended—

11 (A) in paragraph (1)(G), by striking “and”
12 at the end;

13 (B) in paragraph (2), by striking the pe-
14 riod at the end and inserting “; and”; and

15 (C) by adding at the end the following
16 paragraph:

17 “(3) to the Employment Security Administra-
18 tion account (as established by section 901(a) of the
19 Social Security Act) such sums as the Secretary of
20 Labor determines to be necessary in accordance with
21 subsection (c)(2) to assist States in providing reem-
22 ployment services and reemployment eligibility and
23 assessment activities described in section
24 4001(h)(2).”.

1 **SEC. 2143. PROMOTING PROGRAM INTEGRITY THROUGH**
2 **BETTER RECOVERY OF OVERPAYMENTS.**

3 Section 4005(c)(1) of the Supplemental Appropria-
4 tions Act, 2008 (Public Law 110–252; 26 U.S.C. 3304
5 note) is amended—

6 (1) by striking “may” and inserting “shall”;

7 and

8 (2) by striking “except that” and all that fol-
9 lows through “made” and inserting “in accordance
10 with the same procedures as apply to the recovery
11 of overpayments of regular unemployment benefits
12 paid by the State”.

13 **SEC. 2144. RESTORE STATE FLEXIBILITY TO IMPROVE UN-**
14 **EMPLOYMENT PROGRAM SOLVENCY.**

15 Subsection (g) of section 4001 of the Supplemental
16 Appropriations Act, 2008 (Public Law 110–252; 26
17 U.S.C. 3304 note) shall not apply with respect to a State
18 that has enacted a law before March 1, 2012, that, upon
19 taking effect, would violate such subsection.

20 **Subtitle D—Short-Time**
21 **Compensation Program**

22 **SEC. 2160. SHORT TITLE.**

23 This subtitle may be cited as the “Layoff Prevention
24 Act of 2012”.

1 **SEC. 2161. TREATMENT OF SHORT-TIME COMPENSATION**
2 **PROGRAMS.**

3 (a) DEFINITION.—

4 (1) IN GENERAL.—Section 3306 of the Internal
5 Revenue Code of 1986 (26 U.S.C. 3306) is amended
6 by adding at the end the following new subsection:

7 “(v) SHORT-TIME COMPENSATION PROGRAM.—For
8 purposes of this part, the term ‘short-time compensation
9 program’ means a program under which—

10 “(1) the participation of an employer is vol-
11 untary;

12 “(2) an employer reduces the number of hours
13 worked by employees in lieu of layoffs;

14 “(3) such employees whose workweeks have
15 been reduced by at least 10 percent, and by not
16 more than the percentage, if any, that is determined
17 by the State to be appropriate (but in no case more
18 than 60 percent), are not disqualified from unem-
19 ployment compensation;

20 “(4) the amount of unemployment compensa-
21 tion payable to any such employee is a pro rata por-
22 tion of the unemployment compensation which would
23 otherwise be payable to the employee if such em-
24 ployee were unemployed;

25 “(5) such employees meet the availability for
26 work and work search test requirements while col-

1 lecting short-time compensation benefits, by being
2 available for their workweek as required by the State
3 agency;

4 “(6) eligible employees may participate, as ap-
5 propriate, in training (including employer-sponsored
6 training or worker training funded under the Work-
7 force Investment Act of 1998) to enhance job skills
8 if such program has been approved by the State
9 agency;

10 “(7) the State agency shall require employers to
11 certify that if the employer provides health benefits
12 and retirement benefits under a defined benefit plan
13 (as defined in section 414(j)) or contributions under
14 a defined contribution plan (as defined in section
15 414(i)) to any employee whose workweek is reduced
16 under the program that such benefits will continue
17 to be provided to employees participating in the
18 short-time compensation program under the same
19 terms and conditions as though the workweek of
20 such employee had not been reduced or to the same
21 extent as other employees not participating in the
22 short-time compensation program;

23 “(8) the State agency shall require an employer
24 to submit a written plan describing the manner in
25 which the requirements of this subsection will be im-

1 plemented (including a plan for giving advance no-
2 tice, where feasible, to an employee whose workweek
3 is to be reduced) together with an estimate of the
4 number of layoffs that would have occurred absent
5 the ability to participate in short-time compensation
6 and such other information as the Secretary of
7 Labor determines is appropriate;

8 “(9) the terms of the employer’s written plan
9 and implementation shall be consistent with em-
10 ployer obligations under applicable Federal and
11 State laws; and

12 “(10) upon request by the State and approval
13 by the Secretary of Labor, only such other provi-
14 sions are included in the State law that are deter-
15 mined to be appropriate for purposes of a short-time
16 compensation program.”.

17 (2) EFFECTIVE DATE.—Subject to paragraph
18 (3), the amendment made by paragraph (1) shall
19 take effect on the date of the enactment of this Act.

20 (3) TRANSITION PERIOD FOR EXISTING PRO-
21 GRAMS.—In the case of a State that is administering
22 a short-time compensation program as of the date of
23 the enactment of this Act and the State law cannot
24 be administered consistent with the amendment

1 made by paragraph (1), such amendment shall take
2 effect on the earlier of—

3 (A) the date the State changes its State
4 law in order to be consistent with such amend-
5 ment; or

6 (B) the date that is 2 years and 6 months
7 after the date of the enactment of this Act.

8 (b) CONFORMING AMENDMENTS.—

9 (1) INTERNAL REVENUE CODE OF 1986.—

10 (A) Subparagraph (E) of section
11 3304(a)(4) of the Internal Revenue Code of
12 1986 is amended to read as follows:

13 “(E) amounts may be withdrawn for the
14 payment of short-time compensation under a
15 short-time compensation program (as defined
16 under section 3306(v));”.

17 (B) Subsection (f) of section 3306 of the
18 Internal Revenue Code of 1986 is amended—

19 (i) by striking paragraph (5) (relating
20 to short-time compensation) and inserting
21 the following new paragraph:

22 “(5) amounts may be withdrawn for the pay-
23 ment of short-time compensation under a short-time
24 compensation program (as defined in subsection (v));
25 and”; and

1 (ii) by redesignating paragraph (5)
2 (relating to self-employment assistance
3 program) as paragraph (6).

4 (2) SOCIAL SECURITY ACT.—Section 303(a)(5)
5 of the Social Security Act is amended by striking
6 “the payment of short-time compensation under a
7 plan approved by the Secretary of Labor” and in-
8 serting “the payment of short-time compensation
9 under a short-time compensation program (as de-
10 fined in section 3306(v) of the Internal Revenue
11 Code of 1986)”.

12 (3) UNEMPLOYMENT COMPENSATION AMEND-
13 MENTS OF 1992.—Subsections (b) through (d) of sec-
14 tion 401 of the Unemployment Compensation
15 Amendments of 1992 (26 U.S.C. 3304 note) are re-
16 pealed.

17 **SEC. 2162. TEMPORARY FINANCING OF SHORT-TIME COM-**
18 **PENSATION PAYMENTS IN STATES WITH PRO-**
19 **GRAMS IN LAW.**

20 (a) PAYMENTS TO STATES.—

21 (1) IN GENERAL.—Subject to paragraph (3),
22 there shall be paid to a State an amount equal to
23 100 percent of the amount of short-time compensa-
24 tion paid under a short-time compensation program
25 (as defined in section 3306(v) of the Internal Rev-

1 enue Code of 1986, as added by section 2161(a))
2 under the provisions of the State law.

3 (2) TERMS OF PAYMENTS.—Payments made to
4 a State under paragraph (1) shall be payable by way
5 of reimbursement in such amounts as the Secretary
6 estimates the State will be entitled to receive under
7 this section for each calendar month, reduced or in-
8 creased, as the case may be, by any amount by
9 which the Secretary finds that the Secretary's esti-
10 mates for any prior calendar month were greater or
11 less than the amounts which should have been paid
12 to the State. Such estimates may be made on the
13 basis of such statistical, sampling, or other method
14 as may be agreed upon by the Secretary and the
15 State agency of the State involved.

16 (3) LIMITATIONS ON PAYMENTS.—

17 (A) GENERAL PAYMENT LIMITATIONS.—

18 No payments shall be made to a State under
19 this section for short-time compensation paid to
20 an individual by the State during a benefit year
21 in excess of 26 times the amount of regular
22 compensation (including dependents' allow-
23 ances) under the State law payable to such in-
24 dividual for a week of total unemployment.

1 (B) EMPLOYER LIMITATIONS.—No pay-
2 ments shall be made to a State under this sec-
3 tion for benefits paid to an individual by the
4 State under a short-time compensation program
5 if such individual is employed by the partici-
6 pating employer on a seasonal, temporary, or
7 intermittent basis.

8 (b) APPLICABILITY.—

9 (1) IN GENERAL.—Payments to a State under
10 subsection (a) shall be available for weeks of unem-
11 ployment—

12 (A) beginning on or after the date of the
13 enactment of this Act; and

14 (B) ending on or before the date that is 3
15 years and 6 months after the date of the enact-
16 ment of this Act.

17 (2) THREE-YEAR FUNDING LIMITATION FOR
18 COMBINED PAYMENTS UNDER THIS SECTION AND
19 SECTION 2163.—States may receive payments under
20 this section and section 2163 with respect to a total
21 of not more than 156 weeks.

22 (c) TWO-YEAR TRANSITION PERIOD FOR EXISTING
23 PROGRAMS.—During any period that the transition provi-
24 sion under section 2161(a)(3) is applicable to a State with
25 respect to a short-time compensation program, such State

1 shall be eligible for payments under this section. Subject
2 to paragraphs (1)(B) and (2) of subsection (b), if at any
3 point after the date of the enactment of this Act the State
4 enacts a State law providing for the payment of short-
5 time compensation under a short-time compensation pro-
6 gram that meets the definition of such a program under
7 section 3306(v) of the Internal Revenue Code of 1986, as
8 added by section 2161(a), the State shall be eligible for
9 payments under this section after the effective date of
10 such enactment.

11 (d) FUNDING AND CERTIFICATIONS.—

12 (1) FUNDING.—There are appropriated, out of
13 moneys in the Treasury not otherwise appropriated,
14 such sums as may be necessary for purposes of car-
15 rying out this section.

16 (2) CERTIFICATIONS.—The Secretary shall
17 from time to time certify to the Secretary of the
18 Treasury for payment to each State the sums pay-
19 able to such State under this section.

20 (e) DEFINITIONS.—In this section:

21 (1) SECRETARY.—The term “Secretary” means
22 the Secretary of Labor.

23 (2) STATE; STATE AGENCY; STATE LAW.—The
24 terms “State”, “State agency”, and “State law”
25 have the meanings given those terms in section 205

1 of the Federal-State Extended Unemployment Com-
2 pensation Act of 1970 (26 U.S.C. 3304 note).

3 **SEC. 2163. TEMPORARY FINANCING OF SHORT-TIME COM-
4 PENSATION AGREEMENTS.**

5 (a) FEDERAL-STATE AGREEMENTS.—

6 (1) IN GENERAL.—Any State which desires to
7 do so may enter into, and participate in, an agree-
8 ment under this section with the Secretary provided
9 that such State's law does not provide for the pay-
10 ment of short-time compensation under a short-time
11 compensation program (as defined in section
12 3306(v) of the Internal Revenue Code of 1986, as
13 added by section 2161(a)).

14 (2) ABILITY TO TERMINATE.—Any State which
15 is a party to an agreement under this section may,
16 upon providing 30 days' written notice to the Sec-
17 retary, terminate such agreement.

18 (b) PROVISIONS OF FEDERAL-STATE AGREEMENT.—

19 (1) IN GENERAL.—Any agreement under this
20 section shall provide that the State agency of the
21 State will make payments of short-time compensa-
22 tion under a plan approved by the State. Such plan
23 shall provide that payments are made in accordance
24 with the requirements under section 3306(v) of the

1 Internal Revenue Code of 1986, as added by section
2 2161(a).

3 (2) LIMITATIONS ON PLANS.—

4 (A) GENERAL PAYMENT LIMITATIONS.—A
5 short-time compensation plan approved by a
6 State shall not permit the payment of short-
7 time compensation to an individual by the State
8 during a benefit year in excess of 26 times the
9 amount of regular compensation (including de-
10 pendents' allowances) under the State law pay-
11 able to such individual for a week of total un-
12 employment.

13 (B) EMPLOYER LIMITATIONS.—A short-
14 time compensation plan approved by a State
15 shall not provide payments to an individual if
16 such individual is employed by the participating
17 employer on a seasonal, temporary, or intermit-
18 tent basis.

19 (3) EMPLOYER PAYMENT OF COSTS.—Any
20 short-time compensation plan entered into by an em-
21 ployer must provide that the employer will pay the
22 State an amount equal to one-half of the amount of
23 short-time compensation paid under such plan. Such
24 amount shall be deposited in the State's unemploy-
25 ment fund and shall not be used for purposes of cal-

1 culating an employer's contribution rate under sec-
2 tion 3303(a)(1) of the Internal Revenue Code of
3 1986.

4 (c) PAYMENTS TO STATES.—

5 (1) IN GENERAL.—There shall be paid to each
6 State with an agreement under this section an
7 amount equal to—

8 (A) one-half of the amount of short-time
9 compensation paid to individuals by the State
10 pursuant to such agreement; and

11 (B) any additional administrative expenses
12 incurred by the State by reason of such agree-
13 ment (as determined by the Secretary).

14 (2) TERMS OF PAYMENTS.—Payments made to
15 a State under paragraph (1) shall be payable by way
16 of reimbursement in such amounts as the Secretary
17 estimates the State will be entitled to receive under
18 this section for each calendar month, reduced or in-
19 creased, as the case may be, by any amount by
20 which the Secretary finds that the Secretary's esti-
21 mates for any prior calendar month were greater or
22 less than the amounts which should have been paid
23 to the State. Such estimates may be made on the
24 basis of such statistical, sampling, or other method

1 as may be agreed upon by the Secretary and the
2 State agency of the State involved.

3 (3) FUNDING.—There are appropriated, out of
4 moneys in the Treasury not otherwise appropriated,
5 such sums as may be necessary for purposes of car-
6 rying out this section.

7 (4) CERTIFICATIONS.—The Secretary shall
8 from time to time certify to the Secretary of the
9 Treasury for payment to each State the sums pay-
10 able to such State under this section.

11 (d) APPLICABILITY.—

12 (1) IN GENERAL.—An agreement entered into
13 under this section shall apply to weeks of unemploy-
14 ment—

15 (A) beginning on or after the date on
16 which such agreement is entered into; and

17 (B) ending on or before the date that is 2
18 years and 13 weeks after the date of the enact-
19 ment of this Act.

20 (2) TWO-YEAR FUNDING LIMITATION.—States
21 may receive payments under this section with re-
22 spect to a total of not more than 104 weeks.

23 (e) SPECIAL RULE.—If a State has entered into an
24 agreement under this section and subsequently enacts a
25 State law providing for the payment of short-time com-

1 pensionation under a short-time compensation program that
2 meets the definition of such a program under section
3 3306(v) of the Internal Revenue Code of 1986, as added
4 by section 2161(a), the State—

5 (1) shall not be eligible for payments under this
6 section for weeks of unemployment beginning after
7 the effective date of such State law; and

8 (2) subject to paragraphs (1)(B) and (2) of sec-
9 tion 2162(b), shall be eligible to receive payments
10 under section 2162 after the effective date of such
11 State law.

12 (f) DEFINITIONS.—In this section:

13 (1) SECRETARY.—The term “Secretary” means
14 the Secretary of Labor.

15 (2) STATE; STATE AGENCY; STATE LAW.—The
16 terms “State”, “State agency”, and “State law”
17 have the meanings given those terms in section 205
18 of the Federal-State Extended Unemployment Com-
19 pensation Act of 1970 (26 U.S.C. 3304 note).

20 **SEC. 2164. GRANTS FOR SHORT-TIME COMPENSATION PRO-**
21 **GRAMS.**

22 (a) GRANTS.—

23 (1) FOR IMPLEMENTATION OR IMPROVED AD-
24 MINISTRATION.—The Secretary shall award grants
25 to States that enact short-time compensation pro-

1 grams (as defined in subsection (i)(2)) for the pur-
2 pose of implementation or improved administration
3 of such programs.

4 (2) FOR PROMOTION AND ENROLLMENT.—The
5 Secretary shall award grants to States that are eligi-
6 ble and submit plans for a grant under paragraph
7 (1) for such States to promote and enroll employers
8 in short-time compensation programs (as so de-
9 fined).

10 (3) ELIGIBILITY.—

11 (A) IN GENERAL.—The Secretary shall de-
12 termine eligibility criteria for the grants under
13 paragraphs (1) and (2).

14 (B) CLARIFICATION.—A State admin-
15 istering a short-time compensation program, in-
16 cluding a program being administered by a
17 State that is participating in the transition
18 under the provisions of sections 301(a)(3) and
19 302(c), that does not meet the definition of a
20 short-time compensation program under section
21 3306(v) of the Internal Revenue Code of 1986
22 (as added by 211(a)), and a State with an
23 agreement under section 2163, shall not be eli-
24 gible to receive a grant under this section until
25 such time as the State law of the State provides

1 for payments under a short-time compensation
2 program that meets such definition and such
3 law.

4 (b) AMOUNT OF GRANTS.—

5 (1) IN GENERAL.—The maximum amount avail-
6 able for making grants to a State under paragraphs
7 (1) and (2) shall be equal to the amount obtained
8 by multiplying \$100,000,000 (less the amount used
9 by the Secretary under subsection (e)) by the same
10 ratio as would apply under subsection (a)(2)(B) of
11 section 903 of the Social Security Act (42 U.S.C.
12 1103) for purposes of determining such State's
13 share of any excess amount (as described in sub-
14 section (a)(1) of such section) that would have been
15 subject to transfer to State accounts, as of October
16 1, 2010, under the provisions of subsection (a) of
17 such section.

18 (2) AMOUNT AVAILABLE FOR DIFFERENT
19 GRANTS.—Of the maximum incentive payment deter-
20 mined under paragraph (1) with respect to a
21 State—

22 (A) one-third shall be available for a grant
23 under subsection (a)(1); and

24 (B) two-thirds shall be available for a
25 grant under subsection (a)(2).

1 (c) GRANT APPLICATION AND DISBURSAL.—

2 (1) APPLICATION.—Any State seeking a grant
3 under paragraph (1) or (2) of subsection (a) shall
4 submit an application to the Secretary at such time,
5 in such manner, and complete with such information
6 as the Secretary may require. In no case may the
7 Secretary award a grant under this section with re-
8 spect to an application that is submitted after De-
9 cember 31, 2014.

10 (2) NOTICE.—The Secretary shall, within 30
11 days after receiving a complete application, notify
12 the State agency of the State of the Secretary's find-
13 ings with respect to the requirements for a grant
14 under paragraph (1) or (2) (or both) of subsection
15 (a).

16 (3) CERTIFICATION.—If the Secretary finds
17 that the State law provisions meet the requirements
18 for a grant under subsection (a), the Secretary shall
19 thereupon make a certification to that effect to the
20 Secretary of the Treasury, together with a certifi-
21 cation as to the amount of the grant payment to be
22 transferred to the State account in the Unemploy-
23 ment Trust Fund (as established in section 904(a)
24 of the Social Security Act (42 U.S.C. 1104(a))) pur-
25 suant to that finding. The Secretary of the Treasury

1 shall make the appropriate transfer to the State ac-
2 count within 7 days after receiving such certifi-
3 cation.

4 (4) REQUIREMENT.—No certification of compli-
5 ance with the requirements for a grant under para-
6 graph (1) or (2) of subsection (a) may be made with
7 respect to any State whose—

8 (A) State law is not otherwise eligible for
9 certification under section 303 of the Social Se-
10 curity Act (42 U.S.C. 503) or approvable under
11 section 3304 of the Internal Revenue Code of
12 1986; or

13 (B) short-time compensation program is
14 subject to discontinuation or is not scheduled to
15 take effect within 12 months of the certifi-
16 cation.

17 (d) USE OF FUNDS.—The amount of any grant
18 awarded under this section shall be used for the implemen-
19 tation of short-time compensation programs and the over-
20 all administration of such programs and the promotion
21 and enrollment efforts associated with such programs,
22 such as through—

23 (1) the creation or support of rapid response
24 teams to advise employers about alternatives to lay-
25 offs;

1 (2) the provision of education or assistance to
2 employers to enable them to assess the feasibility of
3 participating in short-time compensation programs;
4 and

5 (3) the development or enhancement of systems
6 to automate—

7 (A) the submission and approval of plans;
8 and

9 (B) the filing and approval of new and on-
10 going short-time compensation claims.

11 (e) ADMINISTRATION.—The Secretary is authorized
12 to use 0.25 percent of the funds available under subsection
13 (g) to provide for outreach and to share best practices with
14 respect to this section and short-time compensation pro-
15 grams.

16 (f) RECOUPMENT.—The Secretary shall establish a
17 process under which the Secretary shall recoup the
18 amount of any grant awarded under paragraph (1) or (2)
19 of subsection (a) if the Secretary determines that, during
20 the 5-year period beginning on the first date that any such
21 grant is awarded to the State, the State—

22 (1) terminated the State's short-time compensa-
23 tion program; or

1 (2) failed to meet appropriate requirements
2 with respect to such program (as established by the
3 Secretary).

4 (g) FUNDING.—There are appropriated, out of mon-
5 eys in the Treasury not otherwise appropriated, to the
6 Secretary, \$100,000,000 to carry out this section, to re-
7 main available without fiscal year limitation.

8 (h) REPORTING.—The Secretary may establish re-
9 porting requirements for States receiving a grant under
10 this section in order to provide oversight of grant funds.

11 (i) DEFINITIONS.—In this section:

12 (1) SECRETARY.—The term “Secretary” means
13 the Secretary of Labor.

14 (2) SHORT-TIME COMPENSATION PROGRAM.—
15 The term “short-time compensation program” has
16 the meaning given such term in section 3306(v) of
17 the Internal Revenue Code of 1986, as added by sec-
18 tion 2161(a).

19 (3) STATE; STATE AGENCY; STATE LAW.—The
20 terms “State”, “State agency”, and “State law”
21 have the meanings given those terms in section 205
22 of the Federal-State Extended Unemployment Com-
23 pensation Act of 1970 (26 U.S.C. 3304 note).

1 **SEC. 2165. ASSISTANCE AND GUIDANCE IN IMPLEMENTING**
2 **PROGRAMS.**

3 (a) IN GENERAL.—In order to assist States in estab-
4 lishing, qualifying, and implementing short-time com-
5 pensation programs (as defined in section 3306(v) of the
6 Internal Revenue Code of 1986, as added by section
7 2161(a)), the Secretary of Labor (in this section referred
8 to as the “Secretary”) shall—

9 (1) develop model legislative language which
10 may be used by States in developing and enacting
11 such programs and periodically review and revise
12 such model legislative language;

13 (2) provide technical assistance and guidance in
14 developing, enacting, and implementing such pro-
15 grams;

16 (3) establish reporting requirements for States,
17 including reporting on—

18 (A) the number of estimated averted lay-
19 offs;

20 (B) the number of participating employers
21 and workers; and

22 (C) such other items as the Secretary of
23 Labor determines are appropriate.

24 (b) MODEL LANGUAGE AND GUIDANCE.—The model
25 language and guidance developed under subsection (a)
26 shall allow sufficient flexibility by States and participating

1 employers while ensuring accountability and program in-
2 tegrity.

3 (c) CONSULTATION.—In developing the model legisla-
4 tive language and guidance under subsection (a), and in
5 order to meet the requirements of subsection (b), the Sec-
6 retary shall consult with employers, labor organizations,
7 State workforce agencies, and other program experts.

8 **SEC. 2166. REPORTS.**

9 (a) REPORT.—

10 (1) IN GENERAL.—Not later than 4 years after
11 the date of the enactment of this Act, the Secretary
12 of Labor shall submit to Congress and to the Presi-
13 dent a report or reports on the implementation of
14 the provisions of this subtitle.

15 (2) REQUIREMENTS.—Any report under para-
16 graph (1) shall at a minimum include the following:

17 (A) A description of best practices by
18 States and employers in the administration,
19 promotion, and use of short-time compensation
20 programs (as defined in section 3306(v) of the
21 Internal Revenue Code of 1986, as added by
22 section 2161(a)).

23 (B) An analysis of the significant chal-
24 lenges to State enactment and implementation
25 of short-time compensation programs.

1 (C) A survey of employers in all States to
2 determine the level of interest in participating
3 in short-time compensation programs.

4 (b) FUNDING.—There are appropriated, out of any
5 moneys in the Treasury not otherwise appropriated, to the
6 Secretary of Labor, \$1,500,000 to carry out this section,
7 to remain available without fiscal year limitation.

8 **Subtitle E—Self-Employment**
9 **Assistance**

10 **SEC. 2181. STATE ADMINISTRATION OF SELF-EMPLOYMENT**
11 **ASSISTANCE PROGRAMS.**

12 (a) AVAILABILITY FOR INDIVIDUALS RECEIVING EX-
13 TENDED COMPENSATION.—Title II of the Federal-State
14 Extended Unemployment Compensation Act of 1970 (26
15 U.S.C. 3304 note) is amended by inserting at the end the
16 following new section:

17 “AUTHORITY TO CONDUCT SELF-EMPLOYMENT
18 ASSISTANCE PROGRAMS

19 “SEC. 208. (a)(1) At the option of a State, for any
20 weeks of unemployment beginning after the date of enact-
21 ment of this section, the State agency of the State may
22 establish a self-employment assistance program, as de-
23 scribed in subsection (b), to provide for the payment of
24 extended compensation as self-employment assistance al-
25 lowances to individuals who would otherwise satisfy the
26 eligibility criteria under this title.

1 “(2) Subject to paragraph (3), the self-employment
2 assistance allowance described in paragraph (1) shall be
3 paid to an eligible individual from such individual’s ex-
4 tended compensation account, as described in section
5 202(b), and the amount in such account shall be reduced
6 accordingly.

7 “(3)(A) Subject to subparagraph (B), for purposes
8 of self-employment assistance programs established under
9 this section and section 4001(j) of the Supplemental Ap-
10 propriations Act, 2008, an individual shall be provided
11 with self-employment assistance allowances under such
12 programs for a total of not greater than 26 weeks (re-
13 ferred to in this section as the ‘combined eligibility limit’).

14 “(B) For purposes of an individual who is partici-
15 pating in a self-employment assistance program estab-
16 lished under this section and has not reached the com-
17 bined eligibility limit as of the date on which such indi-
18 vidual exhausts all rights to extended compensation under
19 this title, the individual shall be eligible to receive self-
20 employment assistance allowances under a self-employ-
21 ment assistance program established under section
22 4001(j) of the Supplemental Appropriations Act, 2008,
23 until such individual has reached the combined eligibility
24 limit, provided that the individual otherwise satisfies the
25 eligibility criteria described under title IV of such Act.

1 “(b) For the purposes of this section, the term ‘self-
2 employment assistance program’ means a program as de-
3 fined under section 3306(t) of the Internal Revenue Code
4 of 1986, except as follows:

5 “(1) all references to ‘regular unemployment
6 compensation under the State law’ shall be deemed
7 to refer instead to ‘extended compensation under
8 title II of the Federal-State Extended Unemploy-
9 ment Compensation Act of 1970’;

10 “(2) paragraph (3)(B) shall not apply;

11 “(3) clause (i) of paragraph (3)(C) shall be
12 deemed to state as follows:

13 “‘(i) include any entrepreneurial
14 training that the State or non-profit orga-
15 nizations may provide in coordination with
16 programs of training offered by the Small
17 Business Administration, which may in-
18 clude business counseling, mentorship for
19 participants, access to small business de-
20 velopment resources, and technical assist-
21 ance; and’;

22 “(4) the reference to ‘5 percent’ in paragraph
23 (4) shall be deemed to refer instead to ‘1 percent’;
24 and

25 “(5) paragraph (5) shall not apply.

1 “(c) In the case of an individual who is eligible to
2 receive extended compensation under this title, such indi-
3 vidual shall not receive self-employment assistance allow-
4 ances under this section unless the State agency has a
5 reasonable expectation that such individual will be entitled
6 to at least 13 times the individual’s average weekly benefit
7 amount of extended compensation and emergency unem-
8 ployment compensation.

9 “(d)(1) An individual who is participating in a self-
10 employment assistance program established under this
11 section may elect to discontinue participation in such pro-
12 gram at any time.

13 “(2) For purposes of an individual whose participa-
14 tion in a self-employment assistance program established
15 under this section is terminated pursuant to subsection
16 (a)(3) or who has discontinued participation in such pro-
17 gram, if the individual continues to satisfy the eligibility
18 requirements for extended compensation under this title,
19 the individual shall receive extended compensation pay-
20 ments with respect to subsequent weeks of unemployment,
21 to the extent that amounts remain in the account estab-
22 lished for such individual under section 202(b).”.

23 (b) AVAILABILITY FOR INDIVIDUALS RECEIVING
24 EMERGENCY UNEMPLOYMENT COMPENSATION.—Section
25 4001 of the Supplemental Appropriations Act, 2008 (Pub-

1 lie Law 110–252; 26 U.S.C. 3304 note), as amended by
2 sections 2141(b) and 2142(a), is further amended by in-
3 serting at the end the following new subsection:

4 “(j) AUTHORITY TO CONDUCT SELF-EMPLOYMENT
5 ASSISTANCE PROGRAM.—

6 “(1) IN GENERAL.—

7 “(A) ESTABLISHMENT.—Any agreement
8 under subsection (a) may provide that the State
9 agency of the State shall establish a self-em-
10 ployment assistance program, as described in
11 paragraph (2), to provide for the payment of
12 emergency unemployment compensation as self-
13 employment assistance allowances to individuals
14 who would otherwise satisfy the eligibility cri-
15 teria specified in subsection (b).

16 “(B) PAYMENT OF ALLOWANCES.—Subject
17 to subparagraph (C), the self-employment as-
18 sistance allowance described in subparagraph
19 (A) shall be paid to an eligible individual from
20 such individual’s emergency unemployment
21 compensation account, as described in section
22 4002, and the amount in such account shall be
23 reduced accordingly.

24 “(C) LIMITATION ON SELF-EMPLOYMENT
25 ASSISTANCE FOR INDIVIDUALS RECEIVING EX-

1 TENDED COMPENSATION AND EMERGENCY UN-
2 EMPLOYMENT COMPENSATION.—

3 “(i) COMBINED ELIGIBILITY LIMIT.—

4 Subject to clause (ii), for purposes of self-
5 employment assistance programs estab-
6 lished under this subsection and section
7 208 of the Federal-State Extended Unem-
8 ployment Compensation Act of 1970, an
9 individual shall be provided with self-em-
10 ployment assistance allowances under such
11 programs for a total of not greater than 26
12 weeks (referred to in this subsection as the
13 ‘combined eligibility limit’).

14 “(ii) CARRYOVER RULE.—For pur-
15 poses of an individual who is participating
16 in a self-employment assistance program
17 established under this subsection and has
18 not reached the combined eligibility limit
19 as of the date on which such individual ex-
20 hausts all rights to extended compensation
21 under this title, the individual shall be eli-
22 gible to receive self-employment assistance
23 allowances under a self-employment assist-
24 ance program established under section
25 208 of the Federal-State Extended Unem-

1 ployment Compensation Act of 1970 until
2 such individual has reached the combined
3 eligibility limit, provided that the indi-
4 vidual otherwise satisfies the eligibility cri-
5 teria described under title II of such Act.

6 “(2) DEFINITION OF ‘SELF-EMPLOYMENT AS-
7 SISTANCE PROGRAM’.—For the purposes of this sec-
8 tion, the term ‘self-employment assistance program’
9 means a program as defined under section 3306(t)
10 of the Internal Revenue Code of 1986, except as fol-
11 lows:

12 “(A) all references to ‘regular unemploy-
13 ment compensation under the State law’ shall
14 be deemed to refer instead to ‘emergency unem-
15 ployment compensation under title IV of the
16 Supplemental Appropriations Act, 2008’;

17 “(B) paragraph (3)(B) shall not apply;

18 “(C) clause (i) of paragraph (3)(C) shall
19 be deemed to state as follows:

20 “(i) include any entrepreneurial
21 training that the State or non-profit orga-
22 nizations may provide in coordination with
23 programs of training offered by the Small
24 Business Administration, which may in-
25 clude business counseling, mentorship for

1 participants, access to small business de-
2 velopment resources, and technical assist-
3 ance; and’;

4 “(D) the reference to ‘5 percent’ in para-
5 graph (4) shall be deemed to refer instead to ‘1
6 percent’; and

7 “(E) paragraph (5) shall not apply.

8 “(3) AVAILABILITY OF SELF-EMPLOYMENT AS-
9 SISTANCE ALLOWANCES.—In the case of an indi-
10 vidual who is eligible to receive emergency unemploy-
11 ment compensation payment under this title, such
12 individual shall not receive self-employment assist-
13 ance allowances under this subsection unless the
14 State agency has a reasonable expectation that such
15 individual will be entitled to at least 13 times the in-
16 dividual’s average weekly benefit amount of extended
17 compensation and emergency unemployment com-
18 pensation.

19 “(4) PARTICIPANT OPTION TO TERMINATE PAR-
20 TICIPATION IN SELF-EMPLOYMENT ASSISTANCE PRO-
21 GRAM.—

22 “(A) TERMINATION.—An individual who is
23 participating in a self-employment assistance
24 program established under this subsection may

1 elect to discontinue participation in such pro-
2 gram at any time.

3 “(B) CONTINUED ELIGIBILITY FOR EMER-
4 GENCY UNEMPLOYMENT COMPENSATION.—For
5 purposes of an individual whose participation in
6 the self-employment assistance program estab-
7 lished under this subsection is terminated pur-
8 suant to paragraph (1)(C) or who has discon-
9 tinued participation in such program, if the in-
10 dividual continues to satisfy the eligibility re-
11 quirements for emergency unemployment com-
12 pensation under this title, the individual shall
13 receive emergency unemployment compensation
14 payments with respect to subsequent weeks of
15 unemployment, to the extent that amounts re-
16 main in the account established for such indi-
17 vidual under section 4002(b) or to the extent
18 that such individual commences receiving the
19 amounts described in subsections (c), (d), or (e)
20 of such section, respectively.”

21 **SEC. 2182. GRANTS FOR SELF-EMPLOYMENT ASSISTANCE**
22 **PROGRAMS.**

23 (a) IN GENERAL.—

24 (1) ESTABLISHMENT OR IMPROVED ADMINIS-
25 TRATION.—Subject to the requirements established

1 under subsection (b), the Secretary shall award
2 grants to States for the purposes of—

3 (A) improved administration of self-em-
4 ployment assistance programs that have been
5 established, prior to the date of the enactment
6 of this Act, pursuant to section 3306(t) of the
7 Internal Revenue Code of 1986 (26 U.S.C.
8 3306(t)), for individuals who are eligible to re-
9 ceive regular unemployment compensation;

10 (B) development, implementation, and ad-
11 ministration of self-employment assistance pro-
12 grams that are established, subsequent to the
13 date of the enactment of this Act, pursuant to
14 section 3306(t) of the Internal Revenue Code of
15 1986, for individuals who are eligible to receive
16 regular unemployment compensation; and

17 (C) development, implementation, and ad-
18 ministration of self-employment assistance pro-
19 grams that are established pursuant to section
20 208 of the Federal-State Extended Unemploy-
21 ment Compensation Act of 1970 or section
22 4001(j) of the Supplemental Appropriations
23 Act, 2008, for individuals who are eligible to re-
24 ceive extended compensation or emergency un-
25 employment compensation.

1 (2) PROMOTION AND ENROLLMENT.—Subject
2 to the requirements established under subsection (b),
3 the Secretary shall award additional grants to States
4 that submit approved applications for a grant under
5 paragraph (1) for such States to promote self-em-
6 ployment assistance programs and enroll unem-
7 ployed individuals in such programs.

8 (b) APPLICATION AND DISBURSAL.—

9 (1) APPLICATION.—Any State seeking a grant
10 under paragraph (1) or (2) of subsection (a) shall
11 submit an application to the Secretary at such time,
12 in such manner, and containing such information as
13 is determined appropriate by the Secretary. In no
14 case shall the Secretary award a grant under this
15 section with respect to an application that is sub-
16 mitted after December 31, 2013.

17 (2) NOTICE.—Not later than 30 days after re-
18 ceiving an application described in paragraph (1)
19 from a State, the Secretary shall notify the State
20 agency as to whether a grant has been approved for
21 such State for the purposes described in subsection
22 (a).

23 (3) CERTIFICATION.—If the Secretary deter-
24 mines that a State has met the requirements for a
25 grant under subsection (a), the Secretary shall make

1 a certification to that effect to the Secretary of the
2 Treasury, as well as a certification as to the amount
3 of the grant payment to be transferred to the State
4 account in the Unemployment Trust Fund under
5 section 904 of the Social Security Act (42 U.S.C.
6 1104). The Secretary of the Treasury shall make the
7 appropriate transfer to the State account not later
8 than 7 days after receiving such certification.

9 (c) ALLOTMENT FACTORS.—For purposes of allot-
10 ting the funds available under subsection (d) to States
11 that have met the requirements for a grant under this sec-
12 tion, the amount of the grant provided to each State shall
13 be determined based upon the percentage of unemployed
14 individuals in the State relative to the percentage of unem-
15 ployed individuals in all States.

16 (d) FUNDING.—There are appropriated, out of mon-
17 eys in the Treasury not otherwise appropriated,
18 \$35,000,000 for the period of fiscal year 2012 through
19 fiscal year 2013 for purposes of carrying out the grant
20 program under this section,

21 **SEC. 2183. ASSISTANCE AND GUIDANCE IN IMPLEMENTING**
22 **SELF-EMPLOYMENT ASSISTANCE PROGRAMS.**

23 (a) MODEL LANGUAGE AND GUIDANCE.—For pur-
24 poses of assisting States in establishing, improving, and

1 administering self-employment assistance programs, the
2 Secretary shall—

3 (1) develop model language that may be used
4 by States in enacting such programs, as well as peri-
5 odically review and revise such model language; and

6 (2) provide technical assistance and guidance in
7 establishing, improving, and administering such pro-
8 grams.

9 (b) REPORTING AND EVALUATION.—

10 (1) REPORTING.—The Secretary shall establish
11 reporting requirements for States that have estab-
12 lished self-employment assistance programs, which
13 shall include reporting on—

14 (A) the total number of individuals who re-
15 ceived unemployment compensation and—

16 (i) were referred to a self-employment
17 assistance program;

18 (ii) participated in such program; and

19 (iii) received an allowance under such
20 program;

21 (B) the total amount of allowances pro-
22 vided to individuals participating in a self-em-
23 ployment assistance program;

24 (C) the total income (as determined by
25 survey or other appropriate method) for busi-

1 nesses that have been established by individuals
2 participating in a self-employment assistance
3 program, as well as the total number of individ-
4 uals employed through such businesses; and

5 (D) any additional information, as deter-
6 mined appropriate by the Secretary.

7 (2) EVALUATION.—Not later than 5 years after
8 the date of the enactment of this Act, the Secretary
9 shall submit to Congress a report that evaluates the
10 effectiveness of self-employment assistance programs
11 established by States, including—

12 (A) an analysis of the implementation and
13 operation of self-employment assistance pro-
14 grams by States;

15 (B) an evaluation of the economic out-
16 comes for individuals who participated in a self-
17 employment assistance program as compared to
18 individuals who received unemployment com-
19 pensation and did not participate in a self-em-
20 ployment assistance program, including a com-
21 parison as to employment status, income, and
22 duration of receipt of unemployment compensa-
23 tion or self-employment assistance allowances;
24 and

1 (C) an evaluation of the state of the busi-
2 nesses started by individuals who participated
3 in a self-employment assistance program, in-
4 cluding information regarding—

5 (i) the type of businesses established;

6 (ii) the sustainability of the busi-
7 nesses;

8 (iii) the total income collected by the
9 businesses;

10 (iv) the total number of individuals
11 employed through such businesses; and

12 (v) the estimated Federal and State
13 tax revenue collected from such businesses
14 and their employees.

15 (c) FLEXIBILITY AND ACCOUNTABILITY.—The model
16 language, guidance, and reporting requirements developed
17 by the Secretary under subsections (a) and (b) shall—

18 (1) allow sufficient flexibility for States and
19 participating individuals; and

20 (2) ensure accountability and program integ-
21 rity.

22 (d) CONSULTATION.—For purposes of developing the
23 model language, guidance, and reporting requirements de-
24 scribed under subsections (a) and (b), the Secretary shall

1 consult with employers, labor organizations, State agen-
2 cies, and other relevant program experts.

3 (e) ENTREPRENEURIAL TRAINING PROGRAMS.—The
4 Secretary shall utilize resources available through the De-
5 partment of Labor and coordinate with the Administrator
6 of the Small Business Administration to ensure that ade-
7 quate funding is reserved and made available for the provi-
8 sion of entrepreneurial training to individuals partici-
9 pating in self-employment assistance programs.

10 (f) SELF-EMPLOYMENT ASSISTANCE PROGRAM.—For
11 purposes of this section, the term “self-employment assist-
12 ance program” means a program established pursuant to
13 section 3306(t) of the Internal Revenue Code of 1986 (26
14 U.S.C. 3306(t)), section 208 of the Federal-State Ex-
15 tended Unemployment Compensation Act of 1970, or sec-
16 tion 4001(j) of the Supplemental Appropriations Act,
17 2008, for individuals who are eligible to receive regular
18 unemployment compensation, extended compensation, or
19 emergency unemployment compensation.

20 **SEC. 2184. DEFINITIONS.**

21 In this subtitle:

22 (1) SECRETARY.—The term “Secretary” means
23 the Secretary of Labor.

24 (2) STATE; STATE AGENCY.—The terms
25 “State” and “State agency” have the meanings

1 given such terms under section 205 of the Federal-
2 State Extended Unemployment Compensation Act of
3 1970 (26 U.S.C. 3304 note).

4 **TITLE III—MEDICARE AND**
5 **OTHER HEALTH PROVISIONS**
6 **Subtitle A—Medicare Extensions**

7 **SEC. 3001. EXTENSION OF MMA SECTION 508 RECLASSI-**
8 **FICATIONS.**

9 (a) IN GENERAL.—Section 106(a) of division B of
10 the Tax Relief and Health Care Act of 2006 (42 U.S.C.
11 1395 note), as amended by section 117 of the Medicare,
12 Medicaid, and SCHIP Extension Act of 2007 (Public Law
13 110–173), section 124 of the Medicare Improvements for
14 Patients and Providers Act of 2008 (Public Law 110–
15 275), sections 3137(a) and 10317 of the Patient Protec-
16 tion and Affordable Care Act (Public Law 111–148), sec-
17 tion 102(a) of the Medicare and Medicaid Extenders Act
18 of 2010 (Public Law 111–309), and section 302(a) of the
19 Temporary Payroll Tax Cut Continuation Act of 2011
20 (Public Law 112–78), is amended by striking “November
21 30, 2011” and inserting “March 31, 2012”.

22 (b) SPECIAL RULE.—

23 (1) IN GENERAL.—Subject to paragraph (2),
24 for purposes of implementation of the amendment
25 made by subsection (a), including for purposes of

1 the implementation of paragraph (2) of section
2 117(a) of the Medicare, Medicaid, and SCHIP Ex-
3 tension Act of 2007 (Public Law 110–173), for the
4 period beginning on December 1, 2011, and ending
5 on March 31, 2012, the Secretary of Health and
6 Human Services shall use the hospital wage index
7 that was promulgated by the Secretary of Health
8 and Human Services in the Federal Register on Au-
9 gust 18, 2011 (76 Fed. Reg. 51476), and any subse-
10 quent corrections.

11 (2) EXCEPTION.—In determining the wage
12 index applicable to hospitals that qualify for wage
13 index reclassification, the Secretary shall, for the pe-
14 riod described in paragraph (1), include the average
15 hourly wage data of hospitals whose reclassification
16 was extended pursuant to the amendment made by
17 subsection (a) only if including such data results in
18 a higher applicable reclassified wage index. Any revi-
19 sion to hospital wage indexes made as a result of
20 this paragraph shall not be effected in a budget neu-
21 tral manner.

22 (c) TIMEFRAME FOR PAYMENTS.—

23 (1) IN GENERAL.—The Secretary shall make
24 payments required under subsections (a) and (b) by
25 not later than June 30, 2012.

1 (2) OCTOBER 2011 AND NOVEMBER 2011 CON-
2 FORMING CHANGE.—Section 302(c) of the Tem-
3 porary Payroll Tax Cut Continuation Act of 2011
4 (Public Law 112-78) is amended by striking “De-
5 cember 31, 2012” and inserting “June 30, 2012”.

6 **SEC. 3002. EXTENSION OF OUTPATIENT HOLD HARMLESS**
7 **PAYMENTS.**

8 (a) IN GENERAL.—Section 1833(t)(7)(D)(i) of the
9 Social Security Act (42 U.S.C. 1395l(t)(7)(D)(i)), as
10 amended by section 308 of the Temporary Payroll Tax
11 Cut Continuation Act of 2011 (Public Law 112–78), is
12 amended—

13 (1) in subclause (II)—

14 (A) in the first sentence, by striking
15 “March 1, 2012” and inserting “January 1,
16 2013”; and

17 (B) in the second sentence, by striking “or
18 the first two months of 2012” and inserting “or
19 2012”; and

20 (2) in subclause (III), in the first sentence, by
21 striking “March 1, 2012” and inserting “January 1,
22 2013”.

23 (b) REPORT.—Not later than July 1, 2012, the Sec-
24 retary of Health and Human Services shall submit to the
25 Committees on Ways and Means and Energy and Com-

1 merce of the House of Representatives and the Committee
2 on Finance of the Senate a report including recommenda-
3 tions for which types of hospitals should continue to re-
4 ceive hold harmless payments described in subclauses (II)
5 and (III) of section 1833(t)(7)(D)(i) of the Social Security
6 Act (42 U.S.C. 1395l(t)(7)(D)(i)) in order to maintain
7 adequate beneficiary access to outpatient services. In con-
8 ducting such report, the Secretary should examine why
9 some similarly situated hospitals do not receive such hold
10 harmless payments and are able to rely only on the pro-
11 spective payment system for hospital outpatient depart-
12 ment services under section 1833(t) of the Social Security
13 Act (42 U.S.C. 1395l(t)).

14 **SEC. 3003. PHYSICIAN PAYMENT UPDATE.**

15 (a) IN GENERAL.—Section 1848(d)(13) of the Social
16 Security Act (42 U.S.C. 1395w-4(d)(13)), as added by
17 section 301 of the Temporary Payroll Tax Cut Continu-
18 ation Act of 2011 (Public Law 112-78), is amended—

19 (1) in the heading, by striking “FIRST TWO
20 MONTHS OF 2012” and inserting “2012”;

21 (2) in subparagraph (A), by striking “the pe-
22 riod beginning on January 1, 2012, and ending on
23 February 29, 2012” and inserting “2012”;

1 (3) in the heading of subparagraph (B), by
2 striking “REMAINING PORTION OF 2012” and insert-
3 ing “2013”; and

4 (4) in subparagraph (B), by striking “for the
5 period beginning on March 1, 2012, and ending on
6 December 31, 2012, and for 2013” and inserting
7 “for 2013”.

8 (b) MANDATED STUDIES ON PHYSICIAN PAYMENT
9 REFORM.—

10 (1) STUDY BY SECRETARY ON OPTIONS FOR
11 BUNDLED OR EPISODE-BASED PAYMENT.—

12 (A) IN GENERAL.—The Secretary of
13 Health and Human Services shall conduct a
14 study that examines options for bundled or epi-
15 sode-based payments, to cover physicians’ serv-
16 ices currently paid under the physician fee
17 schedule under section 1848 of the Social Secu-
18 rity Act (42 U.S.C. 1395w-4), for one or more
19 prevalent chronic conditions (such as cancer, di-
20 abetes, and congestive heart failure) or episodes
21 of care for one or more major procedures (such
22 as medical device implantation). In conducting
23 the study, the Secretary shall consult with med-
24 ical professional societies and other relevant
25 stakeholders. The study shall include an exam-

1 ination of related private payer payment initia-
2 tives.

3 (B) REPORT.—Not later than January 1,
4 2013, the Secretary shall submit to the Com-
5 mittees on Ways and Means and Energy and
6 Commerce of the House of Representatives and
7 the Committee on Finance of the Senate a re-
8 port on the study conducted under this para-
9 graph. The Secretary shall include in the report
10 recommendations on suitable alternative pay-
11 ment options for services paid under such fee
12 schedule and on associated implementation re-
13 quirements (such as timelines, operational
14 issues, and interactions with other payment re-
15 form initiatives).

16 (2) GAO STUDY OF PRIVATE PAYER INITIA-
17 TIVES.—

18 (A) IN GENERAL.—The Comptroller Gen-
19 eral of the United States shall conduct a study
20 that examines initiatives of private entities of-
21 fering or administering health insurance cov-
22 erage, group health plans, or other private
23 health benefit plans to base or adjust physician
24 payment rates under such coverage or plans for
25 performance on quality and efficiency, as well

1 as demonstration of care delivery improvement
2 activities (such as adherence to evidence-based
3 guidelines and patient-shared decision making
4 programs). In conducting such study, the
5 Comptroller General shall consult, to the extent
6 appropriate, with medical professional societies
7 and other relevant stakeholders.

8 (B) REPORT.—Not later than January 1,
9 2013, the Comptroller General shall submit to
10 the Committees on Ways and Means and En-
11 ergy and Commerce of the House of Represent-
12 atives and the Committee on Finance of the
13 Senate a report on the study conducted under
14 this paragraph. Such report shall include an as-
15 sessment of the applicability of the payer initia-
16 tives described in subparagraph (A) to the
17 Medicare program and recommendations on
18 modifications to existing Medicare performance-
19 based initiatives.

20 **SEC. 3004. WORK GEOGRAPHIC ADJUSTMENT.**

21 (a) IN GENERAL.—Section 1848(e)(1)(E) of the So-
22 cial Security Act (42 U.S.C. 1395w-4(e)(1)(E)), as
23 amended by section 303 of the Temporary Payroll Tax
24 Cut Continuation Act of 2011 (Public Law 112-78), is

1 amended by striking “before March 1, 2012” and insert-
2 ing “before January 1, 2013”.

3 (b) REPORT.—Not later than June 15, 2013, the
4 Medicare Payment Advisory Commission shall submit to
5 the Committees on Ways and Means and Energy and
6 Commerce of the House of Representatives and the Com-
7 mittee on Finance of the Senate a report that assesses
8 whether any adjustment under section 1848 of the Social
9 Security Act (42 U.S.C. 1395w-4) to distinguish the dif-
10 ference in work effort by geographic area is appropriate
11 and, if so, what that level should be and where it should
12 be applied. The report shall also assess the impact of the
13 work geographic adjustment under such section, including
14 the extent to which the floor on such adjustment impacts
15 access to care.

16 **SEC. 3005. PAYMENT FOR OUTPATIENT THERAPY SERV-**
17 **ICES.**

18 (a) APPLICATION OF ADDITIONAL REQUIRE-
19 MENTS.—Section 1833(g)(5) of the Social Security Act
20 (42 U.S.C. 1395l(g)(5)), as amended by section 304 of
21 the Temporary Payroll Tax Cut Continuation Act of 2011
22 (Public Law 112-78), is amended—

23 (1) by inserting “(A)” after “(5)”;

24 (2) in the first sentence, by striking “February
25 29, 2012” and inserting “December 31, 2012”;

1 (3) in the first sentence, by inserting “and if
2 the requirement of subparagraph (B) is met” after
3 “medically necessary”;

4 (4) in the second sentence, by inserting “made
5 in accordance with such requirement” after “receipt
6 of the request”; and

7 (5) by adding at the end the following new sub-
8 paragraphs:

9 “(B) In the case of outpatient therapy services for
10 which an exception is requested under the first sentence
11 of subparagraph (A), the claim for such services shall con-
12 tain an appropriate modifier (such as the KX modifier
13 used as of the date of the enactment of this subparagraph)
14 indicating that such services are medically necessary as
15 justified by appropriate documentation in the medical
16 record involved.

17 “(C)(i) In applying this paragraph with respect to a
18 request for an exception with respect to expenses that
19 would be incurred for outpatient therapy services (includ-
20 ing services described in subsection (a)(8)(B)) that would
21 exceed the threshold described in clause (ii) for a year,
22 the request for such an exception, for services furnished
23 on or after October 1, 2012, shall be subject to a manual
24 medical review process that is similar to the manual med-

1 ical review process used for certain exceptions under this
2 paragraph in 2006.

3 “(ii) The threshold under this clause for a year is
4 \$3,700. Such threshold shall be applied separately—

5 “(I) for physical therapy services and speech-
6 language pathology services; and

7 “(II) for occupational therapy services.”.

8 (b) TEMPORARY APPLICATION OF THERAPY CAP TO
9 THERAPY FURNISHED AS PART OF HOSPITAL OUT-
10 PATIENT SERVICES.—Section 1833(g) of such Act (42
11 U.S.C.1395l(g)) is amended—

12 (1) in each of paragraphs (1) and (3), by strik-
13 ing “but not described in section 1833(a)(8)(B)”
14 and inserting “but (except as provided in paragraph
15 (6)) not described in subsection (a)(8)(B)”; and

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

18 “(6) In applying paragraphs (1) and (3) to services
19 furnished during the period beginning not later than Octo-
20 ber 1, 2012, and ending on December 31, 2012, the exclu-
21 sion of services described in subsection (a)(8)(B) from the
22 uniform dollar limitation specified in paragraph (2) shall
23 not apply to such services furnished during 2012.”.

24 (c) REQUIREMENT FOR INCLUSION ON CLAIMS OF
25 NPI OF PHYSICIAN WHO REVIEWS THERAPY PLAN.—

1 Section 1842(t) of such Act (42 U.S.C. 1395u(t)) is
2 amended—

3 (1) by inserting “(1)” after “(t)”; and

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

6 “(2) Each request for payment, or bill submitted, for
7 therapy services described in paragraph (1) or (3) of sec-
8 tion 1833(g), including services described in section
9 1833(a)(8)(B), furnished on or after October 1, 2012, for
10 which payment may be made under this part shall include
11 the national provider identifier of the physician who peri-
12 odically reviews the plan for such services under section
13 1861(p)(2).”.

14 (d) IMPLEMENTATION.—The Secretary of Health and
15 Human Services shall implement such claims processing
16 edits and issue such guidance as may be necessary to im-
17 plement the amendments made by this section in a timely
18 manner. Notwithstanding any other provision of law, the
19 Secretary may implement the amendments made by this
20 section by program instruction. Of the amount of funds
21 made available to the Secretary for fiscal year 2012 for
22 program management for the Centers for Medicare &
23 Medicaid Services, not to exceed \$9,375,000 shall be avail-
24 able for such fiscal year and the first 3 months of fiscal
25 year 2013 to carry out section 1833(g)(5)(C) of the Social

1 Security Act (relating to manual medical review), as added
2 by subsection (a).

3 (e) EFFECTIVE DATE.—The requirement of subpara-
4 graph (B) of section 1833(g)(5) of the Social Security Act
5 (42 U.S.C. 1395l(g)(5)), as added by subsection (a), shall
6 apply to services furnished on or after March 1, 2012.

7 (f) MEDPAC REPORT ON IMPROVED MEDICARE
8 THERAPY BENEFITS.—Not later than June 15, 2013, the
9 Medicare Payment Advisory Commission shall submit to
10 the Committees on Energy and Commerce and Ways and
11 Means of the House of Representatives and to the Com-
12 mittee on Finance of the Senate a report making rec-
13 ommendations on how to improve the outpatient therapy
14 benefit under part B of title XVIII of the Social Security
15 Act. The report shall include recommendations on how to
16 reform the payment system for such outpatient therapy
17 services under such part so that the benefit is better de-
18 signed to reflect individual acuity, condition, and therapy
19 needs of the patient. Such report shall include an examina-
20 tion of private sector initiatives relating to outpatient ther-
21 apy benefits.

22 (g) COLLECTION OF ADDITIONAL DATA.—

23 (1) STRATEGY.—The Secretary of Health and
24 Human Services shall implement, beginning on Jan-
25 uary 1, 2013, a claims-based data collection strategy

1 that is designed to assist in reforming the Medicare
2 payment system for outpatient therapy services sub-
3 ject to the limitations of section 1833(g) of the So-
4 cial Security Act (42 U.S.C. 1395l(g)). Such strat-
5 egy shall be designed to provide for the collection of
6 data on patient function during the course of ther-
7 apy services in order to better understand patient
8 condition and outcomes.

9 (2) CONSULTATION.—In proposing and imple-
10 menting such strategy, the Secretary shall consult
11 with relevant stakeholders.

12 (h) GAO REPORT ON MANUAL MEDICAL REVIEW
13 PROCESS IMPLEMENTATION.—Not later than May 1,
14 2013, the Comptroller General of the United States shall
15 submit to the Committees on Energy and Commerce and
16 Ways and Means of the House of Representatives and to
17 the Committee on Finance of the Senate a report on the
18 implementation of the manual medical review process re-
19 ferred to in section 1833(g)(5)(C) of the Social Security
20 Act, as added by subsection (a). Such report shall include
21 aggregate data on the number of individuals and claims
22 subject to such process, the number of reviews conducted
23 under such process, and the outcome of such reviews.

1 **SEC. 3006. PAYMENT FOR TECHNICAL COMPONENT OF CER-**
2 **TAIN PHYSICIAN PATHOLOGY SERVICES.**

3 Section 542(c) of the Medicare, Medicaid, and
4 SCHIP Benefits Improvement and Protection Act of 2000
5 (as enacted into law by section 1(a)(6) of Public Law 106–
6 554), as amended by section 732 of the Medicare Prescrip-
7 tion Drug, Improvement, and Modernization Act of 2003
8 (42 U.S.C. 1395w–4 note), section 104 of division B of
9 the Tax Relief and Health Care Act of 2006 (42 U.S.C.
10 1395w–4 note), section 104 of the Medicare, Medicaid,
11 and SCHIP Extension Act of 2007 (Public Law 110–
12 173), section 136 of the Medicare Improvements for Pa-
13 tients and Providers Act of 2008 (Public Law 110–275),
14 section 3104 of the Patient Protection and Affordable
15 Care Act (Public Law 111–148), section 105 of the Medi-
16 care and Medicaid Extenders Act of 2010 (Public Law
17 111–309), and section 305 of the Temporary Payroll Tax
18 Cut Continuation Act of 2011 (Public Law 112–78), is
19 amended by striking “and the first two months of 2012”
20 and inserting “and the first six months of 2012”.

21 **SEC. 3007. AMBULANCE ADD-ON PAYMENTS.**

22 (a) GROUND AMBULANCE.—Section 1834(l)(13)(A)
23 of the Social Security Act (42 U.S.C. 1395m(l)(13)(A)),
24 as amended by section 306(a) of the Temporary Payroll
25 Tax Cut Continuation Act of 2011 (Public Law 112–78),
26 is amended—

1 (1) in the matter preceding clause (i), by strik-
2 ing “March 1, 2012” and inserting “January 1,
3 2013”; and

4 (2) in each of clauses (i) and (ii), by striking
5 “March 1, 2012” and inserting “January 1, 2013”
6 each place it appears.

7 (b) AIR AMBULANCE.—Section 146(b)(1) of the
8 Medicare Improvements for Patients and Providers Act of
9 2008 (Public Law 110–275), as amended by sections
10 3105(b) and 10311(b) of the Patient Protection and Af-
11 fordable Care Act (Public Law 111–148), section 106(b)
12 of the Medicare and Medicaid Extenders Act of 2010
13 (Public Law 111–309) and section 306(b) of the Tem-
14 porary Payroll Tax Cut Continuation Act of 2011 (Public
15 Law 112–78), is amended by striking “February 29,
16 2012” and inserting “December 31, 2012”.

17 (c) SUPER RURAL AMBULANCE.—Section
18 1834(l)(12)(A) of the Social Security Act (42 U.S.C.
19 1395m(l)(12)(A)), as amended by section 306(c) of Tem-
20 porary Payroll Tax Cut Continuation Act of 2011 (Public
21 Law 112–78), is amended in the first sentence by striking
22 “March 1, 2012” and inserting “January 1, 2013”.

23 (d) GAO REPORT UPDATE.—Not later than October
24 1, 2012, the Comptroller General of the United States
25 shall update the GAO report GAO–07–383 (relating to

1 Ambulance Providers: Costs and Expected Medicare Mar-
2 gins Vary Greatly) to reflect current costs for ambulance
3 providers.

4 (e) MEDPAC REPORT.—The Medicare Payment Ad-
5 visory Commission shall conduct a study of—

6 (1) the appropriateness of the add-on payments
7 for ambulance providers under paragraphs (12)(A)
8 and (13)(A) of section 1834(l) of the Social Security
9 Act (42 U.S.C. 1395m(l)) and the treatment of air
10 ambulance providers under section 146(b)(1) of the
11 Medicare Improvements for Patients and Providers
12 Act of 2008 (Public Law 110–275);

13 (2) the effect these add-on payments and such
14 treatment have on the Medicare margins of ambu-
15 lance providers; and

16 (3) whether there is a need to reform the Medi-
17 care ambulance fee schedule under such section and,
18 if so, what should such reforms be, including wheth-
19 er the add-on payments should be included in the
20 base rate.

21 Not later than June 15, 2013, the Commission shall sub-
22 mit to the Committees on Ways and Means and Energy
23 and Commerce of the House of Representatives and the
24 Committee on Finance of the Senate a report on such

1 study and shall include in the report such recommenda-
2 tions as the Commission deems appropriate.

3 **Subtitle B—Other Health** 4 **Provisions**

5 **SEC. 3101. QUALIFYING INDIVIDUAL PROGRAM.**

6 (a) EXTENSION.—Section 1902(a)(10)(E)(iv) of the
7 Social Security Act (42 U.S.C. 1396a(a)(10)(E)(iv)), as
8 amended by section 310(a) of the Temporary Payroll Tax
9 Cut Continuation Act of 2011 (Public Law 112–78), is
10 amended by striking “February” and inserting “Decem-
11 ber”.

12 (b) EXTENDING TOTAL AMOUNT AVAILABLE FOR
13 ALLOCATION.—Section 1933(g) of such Act (42 U.S.C.
14 1396u–3(g)), as amended by section 310(b) of the Tem-
15 porary Payroll Tax Cut Continuation Act of 2011 (Public
16 Law 112–78), is amended—

17 (1) in paragraph (2)—

18 (A) in subparagraph (P), by striking
19 “and” after the semicolon;

20 (B) in subparagraph (Q), by striking
21 “February 29, 2012, the total allocation
22 amount is \$150,000,000.” and inserting “Sep-
23 tember 30, 2012, the total allocation amount is
24 \$450,000,000; and”; and

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

3 “(R) for the period that begins on October
4 1, 2012, and ends on December 31, 2012, the
5 total allocation amount is \$280,000,000.”; and

6 (2) in paragraph (3), in the matter preceding
7 subparagraph (A), by striking “or (P)” and insert-
8 ing “(P), or (R)”.

9 **SEC. 3102. TRANSITIONAL MEDICAL ASSISTANCE.**

10 Sections 1902(e)(1)(B) and 1925(f) of the Social Se-
11 curity Act (42 U.S.C. 1396a(e)(1)(B), 1396r-6(f)), as
12 amended by section 311 of the Temporary Payroll Tax
13 Cut Continuation Act of 2011 (Public Law 112-78), are
14 each amended by striking “February 29” and inserting
15 “December 31”.

16 **Subtitle C—Health Offsets**

17 **SEC. 3201. REDUCTION OF BAD DEBT TREATED AS AN AL-**
18 **LOWABLE COST.**

19 (a) HOSPITALS.—Section 1861(v)(1)(T) of the Social
20 Security Act (42 U.S.C. 1395x(v)(1)(T)) is amended—

21 (1) in clause (iii), by striking “and” at the end;

22 (2) in clause (iv)—

23 (A) by striking “a subsequent fiscal year”
24 and inserting “fiscal years 2001 through
25 2012”; and

1 (B) by striking the period at the end and
2 inserting “, and”; and

3 (3) by adding at the end the following:

4 “(v) for cost reporting periods beginning during
5 fiscal year 2013 or a subsequent fiscal year, by 35
6 percent of such amount otherwise allowable.”.

7 (b) SKILLED NURSING FACILITIES.—Section
8 1861(v)(1)(V) of such Act (42 U.S.C. 1395x(v)(1)(V)) is
9 amended—

10 (1) in the matter preceding clause (i), by strik-
11 ing “with respect to cost reporting periods beginning
12 on or after October 1, 2005” and inserting “and
13 (beginning with respect to cost reporting periods be-
14 ginning during fiscal year 2013) for covered skilled
15 nursing services described in section 1888(e)(2)(A)
16 furnished by hospital providers of extended care
17 services (as described in section 1883)”;

18 (2) in clause (i), by striking “reduced by” and
19 all that follows through “allowable; and” and insert-
20 ing the following: “reduced by—

21 “(I) for cost reporting periods beginning on or
22 after October 1, 2005, but before fiscal year 2013,
23 30 percent of such amount otherwise allowable; and

24 “(II) for cost reporting periods beginning dur-
25 ing fiscal year 2013 or a subsequent fiscal year, by

1 35 percent of such amount otherwise allowable.”;

2 and

3 (3) in clause (ii), by striking “such section shall
4 not be reduced.” and inserting “such section—

5 “(I) for cost reporting periods beginning on or
6 after October 1, 2005, but before fiscal year 2013,
7 shall not be reduced;

8 “(II) for cost reporting periods beginning dur-
9 ing fiscal year 2013, shall be reduced by 12 percent
10 of such amount otherwise allowable;

11 “(III) for cost reporting periods beginning dur-
12 ing fiscal year 2014, shall be reduced by 24 percent
13 of such amount otherwise allowable; and

14 “(IV) for cost reporting periods beginning dur-
15 ing a subsequent fiscal year, shall be reduced by 35
16 percent of such amount otherwise allowable.”.

17 (c) CERTAIN OTHER PROVIDERS.—Section
18 1861(v)(1) of such Act (42 U.S.C. 1395x(v)(1)) is amend-
19 ed by adding at the end the following new subparagraph:

20 “(W)(i) In determining such reasonable costs for pro-
21 viders described in clause (ii), the amount of bad debts
22 otherwise treated as allowable costs which are attributable
23 to deductibles and coinsurance amounts under this title
24 shall be reduced—

1 “(I) for cost reporting periods beginning during
2 fiscal year 2013, by 12 percent of such amount oth-
3 erwise allowable;

4 “(II) for cost reporting periods beginning dur-
5 ing fiscal year 2014, by 24 percent of such amount
6 otherwise allowable; and

7 “(III) for cost reporting periods beginning dur-
8 ing a subsequent fiscal year, by 35 percent of such
9 amount otherwise allowable.

10 “(ii) A provider described in this clause is a provider
11 of services not described in subparagraph (T) or (V), a
12 supplier, or any other type of entity that receives payment
13 for bad debts under the authority under subparagraph
14 (A).”.

15 (d) CONFORMING AMENDMENT FOR HOSPITAL SERV-
16 ICES.—Section 4008(c) of the Omnibus Budget Reconcili-
17 ation Act of 1987 (42 U.S.C. 1395 note), as amended by
18 section 8402 of the Technical and Miscellaneous Revenue
19 Act of 1988 and section 6023 of the Omnibus Budget Rec-
20 onciliation Act of 1989, is amended by adding at the end
21 the following new sentence: “Effective for cost reporting
22 periods beginning on or after October 1, 2012, the provi-
23 sions of the previous two sentences shall not apply.”.

1 **SEC. 3202. REBASE MEDICARE CLINICAL LABORATORY PAY-**
2 **MENT RATES.**

3 Section 1833(h)(2)(A) of the Social Security Act (42
4 U.S.C. 1395l(h)(2)(A)) is amended—

5 (1) in clause (i), by striking “paragraph (4)”
6 and inserting “clause (v), subparagraph (B), and
7 paragraph (4)”;

8 (2) by moving clause (iv), subclauses (I) and
9 (II) of such clause, and the flush matter at the end
10 of such clause 6 ems to the left; and

11 (3) by adding at the end the following new
12 clause:

13 “(v) The Secretary shall reduce by 2 percent the fee
14 schedules otherwise determined under clause (i) for 2013,
15 and such reduced fee schedules shall serve as the base for
16 2014 and subsequent years.”.

17 **SEC. 3203. REBASING STATE DSH ALLOTMENTS FOR FISCAL**
18 **YEAR 2021.**

19 Section 1923(f) of the Social Security Act (42 U.S.C.
20 1396r-4(f)) is amended—

21 (1) by redesignating paragraph (8) as para-
22 graph (9);

23 (2) in paragraph (3)(A) by striking “para-
24 graphs (6) and (7)” and inserting “paragraphs (6),
25 (7), and (8)”;

1 (3) by inserting after paragraph (7) the fol-
2 lowing new paragraph:

3 “(8) REBASING OF STATE DSH ALLOTMENTS
4 FOR FISCAL YEAR 2021.—With respect to fiscal year
5 2021, for purposes of applying paragraph (3)(A) to
6 determine the DSH allotment for a State, the
7 amount of the DSH allotment for the State under
8 paragraph (3) for fiscal year 2020 shall be equal to
9 the DSH allotment as reduced under paragraph
10 (7).”.

11 **SEC. 3204. TECHNICAL CORRECTION TO THE DISASTER RE-**
12 **COVERY FMAP PROVISION.**

13 (a) IN GENERAL.—Section 1905(aa) of the Social Se-
14 curity Act (42 U.S.C. 1396d(aa)) is amended—

15 (1) in paragraph (1)—

16 (A) in subparagraph (A), by striking “the
17 Federal medical assistance percentage deter-
18 mined for the fiscal year” and all that follows
19 through the period and inserting “the State’s
20 regular FMAP shall be increased by 50 percent
21 of the number of percentage points by which
22 the State’s regular FMAP for such fiscal year
23 is less than the Federal medical assistance per-
24 centage determined for the State for the pre-
25 ceding fiscal year after the application of only

1 subsection (a) of section 5001 of Public Law
2 111–5 (if applicable to the preceding fiscal
3 year) and without regard to this subsection,
4 subsections (y) and (z), and subsections (b) and
5 (c) of section 5001 of Public Law 111–5.”; and

6 (B) in subparagraph (B), by striking
7 “Federal medical assistance percentage deter-
8 mined for the preceding fiscal year” and all
9 that follows through the period and inserting
10 “State’s regular FMAP for such fiscal year
11 shall be increased by 25 percent of the number
12 of percentage points by which the State’s reg-
13 ular FMAP for such fiscal year is less than the
14 Federal medical assistance percentage received
15 by the State during the preceding fiscal year.”;
16 (2) in paragraph (2)—

17 (A) in subparagraph (A)—

18 (i) by striking “Federal medical as-
19 sistance percentage determined for the
20 State for the fiscal year” and all that fol-
21 lows through “Act,” and inserting “State’s
22 regular FMAP for the fiscal year”; and

23 (ii) by striking “subsection (y)” and
24 inserting “subsections (y) and (z)”; and

1 (B) in subparagraph (B), by striking
2 “Federal medical assistance percentage deter-
3 mined for the State for the fiscal year” and all
4 that follows through “Act,” and inserting
5 “State’s regular FMAP for the fiscal year”;

6 (3) by redesignating paragraph (3) as para-
7 graph (4); and

8 (4) by inserting after paragraph (2) the fol-
9 lowing:

10 “(3) In this subsection, the term ‘regular FMAP’
11 means, for each fiscal year for which this subsection ap-
12 plies to a State, the Federal medical assistance percentage
13 that would otherwise apply to the State for the fiscal year,
14 as determined under subsection (b) and without regard to
15 this subsection, subsections (y) and (z), and section 10202
16 of the Patient Protection and Affordable Care Act.”.

17 (b) **EFFECTIVE DATE.**—The amendments made by
18 subsection (a) shall take effect on October 1, 2013.

19 **SEC. 3205. PREVENTION AND PUBLIC HEALTH FUND.**

20 Section 4002(b) of the Patient Protection and Af-
21 fordable Care Act (42 U.S.C. 300u–11(b)) is amended by
22 striking paragraphs (2) through (6) and inserting the fol-
23 lowing:

24 “(2) for each of fiscal years 2012 through
25 2017, \$1,000,000,000;

1 “(3) for each of fiscal years 2018 and 2019,
2 \$1,250,000,000;

3 “(4) for each of fiscal years 2020 and 2021,
4 \$1,500,000,000; and

5 “(5) for fiscal year 2022, and each fiscal year
6 thereafter, \$2,000,000,000.”.

7 **TITLE IV—TANF EXTENSION**

8 **SEC. 4001. SHORT TITLE.**

9 This title may be cited as the “Welfare Integrity and
10 Data Improvement Act”.

11 **SEC. 4002. EXTENSION OF PROGRAM.**

12 (a) FAMILY ASSISTANCE GRANTS.—Section
13 403(a)(1) of the Social Security Act (42 U.S.C. 603(a)(1))
14 is amended—

15 (1) in subparagraph (A), by striking “each of
16 fiscal years 1996” and all that follows through
17 “2003” and inserting “fiscal year 2012”;

18 (2) in subparagraph (B)—

19 (A) by inserting “(as in effect just before
20 the enactment of the Welfare Integrity and
21 Data Improvement Act)” after “this para-
22 graph” the 1st place it appears; and

23 (B) by inserting “(as so in effect)” after
24 “this paragraph” the 2nd place it appears; and

1 (3) in subparagraph (C), by striking “2003”
2 and inserting “2012”.

3 (b) HEALTHY MARRIAGE PROMOTION AND RESPON-
4 SIBLE FATHERHOOD GRANTS.—Section 403(a)(2)(D) of
5 such Act (42 U.S.C. 603(a)(2)(D)) is amended by striking
6 “2011” each place it appears and inserting “2012”.

7 (c) MAINTENANCE OF EFFORT REQUIREMENT.—
8 Section 409(a)(7) of such Act (42 U.S.C. 609(a)(7)) is
9 amended—

10 (1) in subparagraph (A), by striking “fiscal
11 year” and all that follows through “2013” and in-
12 serting “a fiscal year”; and

13 (2) in subparagraph (B)(ii)—

14 (A) by striking “for fiscal years 1997
15 through 2012,”; and

16 (B) by striking “407(a) for the fiscal
17 year,” and inserting “407(a),”.

18 (d) TRIBAL GRANTS.—Section 412(a) of such Act
19 (42 U.S.C. 612(a)) is amended in each of paragraphs
20 (1)(A) and (2)(A) by striking “each of fiscal years 1997”
21 and all that follows through “2003” and inserting “fiscal
22 year 2012”.

23 (e) STUDIES AND DEMONSTRATIONS.—Section
24 413(h)(1) of such Act (42 U.S.C. 613(h)(1)) is amended

1 by striking “each of fiscal years 1997 through 2002” and
2 inserting “fiscal year 2012”.

3 (f) CENSUS BUREAU STUDY.—Section 414(b) of
4 such Act (42 U.S.C. 614(b)) is amended by striking “each
5 of fiscal years 1996” and all that follows through “2003”
6 and inserting “fiscal year 2012”.

7 (g) CHILD CARE ENTITLEMENT.—Section 418(a)(3)
8 of such Act (42 U.S.C. 618(a)(3)) is amended by striking
9 “appropriated” and all that follows and inserting “appro-
10 priated \$2,917,000,000 for fiscal year 2012.”.

11 (h) GRANTS TO TERRITORIES.—Section 1108(b)(2)
12 of such Act (42 U.S.C. 1308(b)(2)) is amended by striking
13 “fiscal years 1997 through 2003” and inserting “fiscal
14 year 2012”.

15 (i) PREVENTION OF DUPLICATE APPROPRIATIONS
16 FOR FISCAL YEAR 2012.—Expenditures made pursuant
17 to the Short-Term TANF Extension Act (Public Law
18 112–35) and the Temporary Payroll Tax Cut Continu-
19 ation Act of 2011 (Public Law 112–78) for fiscal year
20 2012 shall be charged to the applicable appropriation or
21 authorization provided by the amendments made by this
22 section for such fiscal year.

23 (j) EFFECTIVE DATE.—This section and the amend-
24 ments made by this section shall take effect on the date
25 of the enactment of this Act.

1 **SEC. 4003. DATA EXCHANGE STANDARDIZATION FOR IM-**
2 **PROVED INTEROPERABILITY.**

3 (a) IN GENERAL.—Section 411 of the Social Security
4 Act (42 U.S.C. 611) is amended by adding at the end the
5 following:

6 “(d) DATA EXCHANGE STANDARDIZATION FOR IM-
7 PROVED INTEROPERABILITY.—

8 “(1) DATA EXCHANGE STANDARDS.—

9 “(A) DESIGNATION.—The Secretary, in
10 consultation with an interagency work group
11 which shall be established by the Office of Man-
12 agement and Budget, and considering State
13 and tribal perspectives, shall, by rule, designate
14 a data exchange standard for any category of
15 information required to be reported under this
16 part.

17 “(B) DATA EXCHANGE STANDARDS MUST
18 BE NONPROPRIETARY AND INTEROPERABLE.—
19 The data exchange standard designated under
20 subparagraph (A) shall, to the extent prac-
21 ticable, be nonproprietary and interoperable.

22 “(C) OTHER REQUIREMENTS.—In desig-
23 nating data exchange standards under this sec-
24 tion, the Secretary shall, to the extent prac-
25 ticable, incorporate—

1 “(i) interoperable standards developed
2 and maintained by an international vol-
3 untary consensus standards body, as de-
4 fined by the Office of Management and
5 Budget, such as the International Organi-
6 zation for Standardization;

7 “(ii) interoperable standards devel-
8 oped and maintained by intergovernmental
9 partnerships, such as the National Infor-
10 mation Exchange Model; and

11 “(iii) interoperable standards devel-
12 oped and maintained by Federal entities
13 with authority over contracting and finan-
14 cial assistance, such as the Federal Acqui-
15 sition Regulatory Council.

16 “(2) DATA EXCHANGE STANDARDS FOR RE-
17 PORTING.—

18 “(A) DESIGNATION.—The Secretary, in
19 consultation with an interagency work group es-
20 tablished by the Office of Management and
21 Budget, and considering State and tribal per-
22 spectives, shall, by rule, designate data ex-
23 change standards to govern the data reporting
24 required under this part.

1 “(B) REQUIREMENTS.—The data exchange
2 standards required by subparagraph (A) shall,
3 to the extent practicable—

4 “(i) incorporate a widely-accepted,
5 nonproprietary, searchable, computer-read-
6 able format;

7 “(ii) be consistent with and implement
8 applicable accounting principles; and

9 “(iii) be capable of being continually
10 upgraded as necessary.

11 “(C) INCORPORATION OF NONPROPRI-
12 ETARY STANDARDS.—In designating reporting
13 standards under this paragraph, the Secretary
14 shall, to the extent practicable, incorporate ex-
15 isting nonproprietary standards, such as the
16 eXtensible Markup Language.”.

17 (b) EFFECTIVE DATES.—

18 (1) DATA EXCHANGE STANDARDS.—The Sec-
19 retary of Health and Human Services shall issue a
20 proposed rule under section 411(d)(1) of the Social
21 Security Act within 12 months after the date of the
22 enactment of this section, and shall issue a final rule
23 under such section 411(d)(1), after public comment,
24 within 24 months after such date of enactment.

1 (2) DATA REPORTING STANDARDS.—The re-
2 reporting standards required under section 411(d)(2)
3 of such Act shall become effective with respect to re-
4 ports required in the first reporting period, after the
5 effective date of the final rule referred to in para-
6 graph (1) of this subsection, for which the authority
7 for data collection and reporting is established or re-
8 newed under the Paperwork Reduction Act.

9 **SEC. 4004. SPENDING POLICIES FOR ASSISTANCE UNDER**
10 **STATE TANF PROGRAMS.**

11 (a) STATE REQUIREMENT.—Section 408(a) of the
12 Social Security Act (42 U.S.C. 608(a)) is amended by add-
13 ing at the end the following:

14 “(12) STATE REQUIREMENT TO PREVENT UN-
15 AUTHORIZED SPENDING OF BENEFITS.—

16 “(A) IN GENERAL.—A State to which a
17 grant is made under section 403 shall maintain
18 policies and practices as necessary to prevent
19 assistance provided under the State program
20 funded under this part from being used in any
21 electronic benefit transfer transaction in—

22 “(i) any liquor store;

23 “(ii) any casino, gambling casino, or
24 gaming establishment; or

1 “(iii) any retail establishment which
2 provides adult-oriented entertainment in
3 which performers disrobe or perform in an
4 unclothed state for entertainment.

5 “(B) DEFINITIONS.—For purposes of sub-
6 paragraph (A)—

7 “(i) LIQUOR STORE.—The term ‘liq-
8 uor store’ means any retail establishment
9 which sells exclusively or primarily intoxi-
10 cating liquor. Such term does not include
11 a grocery store which sells both intoxi-
12 cating liquor and groceries including staple
13 foods (within the meaning of section 3(r)
14 of the Food and Nutrition Act of 2008 (7
15 U.S.C. 2012(r))).

16 “(ii) CASINO, GAMBLING CASINO, OR
17 GAMING ESTABLISHMENT.—The terms ‘ca-
18 sino’, ‘gambling casino’, and ‘gaming es-
19 tablishment’ do not include—

20 “(I) a grocery store which sells
21 groceries including such staple foods
22 and which also offers, or is located
23 within the same building or complex
24 as, casino, gambling, or gaming activi-
25 ties; or

1 “(II) any other establishment
2 that offers casino, gambling, or gam-
3 ing activities incidental to the prin-
4 cipal purpose of the business.

5 “(iii) ELECTRONIC BENEFIT TRANS-
6 FER TRANSACTION.—The term ‘electronic
7 benefit transfer transaction’ means the use
8 of a credit or debit card service, automated
9 teller machine, point-of-sale terminal, or
10 access to an online system for the with-
11 drawal of funds or the processing of a pay-
12 ment for merchandise or a service.”.

13 (b) PENALTY.—Section 409(a) of such Act (42
14 U.S.C. 609(a)) is amended by adding at the end the fol-
15 lowing:

16 “(16) PENALTY FOR FAILURE TO ENFORCE
17 SPENDING POLICIES.—

18 “(A) IN GENERAL.—If, within 2 years
19 after the date of the enactment of this para-
20 graph, any State has not reported to the Sec-
21 retary on such State’s implementation of the
22 policies and practices required by section
23 408(a)(12), or the Secretary determines, based
24 on the information provided in State reports,
25 that any State has not implemented and main-

1 tained such policies and practices, the Secretary
2 shall reduce, by an amount equal to 5 percent
3 of the State family assistance grant, the grant
4 payable to such State under section 403(a)(1)
5 for—

6 “(i) the fiscal year immediately suc-
7 ceeding the year in which such 2-year pe-
8 riod ends; and

9 “(ii) each succeeding fiscal year in
10 which the State does not demonstrate that
11 such State has implemented and main-
12 tained such policies and practices.

13 “(B) REDUCTION OF APPLICABLE PEN-
14 ALTY.—The Secretary may reduce the amount
15 of the reduction required under subparagraph
16 (A) based on the degree of noncompliance of
17 the State.

18 “(C) STATE NOT RESPONSIBLE FOR INDI-
19 VIDUAL VIOLATIONS.—Fraudulent activity by
20 any individual in an attempt to circumvent the
21 policies and practices required by section
22 408(a)(12) shall not trigger a State penalty
23 under subparagraph (A).”.

24 (c) ADDITIONAL STATE PLAN REQUIREMENTS.—
25 Section 402(a)(1)(A) of such Act (42 U.S.C.

1 602(a)(1)(A)) is amended by adding at the end the fol-
2 lowing:

3 “(vii) Implement policies and proce-
4 dures as necessary to prevent access to as-
5 sistance provided under the State program
6 funded under this part through any elec-
7 tronic fund transaction in an automated
8 teller machine or point-of-sale device lo-
9 cated in a place described in section
10 408(a)(12), including a plan to ensure that
11 recipients of the assistance have adequate
12 access to their cash assistance.

13 “(viii) Ensure that recipients of as-
14 sistance provided under the State program
15 funded under this part have access to
16 using or withdrawing assistance with mini-
17 mal fees or charges, including an oppor-
18 tunity to access assistance with no fee or
19 charges, and are provided information on
20 applicable fees and surcharges that apply
21 to electronic fund transactions involving
22 the assistance, and that such information
23 is made publicly available.”.

1 (d) CONFORMING AMENDMENT.—Section 409(c)(4)
2 of such Act (42 U.S.C. 609(c)(4)) is amended by striking
3 “or (13)” and inserting “(13), or (16)”.

4 **SEC. 4005. TECHNICAL CORRECTIONS.**

5 (a) Section 404(d)(1)(A) of the Social Security Act
6 (42 U.S.C. 604(d)(1)(A)) is amended by striking “subtitle
7 1 of Title” and inserting “Subtitle A of title”.

8 (b) Sections 407(c)(2)(A)(i) and 409(a)(3)(C) of
9 such Act (42 U.S.C. 607(c)(2)(A)(i) and 609(a)(3)(C))
10 are each amended by striking “403(b)(6)” and inserting
11 “403(b)(5)”.

12 (c) Section 409(a)(2)(A) of such Act (42 U.S.C.
13 609(a)(2)(A)) is amended by moving clauses (i) and (ii)
14 2 ems to the right.

15 (d) Section 409(c)(2) of such Act (42 U.S.C.
16 609(c)(2)) is amended by inserting a comma after “appro-
17 priate”.

18 (e) Section 411(a)(1)(A)(ii)(III) of such Act (42
19 U.S.C. 611(a)(1)(A)(ii)(III)) is amended by striking the
20 last close parenthesis.

1 **TITLE V—FEDERAL EMPLOYEES**
2 **RETIREMENT**

3 **SEC. 5001. INCREASE IN CONTRIBUTIONS TO FEDERAL EM-**
4 **PLOYEES' RETIREMENT SYSTEM FOR NEW**
5 **EMPLOYEES.**

6 (a) DEFINITIONS.—Section 8401 of title 5, United
7 States Code, is amended—

8 (1) in paragraph (35), by striking “and” at the
9 end;

10 (2) in paragraph (36), by striking the period
11 and inserting “; and”; and

12 (3) by adding at the end the following:

13 “(37) the term ‘revised annuity employee’
14 means any individual who—

15 “(A) on December 31, 2012—

16 “(i) is not an employee or Member
17 covered under this chapter;

18 “(ii) is not performing civilian service
19 which is creditable service under section
20 8411; and

21 “(iii) has less than 5 years of cred-
22 itable civilian service under section 8411;
23 and

24 “(B) after December 31, 2012, becomes
25 employed as an employee or becomes a Member

1 covered under this chapter performing service
2 which is creditable service under section 8411.”.

3 (b) INCREASE IN CONTRIBUTIONS.—Section
4 8422(a)(3) of title 5, United States Code, is amended—

5 (1) by striking “The applicable percentage
6 under this paragraph for civilian service” and insert-
7 ing “(A) The applicable percentage under this para-
8 graph for civilian service by employees or Members
9 other than revised annuity employees”; and

10 (2) by adding at the end the following:

11 “(B) The applicable percentage under this paragraph
12 for civilian service by revised annuity employees shall be
13 as follows:

“Employee	9.3	After December 31, 2012.
Congressional employee	9.3	After December 31, 2012.
Member	9.3	After December 31, 2012.
Law enforcement offi- cer, firefighter, mem- ber of the Capitol Police, member of the Supreme Court Po- lice, or air traffic controller	9.8	After December 31, 2012.
Nuclear materials cou- rier	9.8	After December 31, 2012.
Customs and border protection officer	9.8	After December 31, 2012.”.

14 (c) REDUCTION IN CONGRESSIONAL ANNUITIES.—

15 (1) IN GENERAL.—Section 8415 of title 5,
16 United States Code, is amended—

1 (A) by redesignating subsections (d)
2 through (m) as subsections (e) through (n), re-
3 spectively; and

4 (B) by inserting after subsection (c) the
5 following:

6 “(d) Notwithstanding any other provision of law, the
7 annuity of an individual described in subsection (b) or (c)
8 who is a revised annuity employee shall be computed in
9 the same manner as in the case of an individual described
10 in subsection (a).”.

11 (2) TECHNICAL AND CONFORMING AMEND-
12 MENTS.—

13 (A) Section 8422(d)(2) of title 5, United
14 States Code, is amended by striking “section
15 8415(l)” and inserting “section 8415(m)”.

16 (B) Section 8452(d)(1) of title 5, United
17 States Code, is amended by striking “subsection
18 (g)” and inserting “subsection (h)”.

19 (C) Section 8468(b)(1)(A) of title 5,
20 United States Code, is amended by striking
21 “section 8415(a) through (h)” and inserting
22 “section 8415(a) through (i)”.

23 (D) Section 805(a)(2)(B) of the Foreign
24 Service Act of 1980 (22 U.S.C. 4045(a)(2)(B))

1 is amended by striking “section 8415(d)” and
2 inserting “section 8415(e)”.

3 (E) Section 806(a) of the Foreign Service
4 Act of 1980 (22 U.S.C. 4046(a)) is amended by
5 striking “section 8415(d)” each place it appears
6 and inserting “section 8415(e)”.

7 (F) Section 855(b) of the Foreign Service
8 Act of 1980 (22 U.S.C. 4071d(b)) is amend-
9 ed—

10 (i) in paragraph (2)(A), by striking
11 “section 8415(d)(1)” and inserting “sec-
12 tion 8415(e)(1)”;

13 (ii) in paragraph (5), by striking “sec-
14 tion 8415(f)(1)” and inserting “section
15 8415(g)(1)”.

16 (G) Section 303(b)(1) of the Central Intel-
17 ligence Agency Retirement Act (50 U.S.C.
18 2153(b)(1)) is amended by striking “section
19 8415(d)” and inserting “section 8415(e)”.

20 **SEC. 5002. FOREIGN SERVICE PENSION SYSTEM.**

21 (a) DEFINITION.—Section 852 of the Foreign Service
22 Act of 1980 (22 U.S.C. 4071a) is amended—

23 (1) by redesignating paragraphs (7), (8), and
24 (9) as paragraphs (8), (9), and (10), respectively;
25 and

1 (2) by inserting after paragraph (6) the fol-
2 lowing:

3 “(7) the term ‘revised annuity participant’
4 means any individual who—

5 “(A) on December 31, 2012—

6 “(i) is not a participant;

7 “(ii) is not performing service which is
8 creditable service under section 854; and

9 “(iii) has less than 5 years creditable
10 service under section 854; and

11 “(B) after December 31, 2012, becomes a
12 participant performing service which is cred-
13 itable service under section 854;”.

14 (b) DEDUCTIONS AND WITHHOLDINGS FROM PAY.—

15 Section 856(a)(2) of the Foreign Service Act of 1980 (22
16 U.S.C. 4071e(a)(2)) is amended—

17 (1) by striking “The applicable percentage
18 under this subsection” and inserting “(A) The appli-
19 cable percentage for a participant other than a re-
20 vised annuity participant”; and

21 (2) by adding at the end the following:

22 “(B) The applicable percentage for a revised annuity
23 participant shall be as follows:

 “9.85 After December 31, 2012”.

1 **SEC. 5003. CENTRAL INTELLIGENCE AGENCY RETIREMENT**
2 **AND DISABILITY SYSTEM.**

3 Section 211(a) of the Central Intelligence Agency Re-
4 tirement Act (50 U.S.C. 2021(a)) is amended—

5 (1) by redesignating paragraph (3) as para-
6 graph (4); and

7 (2) by striking paragraphs (1) and (2) and in-
8 serting the following:

9 “(1) DEFINITION.—In this subsection, the term
10 ‘revised annuity participant’ means an individual
11 who—

12 “(A) on December 31, 2012—

13 “(i) is not a participant;

14 “(ii) is not performing qualifying serv-
15 ice; and

16 “(iii) has less than 5 years of quali-
17 fying service; and

18 “(B) after December 31, 2012, becomes a
19 participant performing qualifying service.

20 “(2) CONTRIBUTIONS.—

21 “(A) IN GENERAL.—Except as provided in
22 subsection (d), 7 percent of the basic pay re-
23 ceived by a participant other than a revised an-
24 nuity participant for any pay period shall be de-
25 ducted and withheld from the pay of that par-
26 ticipant and contributed to the fund.

1 “(B) REVISED ANNUITY PARTICIPANTS.—
2 Except as provided in subsection (d), 9.3 per-
3 cent of the basic pay received by a revised an-
4 nuity participant for any pay period shall be de-
5 ducted and withheld from the pay of that re-
6 vised annuity participant and contributed to the
7 fund.

8 “(3) AGENCY CONTRIBUTIONS.—

9 “(A) IN GENERAL.—An amount equal to 7
10 percent of the basic pay received by a partici-
11 pant other than a revised annuity participant
12 shall be contributed to the fund for a pay pe-
13 riod for the participant from the appropriation
14 or fund which is used for payment of the par-
15 ticipant’s basic pay.

16 “(B) REVISED ANNUITY PARTICIPANTS.—
17 An amount equal to 4.7 percent of the basic
18 pay received by a revised annuity participant
19 shall be contributed to the fund for a pay pe-
20 riod for the revised annuity participant from
21 the appropriation or fund which is used for pay-
22 ment of the revised annuity participant’s basic
23 pay.”.

1 **TITLE VI—PUBLIC SAFETY COM-**
2 **MUNICATIONS AND ELECTRO-**
3 **MAGNETIC SPECTRUM AUC-**
4 **TIONS**

5 **SEC. 6001. DEFINITIONS.**

6 In this title:

7 (1) 700 MHZ BAND.—The term “700 MHz
8 band” means the portion of the electromagnetic
9 spectrum between the frequencies from 698 mega-
10 hertz to 806 megahertz.

11 (2) 700 MHZ D BLOCK SPECTRUM.—The term
12 “700 MHz D block spectrum” means the portion of
13 the electromagnetic spectrum between the fre-
14 quencies from 758 megahertz to 763 megahertz and
15 between the frequencies from 788 megahertz to 793
16 megahertz.

17 (3) APPROPRIATE COMMITTEES OF CON-
18 GRESS.—Except as otherwise specifically provided,
19 the term “appropriate committees of Congress”
20 means—

21 (A) the Committee on Commerce, Science,
22 and Transportation of the Senate; and

23 (B) the Committee on Energy and Com-
24 merce of the House of Representatives.

1 (4) ASSISTANT SECRETARY.—The term “Assist-
2 ant Secretary” means the Assistant Secretary of
3 Commerce for Communications and Information.

4 (5) BOARD.—The term “Board” means the
5 Board of the First Responder Network Authority es-
6 tablished under section 6204(b).

7 (6) BROADCAST TELEVISION LICENSEE.—The
8 term “broadcast television licensee” means the li-
9 censee of—

10 (A) a full-power television station; or

11 (B) a low-power television station that has
12 been accorded primary status as a Class A tele-
13 vision licensee under section 73.6001(a) of title
14 47, Code of Federal Regulations.

15 (7) BROADCAST TELEVISION SPECTRUM.—The
16 term “broadcast television spectrum” means the por-
17 tions of the electromagnetic spectrum between the
18 frequencies from 54 megahertz to 72 megahertz,
19 from 76 megahertz to 88 megahertz, from 174
20 megahertz to 216 megahertz, and from 470 mega-
21 hertz to 698 megahertz.

22 (8) COMMERCIAL MOBILE DATA SERVICE.—The
23 term “commercial mobile data service” means any
24 mobile service (as defined in section 3 of the Com-
25 munications Act of 1934 (47 U.S.C. 153)) that is—

1 (A) a data service;

2 (B) provided for profit; and

3 (C) available to the public or such classes
4 of eligible users as to be effectively available to
5 a substantial portion of the public, as specified
6 by regulation by the Commission.

7 (9) COMMERCIAL MOBILE SERVICE.—The term
8 “commercial mobile service” has the meaning given
9 such term in section 332 of the Communications Act
10 of 1934 (47 U.S.C. 332).

11 (10) COMMERCIAL STANDARDS.—The term
12 “commercial standards” means the technical stand-
13 ards followed by the commercial mobile service and
14 commercial mobile data service industries for net-
15 work, device, and Internet Protocol connectivity.
16 Such term includes standards developed by the
17 Third Generation Partnership Project (3GPP), the
18 Institute of Electrical and Electronics Engineers
19 (IEEE), the Alliance for Telecommunications Indus-
20 try Solutions (ATIS), the Internet Engineering Task
21 Force (IETF), and the International Telecommuni-
22 cation Union (ITU).

23 (11) COMMISSION.—The term “Commission”
24 means the Federal Communications Commission.

1 (12) CORE NETWORK.—The term “core net-
2 work” means the core network described in section
3 6202(b)(1).

4 (13) EMERGENCY CALL.—The term “emergency
5 call” means any real-time communication with a
6 public safety answering point or other emergency
7 management or response agency, including—

8 (A) through voice, text, or video and re-
9 lated data; and

10 (B) nonhuman-initiated automatic event
11 alerts, such as alarms, telematics, or sensor
12 data, which may also include real-time voice,
13 text, or video communications.

14 (14) EXISTING PUBLIC SAFETY BROADBAND
15 SPECTRUM.—The term “existing public safety
16 broadband spectrum” means the portion of the elec-
17 tromagnetic spectrum between the frequencies—

18 (A) from 763 megahertz to 768 megahertz;

19 (B) from 793 megahertz to 798 mega-
20 hertz;

21 (C) from 768 megahertz to 769 megahertz;

22 and

23 (D) from 798 megahertz to 799 mega-
24 hertz.

1 (15) FIRST RESPONDER NETWORK AUTHOR-
2 ITY.—The term “First Responder Network Author-
3 ity” means the First Responder Network Authority
4 established under section 6204.

5 (16) FORWARD AUCTION.—The term “forward
6 auction” means the portion of an incentive auction
7 of broadcast television spectrum under section
8 6403(e).

9 (17) INCENTIVE AUCTION.—The term “incen-
10 tive auction” means a system of competitive bidding
11 under subparagraph (G) of section 309(j)(8) of the
12 Communications Act of 1934, as added by section
13 6402.

14 (18) INTEROPERABILITY BOARD.—The term
15 “Interoperability Board” means the Technical Advi-
16 sory Board for First Responder Interoperability es-
17 tablished under section 6203.

18 (19) MULTICHANNEL VIDEO PROGRAMMING
19 DISTRIBUTOR.—The term “multichannel video pro-
20 gramming distributor” has the meaning given such
21 term in section 602 of the Communications Act of
22 1934 (47 U.S.C. 522).

23 (20) NARROWBAND SPECTRUM.—The term
24 “narrowband spectrum” means the portion of the
25 electromagnetic spectrum between the frequencies

1 from 769 megahertz to 775 megahertz and between
2 the frequencies from 799 megahertz to 805 mega-
3 hertz.

4 (21) NATIONWIDE PUBLIC SAFETY BROADBAND
5 NETWORK.—The term “nationwide public safety
6 broadband network” means the nationwide, inter-
7 operable public safety broadband network described
8 in section 6202.

9 (22) NEXT GENERATION 9–1–1 SERVICES.—The
10 term “Next Generation 9–1–1 services” means an
11 IP-based system comprised of hardware, software,
12 data, and operational policies and procedures that—

13 (A) provides standardized interfaces from
14 emergency call and message services to support
15 emergency communications;

16 (B) processes all types of emergency calls,
17 including voice, text, data, and multimedia in-
18 formation;

19 (C) acquires and integrates additional
20 emergency call data useful to call routing and
21 handling;

22 (D) delivers the emergency calls, messages,
23 and data to the appropriate public safety an-
24 swering point and other appropriate emergency
25 entities;

1 (E) supports data or video communications
2 needs for coordinated incident response and
3 management; and

4 (F) provides broadband service to public
5 safety answering points or other first responder
6 entities.

7 (23) NIST.—The term “NIST” means the Na-
8 tional Institute of Standards and Technology.

9 (24) NTIA.—The term “NTIA” means the Na-
10 tional Telecommunications and Information Admin-
11 istration.

12 (25) PUBLIC SAFETY ANSWERING POINT.—The
13 term “public safety answering point” has the mean-
14 ing given such term in section 222 of the Commu-
15 nications Act of 1934 (47 U.S.C. 222).

16 (26) PUBLIC SAFETY ENTITY.—The term “pub-
17 lic safety entity” means an entity that provides pub-
18 lic safety services.

19 (27) PUBLIC SAFETY SERVICES.—The term
20 “public safety services”—

21 (A) has the meaning given the term in sec-
22 tion 337(f) of the Communications Act of 1934
23 (47 U.S.C. 337(f)); and

24 (B) includes services provided by emer-
25 gency response providers, as that term is de-

1 fined in section 2 of the Homeland Security Act
2 of 2002 (6 U.S.C. 101).

3 (28) PUBLIC SAFETY TRUST FUND.—The term
4 “Public Safety Trust Fund” means the trust fund
5 established under section 6413(a)(1).

6 (29) RADIO ACCESS NETWORK.—The term
7 “radio access network” means the radio access net-
8 work described in section 6202(b)(2).

9 (30) REVERSE AUCTION.—The term “reverse
10 auction” means the portion of an incentive auction
11 of broadcast television spectrum under section
12 6403(a), in which a broadcast television licensee may
13 submit bids stating the amount it would accept for
14 voluntarily relinquishing some or all of its broadcast
15 television spectrum usage rights.

16 (31) STATE.—The term “State” has the mean-
17 ing given such term in section 3 of the Communica-
18 tions Act of 1934 (47 U.S.C. 153).

19 (32) ULTRA HIGH FREQUENCY.—The term
20 “ultra high frequency” means, with respect to a tele-
21 vision channel, that the channel is located in the
22 portion of the electromagnetic spectrum between the
23 frequencies from 470 megahertz to 698 megahertz.

24 (33) VERY HIGH FREQUENCY.—The term “very
25 high frequency” means, with respect to a television

1 channel, that the channel is located in the portion of
2 the electromagnetic spectrum between the fre-
3 quencies from 54 megahertz to 72 megahertz, from
4 76 megahertz to 88 megahertz, or from 174 mega-
5 hertz to 216 megahertz.

6 **SEC. 6002. RULE OF CONSTRUCTION.**

7 Each range of frequencies described in this title shall
8 be construed to be inclusive of the upper and lower fre-
9 quencies in the range.

10 **SEC. 6003. ENFORCEMENT.**

11 (a) IN GENERAL.—The Commission shall implement
12 and enforce this title as if this title is a part of the Com-
13 munications Act of 1934 (47 U.S.C. 151 et seq.). A viola-
14 tion of this title, or a regulation promulgated under this
15 title, shall be considered to be a violation of the Commu-
16 nications Act of 1934, or a regulation promulgated under
17 such Act, respectively.

18 (b) EXCEPTIONS.—

19 (1) OTHER AGENCIES.—Subsection (a) does not
20 apply in the case of a provision of this title that is
21 expressly required to be carried out by an agency (as
22 defined in section 551 of title 5, United States
23 Code) other than the Commission.

24 (2) NTIA REGULATIONS.—The Assistant Sec-
25 retary may promulgate such regulations as are nec-

1 **Subtitle A—Reallocation of Public**
2 **Safety Spectrum**

3 **SEC. 6101. REALLOCATION OF D BLOCK TO PUBLIC SAFETY.**

4 (a) IN GENERAL.—The Commission shall reallocate
5 the 700 MHz D block spectrum for use by public safety
6 entities in accordance with the provisions of this Act.

7 (b) SPECTRUM ALLOCATION.—Section 337(a) of the
8 Communications Act of 1934 (47 U.S.C. 337(a)) is
9 amended—

10 (1) by striking “24” in paragraph (1) and in-
11 serting “34”; and

12 (2) by striking “36” in paragraph (2) and in-
13 serting “26”.

14 **SEC. 6102. FLEXIBLE USE OF NARROWBAND SPECTRUM.**

15 The Commission may allow the narrowband spectrum
16 to be used in a flexible manner, including usage for public
17 safety broadband communications, subject to such tech-
18 nical and interference protection measures as the Commis-
19 sion may require.

20 **SEC. 6103. 470–512 MHZ PUBLIC SAFETY SPECTRUM.**

21 (a) IN GENERAL.—Not later than 9 years after the
22 date of enactment of this title, the Commission shall—

23 (1) reallocate the spectrum in the 470–512
24 MHz band (referred to in this section as the “T-
25 Band spectrum”) currently used by public safety eli-

1 gibles as identified in section 90.303 of title 47,
2 Code of Federal Regulations; and

3 (2) begin a system of competitive bidding under
4 section 309(j) of the Communications Act of 1934
5 (47 U.S.C. 309(j)) to grant new initial licenses for
6 the use of the spectrum described in paragraph (1).

7 (b) AUCTION PROCEEDS.—Proceeds (including de-
8 posits and upfront payments from successful bidders)
9 from the competitive bidding system described in sub-
10 section (a)(2) shall be available to the Assistant Secretary
11 to make grants in such sums as necessary to cover reloca-
12 tion costs for the relocation of public safety entities from
13 the T-Band spectrum.

14 (c) RELOCATION.—Relocation shall be completed not
15 later than 2 years after the date on which the system of
16 competitive bidding described in subsection (a)(2) is com-
17 pleted.

18 **Subtitle B—Governance of Public** 19 **Safety Spectrum**

20 **SEC. 6201. SINGLE PUBLIC SAFETY WIRELESS NETWORK LI-** 21 **CENSEE.**

22 (a) REALLOCATION AND GRANT OF LICENSE.—Not-
23 withstanding any other provision of law, and subject to
24 the provisions of this Act, the Commission shall reallocate
25 and grant a license to the First Responder Network Au-

1 thority for the use of the 700 MHz D block spectrum and
2 existing public safety broadband spectrum.

3 (b) TERM OF LICENSE.—

4 (1) INITIAL LICENSE.—The license granted
5 under subsection (a) shall be for an initial term of
6 10 years from the date of the initial issuance of the
7 license.

8 (2) RENEWAL OF LICENSE.—Prior to expiration
9 of the term of the initial license granted under sub-
10 section (a) or the expiration of any subsequent re-
11 newal of such license, the First Responder Network
12 Authority shall submit to the Commission an appli-
13 cation for the renewal of such license. Such renewal
14 application shall demonstrate that, during the pre-
15 ceding license term, the First Responder Network
16 Authority has met the duties and obligations set
17 forth under this Act. A renewal license granted
18 under this paragraph shall be for a term of not to
19 exceed 10 years.

20 (c) FACILITATION OF TRANSITION.—The Commis-
21 sion shall take all actions necessary to facilitate the transi-
22 tion of the existing public safety broadband spectrum to
23 the First Responder Network Authority.

1 **SEC. 6202. PUBLIC SAFETY BROADBAND NETWORK.**

2 (a) ESTABLISHMENT.—The First Responder Net-
3 work Authority shall ensure the establishment of a nation-
4 wide, interoperable public safety broadband network.

5 (b) NETWORK COMPONENTS.—The nationwide public
6 safety broadband network shall be based on a single, na-
7 tional network architecture that evolves with technological
8 advancements and initially consists of—

9 (1) a core network that—

10 (A) consists of national and regional data
11 centers, and other elements and functions that
12 may be distributed geographically, all of which
13 shall be based on commercial standards; and

14 (B) provides the connectivity between—

15 (i) the radio access network; and

16 (ii) the public Internet or the public
17 switched network, or both; and

18 (2) a radio access network that—

19 (A) consists of all cell site equipment, an-
20 tennas, and backhaul equipment, based on com-
21 mercial standards, that are required to enable
22 wireless communications with devices using the
23 public safety broadband spectrum; and

24 (B) shall be developed, constructed, man-
25 aged, maintained, and operated taking into ac-
26 count the plans developed in the State, local,

1 and tribal planning and implementation grant
2 program under section 6302(a).

3 **SEC. 6203. PUBLIC SAFETY INTEROPERABILITY BOARD.**

4 (a) ESTABLISHMENT.—There is established within
5 the Commission an advisory board to be known as the
6 “Technical Advisory Board for First Responder Interoper-
7 ability”.

8 (b) MEMBERSHIP.—

9 (1) IN GENERAL.—

10 (A) VOTING MEMBERS.—Not later than 30
11 days after the date of enactment of this title,
12 the Chairman of the Commission shall appoint
13 14 voting members to the Interoperability
14 Board, of which—

15 (i) 4 members shall be representatives
16 of wireless providers, of which—

17 (I) 2 members shall be represent-
18 atives of national wireless providers;

19 (II) 1 member shall be a rep-
20 resentative of regional wireless pro-
21 viders; and

22 (III) 1 member shall be a rep-
23 resentative of rural wireless providers;

24 (ii) 3 members shall be representa-
25 tives of equipment manufacturers;

1 (iii) 4 members shall be representa-
2 tives of public safety entities, of which—

3 (I) not less than 1 member shall
4 be a representative of management
5 level employees of public safety enti-
6 ties; and

7 (II) not less than 1 member shall
8 be a representative of employees of
9 public safety entities;

10 (iv) 3 members shall be representa-
11 tives of State and local governments, cho-
12 sen to reflect geographic and population
13 density differences across the United
14 States; and

15 (v) all members shall have specific ex-
16 pertise necessary to developing technical
17 requirements under this section, such as
18 technical expertise, public safety commu-
19 nications expertise, and commercial net-
20 work experience.

21 (B) NON-VOTING MEMBER.—The Assistant
22 Secretary shall appoint 1 non-voting member to
23 the Interoperability Board.

24 (2) PERIOD OF APPOINTMENT.—

1 (A) IN GENERAL.—Except as provided in
2 subparagraph (B), members of the Interoper-
3 ability Board shall be appointed for the life of
4 the Interoperability Board.

5 (B) REMOVAL FOR CAUSE.—A member of
6 the Interoperability Board may be removed for
7 cause upon the determination of the Chairman
8 of the Commission.

9 (3) VACANCIES.—Any vacancy in the Interoper-
10 ability Board shall not affect the powers of the
11 Interoperability Board, and shall be filled in the
12 same manner as the original appointment.

13 (4) CHAIRPERSON AND VICE CHAIRPERSON.—
14 The Interoperability Board shall select a Chair-
15 person and Vice Chairperson from among the mem-
16 bers of the Interoperability Board.

17 (5) QUORUM.—A majority of the members of
18 the Interoperability Board shall constitute a
19 quorum.

20 (c) DUTIES OF THE INTEROPERABILITY BOARD.—

21 (1) DEVELOPMENT OF TECHNICAL REQUIRE-
22 MENTS.—Not later than 90 days after the date of
23 enactment of this Act, the Interoperability Board, in
24 consultation with the NTIA, NIST, and the Office

1 of Emergency Communications of the Department of
2 Homeland Security, shall—

3 (A) develop recommended minimum tech-
4 nical requirements to ensure a nationwide level
5 of interoperability for the nationwide public
6 safety broadband network; and

7 (B) submit to the Commission for review
8 in accordance with paragraph (3) recommended
9 minimum technical requirements described in
10 subparagraph (A).

11 (2) CONSIDERATION.—In developing rec-
12 ommended minimum technical requirements under
13 paragraph (1), the Interoperability Board shall base
14 the recommended minimum technical requirements
15 on the commercial standards for Long Term Evo-
16 lution (LTE) service.

17 (3) APPROVAL OF RECOMMENDATIONS.—

18 (A) IN GENERAL.—Not later than 30 days
19 after the date on which the Interoperability
20 Board submits recommended minimum tech-
21 nical requirements under paragraph (1)(B), the
22 Commission shall approve the recommenda-
23 tions, with any revisions it deems necessary,
24 and transmit such recommendations to the
25 First Responder Network Authority.

1 (B) REVIEW.—Any actions taken under
2 subparagraph (A) shall not be reviewable as a
3 final agency action.

4 (d) TRAVEL EXPENSES.—The members of the Inter-
5 operability Board shall be allowed travel expenses, includ-
6 ing per diem in lieu of subsistence, at rates authorized
7 for employees of agencies under subchapter I of chapter
8 57 of title 5, United States Code, while away from their
9 homes or regular places of business in the performance
10 of services for the Interoperability Board.

11 (e) EXEMPTION FROM FACCA.—The Federal Advi-
12 sory Committee Act (5 U.S.C. App.) shall not apply to
13 the Interoperability Board.

14 (f) TERMINATION OF AUTHORITY.—The Interoper-
15 ability Board shall terminate 15 days after the date on
16 which the Commission transmits the recommendations to
17 the First Responder Network Authority under subsection
18 (c)(3)(A).

19 **SEC. 6204. ESTABLISHMENT OF THE FIRST RESPONDER**
20 **NETWORK AUTHORITY.**

21 (a) ESTABLISHMENT.—There is established as an
22 independent authority within the NTIA the “First Re-
23 sponder Network Authority” or “FirstNet”.

24 (b) BOARD.—

1 (1) IN GENERAL.—The First Responder Net-
2 work Authority shall be headed by a Board, which
3 shall consist of—

4 (A) the Secretary of Homeland Security;

5 (B) the Attorney General of the United
6 States;

7 (C) the Director of the Office of Manage-
8 ment and Budget; and

9 (D) 12 individuals appointed by the Sec-
10 retary of Commerce in accordance with para-
11 graph (2).

12 (2) APPOINTMENTS.—

13 (A) IN GENERAL.—In making appoint-
14 ments under paragraph (1)(D), the Secretary of
15 Commerce shall—

16 (i) appoint not fewer than 3 individ-
17 uals to represent the collective interests of
18 the States, localities, tribes, and territories;

19 (ii) seek to ensure geographic and re-
20 gional representation of the United States
21 in such appointments;

22 (iii) seek to ensure rural and urban
23 representation in such appointments; and

1 (iv) appoint not fewer than 3 individ-
2 uals who have served as public safety pro-
3 fessionals.

4 (B) REQUIRED QUALIFICATIONS.—

5 (i) IN GENERAL.—Each member ap-
6 pointed under paragraph (1)(D) should
7 meet not less than 1 of the following cri-
8 teria:

9 (I) PUBLIC SAFETY EXPERI-
10 ENCE.—Knowledge and experience in
11 the use of Federal, State, local, or
12 tribal public safety or emergency re-
13 sponse.

14 (II) TECHNICAL EXPERTISE.—
15 Technical expertise and fluency re-
16 garding broadband communications,
17 including public safety communica-
18 tions.

19 (III) NETWORK EXPERTISE.—
20 Expertise in building, deploying, and
21 operating commercial telecommuni-
22 cations networks.

23 (IV) FINANCIAL EXPERTISE.—
24 Expertise in financing and funding
25 telecommunications networks.

1 (ii) EXPERTISE TO BE REP-
2 RESENTED.—In making appointments
3 under paragraph (1)(D), the Secretary of
4 Commerce shall appoint—

5 (I) not fewer than 1 individual
6 who satisfies the requirement under
7 subclause (II) of clause (i);

8 (II) not fewer than 1 individual
9 who satisfies the requirement under
10 subclause (III) of clause (i); and

11 (III) not fewer than 1 individual
12 who satisfies the requirement under
13 subclause (IV) of clause (i).

14 (C) CITIZENSHIP.—No individual other
15 than a citizen of the United States may serve
16 as a member of the Board.

17 (c) TERMS OF APPOINTMENT.—

18 (1) INITIAL APPOINTMENT DEADLINE.—Mem-
19 bers of the Board shall be appointed not later than
20 180 days after the date of the enactment of this
21 title.

22 (2) TERMS.—

23 (A) LENGTH.—

24 (i) IN GENERAL.—Each member of
25 the Board described in subparagraphs (A)

1 through (C) of subsection (b)(1) shall serve
2 as a member of the Board for the life of
3 the First Responder Network Authority.

4 (ii) APPOINTED INDIVIDUALS.—The
5 term of office of each individual appointed
6 to be a member of the Board under sub-
7 section (b)(1)(D) shall be 3 years. No
8 member described in this clause may serve
9 more than 2 consecutive full 3-year terms.

10 (B) EXPIRATION OF TERM.—Any member
11 whose term has expired may serve until such
12 member's successor has taken office, or until
13 the end of the calendar year in which such
14 member's term has expired, whichever is earlier.

15 (C) APPOINTMENT TO FILL VACANCY.—
16 Any member appointed to fill a vacancy occur-
17 ring prior to the expiration of the term for
18 which that member's predecessor was appointed
19 shall be appointed for the remainder of the
20 predecessor's term.

21 (D) STAGGERED TERMS.—With respect to
22 the initial members of the Board appointed
23 under subsection (b)(1)(D)—

24 (i) 4 members shall serve for a term
25 of 3 years;

1 (ii) 4 members shall serve for a term
2 of 2 years; and

3 (iii) 4 members shall serve for a term
4 of 1 year.

5 (3) VACANCIES.—A vacancy in the membership
6 of the Board shall not affect the Board's powers,
7 and shall be filled in the same manner as the origi-
8 nal member was appointed.

9 (d) CHAIR.—

10 (1) SELECTION.—The Secretary of Commerce
11 shall select, from among the members of the Board
12 appointed under subsection (b)(1)(D), an individual
13 to serve for a 2-year term as Chair of the Board.

14 (2) CONSECUTIVE TERMS.—An individual may
15 not serve for more than 2 consecutive terms as
16 Chair of the Board.

17 (e) MEETINGS.—

18 (1) FREQUENCY.—The Board shall meet—

19 (A) at the call of the Chair ; and

20 (B) not less frequently than once each
21 quarter.

22 (2) TRANSPARENCY.—Meetings of the Board,
23 including any committee of the Board, shall be open
24 to the public. The Board may, by majority vote,
25 close any such meeting only for the time necessary

1 to preserve the confidentiality of commercial or fi-
2 nancial information that is privileged or confidential,
3 to discuss personnel matters, or to discuss legal mat-
4 ters affecting the First Responder Network Author-
5 ity, including pending or potential litigation.

6 (f) QUORUM.—Eight members of the Board shall
7 constitute a quorum, including at least 6 of the members
8 appointed under subsection (b)(1)(D).

9 (g) COMPENSATION.—

10 (1) IN GENERAL.—The members of the Board
11 appointed under subsection (b)(1)(D) shall be com-
12 pensated at the daily rate of basic pay for level IV
13 of the Executive Schedule for each day during which
14 such members are engaged in performing a function
15 of the Board.

16 (2) PROHIBITION ON COMPENSATION.—A mem-
17 ber of the Board appointed under subparagraphs (A)
18 through (C) of subsection (b)(1) shall serve without
19 additional pay, and shall not otherwise benefit, di-
20 rectly or indirectly, as a result of their service to the
21 First Responder Network Authority, but shall be al-
22 lowed a per diem allowance for travel expenses, at
23 rates authorized for an employee of an agency under
24 subchapter I of chapter 57 of title 5, United States
25 Code, while away from the home or regular place of

1 business of the member in the performance of the
2 duties of the First Responder Network Authority.

3 **SEC. 6205. ADVISORY COMMITTEES OF THE FIRST RE-**
4 **SPONDER NETWORK AUTHORITY.**

5 (a) **ADVISORY COMMITTEES.**—The First Responder
6 Network Authority—

7 (1) shall establish a standing public safety advi-
8 sory committee to assist the First Responder Net-
9 work Authority in carrying out its duties and re-
10 sponsibilities under this subtitle; and

11 (2) may establish additional standing or ad hoc
12 committees, panels, or councils as the First Re-
13 sponder Network Authority determines are nec-
14 essary.

15 (b) **SELECTION OF AGENTS, CONSULTANTS, AND EX-**
16 **PERTS.**—

17 (1) **IN GENERAL.**—The First Responder Net-
18 work Authority shall select parties to serve as its
19 agents, consultants, or experts in a fair, transparent,
20 and objective manner, and such agents may include
21 a program manager to carry out certain of the du-
22 ties and responsibilities of deploying and operating
23 the nationwide public safety broadband network de-
24 scribed in subsections (b) and (c) of section 6206.

1 (2) BINDING AND FINAL.—If the selection of an
2 agent, consultant, or expert satisfies the require-
3 ments under paragraph (1), the selection of that
4 agent, consultant, or expert shall be final and bind-
5 ing.

6 **SEC. 6206. POWERS, DUTIES, AND RESPONSIBILITIES OF**
7 **THE FIRST RESPONDER NETWORK AUTHOR-**
8 **ITY.**

9 (a) GENERAL POWERS.—The First Responder Net-
10 work Authority shall have the authority to do the fol-
11 lowing:

12 (1) To exercise, through the actions of its
13 Board, all powers specifically granted by the provi-
14 sions of this subtitle, and such incidental powers as
15 shall be necessary.

16 (2) To hold such hearings, sit and act at such
17 times and places, take such testimony, and receive
18 such evidence as the First Responder Network Au-
19 thority considers necessary to carry out its respon-
20 sibilities and duties.

21 (3) To obtain grants and funds from and make
22 contracts with individuals, private companies, orga-
23 nizations, institutions, and Federal, State, regional,
24 and local agencies.

1 (4) To accept, hold, administer, and utilize
2 gifts, donations, and bequests of property, both real
3 and personal, for the purposes of aiding or facili-
4 tating the work of the First Responder Network Au-
5 thority.

6 (5) To spend funds under paragraph (3) in a
7 manner authorized by the Board, but only for pur-
8 poses that will advance or enhance public safety
9 communications consistent with this title.

10 (6) To take such other actions as the First Re-
11 sponder Network Authority (through the Board)
12 may from time to time determine necessary, appro-
13 priate, or advisable to accomplish the purposes of
14 this title.

15 (b) DUTY AND RESPONSIBILITY TO DEPLOY AND OP-
16 ERATE A NATIONWIDE PUBLIC SAFETY BROADBAND
17 NETWORK.—

18 (1) IN GENERAL.—The First Responder Net-
19 work Authority shall hold the single public safety
20 wireless license granted under section 6201 and take
21 all actions necessary to ensure the building, deploy-
22 ment, and operation of the nationwide public safety
23 broadband network, in consultation with Federal,
24 State, tribal, and local public safety entities, the Di-
25 rector of NIST, the Commission, and the public

1 safety advisory committee established in section
2 6205(a), including by, at a minimum—

3 (A) ensuring nationwide standards for use
4 and access of the network;

5 (B) issuing open, transparent, and com-
6 petitive requests for proposals to private sector
7 entities for the purposes of building, operating,
8 and maintaining the network that use, without
9 materially changing, the minimum technical re-
10 quirements developed under section 6203;

11 (C) encouraging that such requests lever-
12 age, to the maximum extent economically desir-
13 able, existing commercial wireless infrastructure
14 to speed deployment of the network; and

15 (D) managing and overseeing the imple-
16 mentation and execution of contracts or agree-
17 ments with non-Federal entities to build, oper-
18 ate, and maintain the network.

19 (2) REQUIREMENTS.—In carrying out the du-
20 ties and responsibilities of this subsection, including
21 issuing requests for proposals, the First Responder
22 Network Authority shall—

23 (A) ensure the safety, security, and resil-
24 iency of the network, including requirements for

1 protecting and monitoring the network to pro-
2 tect against cyberattack;

3 (B) promote competition in the equipment
4 market, including devices for public safety com-
5 munications, by requiring that equipment for
6 use on the network be—

7 (i) built to open, non-proprietary,
8 commercially available standards;

9 (ii) capable of being used by any pub-
10 lic safety entity and by multiple vendors
11 across all public safety broadband net-
12 works operating in the 700 MHz band;
13 and

14 (iii) backward-compatible with exist-
15 ing commercial networks to the extent that
16 such capabilities are necessary and tech-
17 nically and economically reasonable;

18 (C) promote integration of the network
19 with public safety answering points or their
20 equivalent; and

21 (D) address special considerations for
22 areas or regions with unique homeland security
23 or national security needs.

24 (3) RURAL COVERAGE.—In carrying out the du-
25 ties and responsibilities of this subsection, including

1 issuing requests for proposals, the nationwide, inter-
2 operable public safety broadband network, consistent
3 with the license granted under section 6201, shall
4 require deployment phases with substantial rural
5 coverage milestones as part of each phase of the
6 construction and deployment of the network. To the
7 maximum extent economically desirable, such pro-
8 posals shall include partnerships with existing com-
9 mercial mobile providers to utilize cost-effective op-
10 portunities to speed deployment in rural areas.

11 (4) EXECUTION OF AUTHORITY.—In carrying
12 out the duties and responsibilities of this subsection,
13 the First Responder Network Authority may—

14 (A) obtain grants from and make contracts
15 with individuals, private companies, and Fed-
16 eral, State, regional, and local agencies;

17 (B) hire or accept voluntary services of
18 consultants, experts, advisory boards, and pan-
19 els to aid the First Responder Network Author-
20 ity in carrying out such duties and responsibil-
21 ities;

22 (C) receive payment for use of—

23 (i) network capacity licensed to the
24 First Responder Network Authority; and

1 (ii) network infrastructure con-
2 structed, owned, or operated by the First
3 Responder Network Authority; and

4 (D) take such other actions as may be nec-
5 essary to accomplish the purposes set forth in
6 this subsection.

7 (c) OTHER SPECIFIC DUTIES AND RESPONSIBIL-
8 ITIES.—

9 (1) ESTABLISHMENT OF NETWORK POLICIES.—

10 In carrying out the requirements under subsection
11 (b), the First Responder Network Authority shall
12 develop—

13 (A) requests for proposals with appro-
14 priate—

15 (i) timetables for construction, includ-
16 ing by taking into consideration the time
17 needed to build out to rural areas and the
18 advantages offered through partnerships
19 with existing commercial providers under
20 paragraph (3);

21 (ii) coverage areas, including coverage
22 in rural and nonurban areas;

23 (iii) service levels;

24 (iv) performance criteria; and

1 (v) other similar matters for the con-
2 struction and deployment of such network;

3 (B) the technical and operational require-
4 ments of the network;

5 (C) practices, procedures, and standards
6 for the management and operation of such net-
7 work;

8 (D) terms of service for the use of such
9 network, including billing practices; and

10 (E) ongoing compliance review and moni-
11 toring of the—

12 (i) management and operation of such
13 network;

14 (ii) practices and procedures of the
15 entities operating on and the personnel
16 using such network; and

17 (iii) necessary training needs of net-
18 work operators and users.

19 (2) STATE AND LOCAL PLANNING.—

20 (A) REQUIRED CONSULTATION.—In devel-
21 oping requests for proposals and otherwise car-
22 rying out its responsibilities under this Act, the
23 First Responder Network Authority shall con-
24 sult with regional, State, tribal, and local juris-
25 dictions regarding the distribution and expendi-

1 ture of any amounts required to carry out the
2 policies established under paragraph (1), includ-
3 ing with regard to the—

4 (i) construction of a core network and
5 any radio access network build out;

6 (ii) placement of towers;

7 (iii) coverage areas of the network,
8 whether at the regional, State, tribal, or
9 local level;

10 (iv) adequacy of hardening, security,
11 reliability, and resiliency requirements;

12 (v) assignment of priority to local
13 users;

14 (vi) assignment of priority and selec-
15 tion of entities seeking access to or use of
16 the nationwide public safety interoperable
17 broadband network established under sub-
18 section (b); and

19 (vii) training needs of local users.

20 (B) METHOD OF CONSULTATION.—The
21 consultation required under subparagraph (A)
22 shall occur between the First Responder Net-
23 work Authority and the single officer or govern-
24 mental body designated under section 6302(d).

1 (3) LEVERAGING EXISTING INFRASTRUC-
2 TURE.—In carrying out the requirement under sub-
3 section (b), the First Responder Network Authority
4 shall enter into agreements to utilize, to the max-
5 imum extent economically desirable, existing—

6 (A) commercial or other communications
7 infrastructure; and

8 (B) Federal, State, tribal, or local infra-
9 structure.

10 (4) MAINTENANCE AND UPGRADES.—The First
11 Responder Network Authority shall ensure the main-
12 tenance, operation, and improvement of the nation-
13 wide public safety broadband network, including by
14 ensuring that the First Responder Network Author-
15 ity updates and revises any policies established
16 under paragraph (1) to take into account new and
17 evolving technologies.

18 (5) ROAMING AGREEMENTS.—The First Re-
19 sponder Network Authority shall negotiate and enter
20 into, as it determines appropriate, roaming agree-
21 ments with commercial network providers to allow
22 the nationwide public safety broadband network to
23 roam onto commercial networks and gain
24 prioritization of public safety communications over
25 such networks in times of an emergency.

1 (6) NETWORK INFRASTRUCTURE AND DEVICE
2 CRITERIA.—The Director of NIST, in consultation
3 with the First Responder Network Authority and the
4 Commission, shall ensure the development of a list
5 of certified devices and components meeting appro-
6 priate protocols and standards for public safety enti-
7 ties and commercial vendors to adhere to, if such en-
8 tities or vendors seek to have access to, use of, or
9 compatibility with the nationwide public safety
10 broadband network.

11 (7) REPRESENTATION BEFORE STANDARD SET-
12 TING ENTITIES.—The First Responder Network Au-
13 thority, in consultation with the Director of NIST,
14 the Commission, and the public safety advisory com-
15 mittee established under section 6205(a), shall rep-
16 resent the interests of public safety users of the na-
17 tionwide public safety broadband network before any
18 proceeding, negotiation, or other matter in which a
19 standards organization, standards body, standards
20 development organization, or any other recognized
21 standards-setting entity addresses the development
22 of standards relating to interoperability.

23 (8) PROHIBITION ON NEGOTIATION WITH FOR-
24 EIGN GOVERNMENTS.—The First Responder Net-
25 work Authority shall not have the authority to nego-

1 tiate or enter into any agreements with a foreign
2 government on behalf of the United States.

3 (d) EXEMPTION FROM CERTAIN LAWS.—Any action
4 taken or decisions made by the First Responder Network
5 Authority shall be exempt from the requirements of—

6 (1) section 3506 of title 44, United States Code
7 (commonly referred to as the Paperwork Reduction
8 Act);

9 (2) chapter 5 of title 5, United States Code
10 (commonly referred to as the Administrative Proce-
11 dures Act); and

12 (3) chapter 6 of title 5, United States Code
13 (commonly referred to as the Regulatory Flexibility
14 Act).

15 (e) NETWORK CONSTRUCTION FUND.—

16 (1) ESTABLISHMENT.—There is established in
17 the Treasury of the United States a fund to be
18 known as the “Network Construction Fund”.

19 (2) USE OF FUND.—Amounts deposited into
20 the Network Construction Fund shall be used by
21 the—

22 (A) First Responder Network Authority to
23 carry out this section, except for administrative
24 expenses; and

1 (B) NTIA to make grants to States under
2 section 6302(e)(3)(C)(iii)(I).

3 (f) TERMINATION OF AUTHORITY.—The authority of
4 the First Responder Network Authority shall terminate on
5 the date that is 15 years after the date of enactment of
6 this title.

7 (g) GAO REPORT.—Not later than 10 years after the
8 date of the enactment of this Act, the Comptroller General
9 of the United States shall submit to Congress a report
10 on what action Congress should take regarding the 15-
11 year sunset of authority under subsection (f).

12 **SEC. 6207. INITIAL FUNDING FOR THE FIRST RESPONDER**
13 **NETWORK AUTHORITY.**

14 (a) BORROWING AUTHORITY.—Prior to the deposit
15 of proceeds into the Public Safety Trust Fund from the
16 incentive auctions to be carried out under section
17 309(j)(8)(G) of the Communications Act of 1934 or the
18 auction of spectrum pursuant to section 6401, the NTIA
19 may borrow from the Treasury such sums as may be nec-
20 essary, but not to exceed \$2,000,000,000, to implement
21 this subtitle. The NTIA shall reimburse the Treasury,
22 without interest, from funds deposited into the Public
23 Safety Trust Fund.

24 (b) PROHIBITION.—

1 (1) IN GENERAL.—Administrative expenses of
2 the First Responder Network Authority may not ex-
3 ceed \$100,000,000 during the 10-year period begin-
4 ning on the date of enactment of this title.

5 (2) DEFINITION.—For purposes of this sub-
6 section, the term “administrative expenses” does not
7 include the costs incurred by the First Responder
8 Network Authority for oversight and audits to pro-
9 tect against waste, fraud, and abuse.

10 **SEC. 6208. PERMANENT SELF-FUNDING; DUTY TO ASSESS**
11 **AND COLLECT FEES FOR NETWORK USE.**

12 (a) IN GENERAL.—Notwithstanding section 337 of
13 the Communications Act of 1934 (47 U.S.C. 337), the
14 First Responder Network Authority is authorized to as-
15 sess and collect the following fees:

16 (1) NETWORK USER FEE.—A user or subscrip-
17 tion fee from each entity, including any public safety
18 entity or secondary user, that seeks access to or use
19 of the nationwide public safety broadband network.

20 (2) LEASE FEES RELATED TO NETWORK CA-
21 PACITY.—

22 (A) IN GENERAL.—A fee from any entity
23 that seeks to enter into a covered leasing agree-
24 ment.

1 (B) COVERED LEASING AGREEMENT.—For
2 purposes of subparagraph (A), a “covered leas-
3 ing agreement” means a written agreement re-
4 sulting from a public-private arrangement to
5 construct, manage, and operate the nationwide
6 public safety broadband network between the
7 First Responder Network Authority and sec-
8 ondary user to permit—

9 (i) access to network capacity on a
10 secondary basis for non-public safety serv-
11 ices; and

12 (ii) the spectrum allocated to such en-
13 tity to be used for commercial trans-
14 missions along the dark fiber of the long-
15 haul network of such entity.

16 (3) LEASE FEES RELATED TO NETWORK EQUIP-
17 MENT AND INFRASTRUCTURE.—A fee from any enti-
18 ty that seeks access to or use of any equipment or
19 infrastructure, including antennas or towers, con-
20 structed or otherwise owned by the First Responder
21 Network Authority resulting from a public-private
22 arrangement to construct, manage, and operate the
23 nationwide public safety broadband network.

24 (b) ESTABLISHMENT OF FEE AMOUNTS; PERMA-
25 NENT SELF-FUNDING.—The total amount of the fees as-

1 sessed for each fiscal year pursuant to this section shall
2 be sufficient, and shall not exceed the amount necessary,
3 to recoup the total expenses of the First Responder Net-
4 work Authority in carrying out its duties and responsibil-
5 ities described under this subtitle for the fiscal year in-
6 volved.

7 (c) ANNUAL APPROVAL.—The NTIA shall review the
8 fees assessed under this section on an annual basis, and
9 such fees may only be assessed if approved by the NTIA.

10 (d) REQUIRED REINVESTMENT OF FUNDS.—The
11 First Responder Network Authority shall reinvest
12 amounts received from the assessment of fees under this
13 section in the nationwide public safety interoperable
14 broadband network by using such funds only for con-
15 structing, maintaining, operating, or improving the net-
16 work.

17 **SEC. 6209. AUDIT AND REPORT.**

18 (a) AUDIT.—

19 (1) IN GENERAL.—The Secretary of Commerce
20 shall enter into a contract with an independent audi-
21 tor to conduct an audit, on an annual basis, of the
22 First Responder Network Authority in accordance
23 with general accounting principles and procedures
24 applicable to commercial corporate transactions.
25 Each audit conducted under this paragraph shall be

1 made available to the appropriate committees of
2 Congress.

3 (2) LOCATION.—Any audit conducted under
4 paragraph (1) shall be conducted at the place or
5 places where accounts of the First Responder Net-
6 work Authority are normally kept.

7 (3) ACCESS TO FIRST RESPONDER NETWORK
8 AUTHORITY BOOKS AND DOCUMENTS.—

9 (A) IN GENERAL.—For purposes of an
10 audit conducted under paragraph (1), the rep-
11 resentatives of the independent auditor shall—

12 (i) have access to all books, accounts,
13 records, reports, files, and all other papers,
14 things, or property belonging to or in use
15 by the First Responder Network Authority
16 that pertain to the financial transactions of
17 the First Responder Network Authority
18 and are necessary to facilitate the audit;
19 and

20 (ii) be afforded full facilities for
21 verifying transactions with the balances or
22 securities held by depositories, fiscal
23 agents, and custodians.

24 (B) REQUIREMENT.—All books, accounts,
25 records, reports, files, papers, and property of

1 the First Responder Network Authority shall
2 remain in the possession and custody of the
3 First Responder Network Authority.

4 (b) REPORT.—

5 (1) IN GENERAL.—The independent auditor se-
6 lected to conduct an audit under this section shall
7 submit a report of each audit conducted under sub-
8 section (a) to—

9 (A) the appropriate committees of Con-
10 gress;

11 (B) the President; and

12 (C) the First Responder Network Author-
13 ity.

14 (2) CONTENTS.—Each report submitted under
15 paragraph (1) shall contain—

16 (A) such comments and information as the
17 independent auditor determines necessary to in-
18 form Congress of the financial operations and
19 condition of the First Responder Network Au-
20 thority;

21 (B) any recommendations of the inde-
22 pendent auditor relating to the financial oper-
23 ations and condition of the First Responder
24 Network Authority; and

1 (C) a description of any program, expendi-
2 ture, or other financial transaction or under-
3 taking of the First Responder Network Author-
4 ity that was observed during the course of the
5 audit, which, in the opinion of the independent
6 auditor, has been carried on or made without
7 the authority of law.

8 **SEC. 6210. ANNUAL REPORT TO CONGRESS.**

9 (a) IN GENERAL.—Not later than 1 year after the
10 date of enactment of this Act, and each year thereafter,
11 the First Responder Network Authority shall submit an
12 annual report covering the preceding fiscal year to the ap-
13 propriate committees of Congress.

14 (b) REQUIRED CONTENT.—The report required
15 under subsection (a) shall include—

16 (1) a comprehensive and detailed report of the
17 operations, activities, financial condition, and accom-
18 plishments of the First Responder Network Author-
19 ity under this section; and

20 (2) such recommendations or proposals for leg-
21 islative or administrative action as the First Re-
22 sponder Network Authority deems appropriate.

23 (c) AVAILABILITY TO TESTIFY.—The members of the
24 Board and employees of the First Responder Network Au-

1 thority shall be available to testify before the appropriate
2 committees of the Congress with respect to—

3 (1) the report required under subsection (a);

4 (2) the report of any audit conducted under
5 section 6210; or

6 (3) any other matter which such committees
7 may determine appropriate.

8 **SEC. 6211. PUBLIC SAFETY ROAMING AND PRIORITY AC-**
9 **CESS.**

10 The Commission may adopt rules, if necessary in the
11 public interest, to improve the ability of public safety net-
12 works to roam onto commercial networks and to gain pri-
13 ority access to commercial networks in an emergency if—

14 (1) the public safety entity equipment is tech-
15 nically compatible with the commercial network;

16 (2) the commercial network is reasonably com-
17 pensated; and

18 (3) such access does not preempt or otherwise
19 terminate or degrade all existing voice conversations
20 or data sessions.

21 **SEC. 6212. PROHIBITION ON DIRECT OFFERING OF COM-**
22 **MERCIAL TELECOMMUNICATIONS SERVICE**
23 **DIRECTLY TO CONSUMERS.**

24 (a) IN GENERAL.—The First Responder Network
25 Authority shall not offer, provide, or market commercial

1 telecommunications or information services directly to con-
2 sumers.

3 (b) **RULE OF CONSTRUCTION.**—Nothing in this sec-
4 tion shall be construed to prohibit the First Responder
5 Network Authority and a secondary user from entering
6 into a covered leasing agreement pursuant to section
7 6208(a)(2)(B). Nothing in this section shall be construed
8 to limit the First Responder Network Authority from col-
9 lecting lease fees related to network equipment and infra-
10 structure pursuant to section 6208(a)(3).

11 **SEC. 6213. PROVISION OF TECHNICAL ASSISTANCE.**

12 The Commission may provide technical assistance to
13 the First Responder Network Authority and may take any
14 action necessary to assist the First Responder Network
15 Authority in effectuating its duties and responsibilities
16 under this subtitle.

17 **Subtitle C—Public Safety**
18 **Commitments**

19 **SEC. 6301. STATE AND LOCAL IMPLEMENTATION FUND.**

20 (a) **ESTABLISHMENT.**—There is established in the
21 Treasury of the United States a fund to be known as the
22 State and Local Implementation Fund.

23 (b) **AMOUNTS AVAILABLE FOR STATE AND LOCAL**
24 **IMPLEMENTATION GRANT PROGRAM.**—Any amounts bor-
25 rowed under subsection (c)(1) and any amounts in the

1 State and Local Implementation Fund that are not nec-
2 essary to reimburse the general fund of the Treasury for
3 such borrowed amounts shall be available to the Assistant
4 Secretary to implement section 6302.

5 (c) BORROWING AUTHORITY.—

6 (1) IN GENERAL.—Prior to the end of fiscal
7 year 2022, the Assistant Secretary may borrow from
8 the general fund of the Treasury such sums as may
9 be necessary, but not to exceed \$135,000,000, to im-
10 plement section 6302.

11 (2) REIMBURSEMENT.—The Assistant Sec-
12 retary shall reimburse the general fund of the Treas-
13 ury, without interest, for any amounts borrowed
14 under paragraph (1) as funds are deposited into the
15 State and Local Implementation Fund.

16 (d) TRANSFER OF UNUSED FUNDS.—If there is a
17 balance remaining in the State and Local Implementation
18 Fund on September 30, 2022, the Secretary of the Treas-
19 ury shall transfer such balance to the general fund of the
20 Treasury, where such balance shall be dedicated for the
21 sole purpose of deficit reduction.

22 **SEC. 6302. STATE AND LOCAL IMPLEMENTATION.**

23 (a) ESTABLISHMENT OF STATE AND LOCAL IMPLE-
24 MENTATION GRANT PROGRAM.—The Assistant Secretary,
25 in consultation with the First Responder Network Author-

1 ity, shall take such action as is necessary to establish a
2 grant program to make grants to States to assist State,
3 regional, tribal, and local jurisdictions to identify, plan,
4 and implement the most efficient and effective way for
5 such jurisdictions to utilize and integrate the infrastruc-
6 ture, equipment, and other architecture associated with
7 the nationwide public safety broadband network to satisfy
8 the wireless communications and data services needs of
9 that jurisdiction, including with regards to coverage,
10 siting, and other needs.

11 (b) MATCHING REQUIREMENTS; FEDERAL SHARE.—

12 (1) IN GENERAL.—The Federal share of the
13 cost of any activity carried out using a grant under
14 this section may not exceed 80 percent of the eligible
15 costs of carrying out that activity, as determined by
16 the Assistant Secretary, in consultation with the
17 First Responder Network Authority.

18 (2) WAIVER.—The Assistant Secretary may
19 waive, in whole or in part, the requirements of para-
20 graph (1) for good cause shown if the Assistant Sec-
21 retary determines that such a waiver is in the public
22 interest.

23 (c) PROGRAMMATIC REQUIREMENTS.—Not later than
24 6 months after the date of enactment of this Act, the As-
25 sistant Secretary, in consultation with the First Re-

1 sponder Network Authority, shall establish requirements
2 relating to the grant program to be carried out under this
3 section, including the following:

4 (1) Defining eligible costs for purposes of sub-
5 section (b)(1).

6 (2) Determining the scope of eligible activities
7 for grant funding under this section.

8 (3) Prioritizing grants for activities that ensure
9 coverage in rural as well as urban areas.

10 (d) CERTIFICATION AND DESIGNATION OF OFFICER
11 OR GOVERNMENTAL BODY.—In carrying out the grant
12 program established under this section, the Assistant Sec-
13 retary shall require each State to certify in its application
14 for grant funds that the State has designated a single offi-
15 cer or governmental body to serve as the coordinator of
16 implementation of the grant funds.

17 (e) STATE NETWORK.—

18 (1) NOTICE.—Upon the completion of the re-
19 quest for proposal process conducted by the First
20 Responder Network Authority for the construction,
21 operation, maintenance, and improvement of the na-
22 tionwide public safety broadband network, the First
23 Responder Network Authority shall provide to the
24 Governor of each State, or his designee—

1 (A) notice of the completion of the request
2 for proposal process;

3 (B) details of the proposed plan for build-
4 out of the nationwide, interoperable broadband
5 network in such State; and

6 (C) the funding level for the State as de-
7 termined by the NTIA.

8 (2) STATE DECISION.—Not later than 90 days
9 after the date on which the Governor of a State re-
10 ceives notice under paragraph (1), the Governor
11 shall choose whether to—

12 (A) participate in the deployment of the
13 nationwide, interoperable broadband network as
14 proposed by the First Responder Network Au-
15 thority; or

16 (B) conduct its own deployment of a radio
17 access network in such State.

18 (3) PROCESS.—

19 (A) IN GENERAL.—Upon making a deci-
20 sion to opt-out under paragraph (2)(B), the
21 Governor shall notify the First Responder Net-
22 work Authority, the NTIA, and the Commission
23 of such decision.

24 (B) STATE REQUEST FOR PROPOSALS.—
25 Not later than 180 days after the date on which

1 a Governor provides notice under subparagraph
2 (A), the Governor shall develop and complete
3 requests for proposals for the construction,
4 maintenance, and operation of the radio access
5 network within the State.

6 (C) SUBMISSION AND APPROVAL OF AL-
7 TERNATIVE PLAN.—

8 (i) IN GENERAL.—The State shall
9 submit an alternative plan for the con-
10 struction, maintenance, operation, and im-
11 provements of the radio access network
12 within the State to the Commission, and
13 such plan shall demonstrate—

14 (I) that the State will be in com-
15 pliance with the minimum technical
16 interoperability requirements devel-
17 oped under section 6203; and

18 (II) interoperability with the na-
19 tionwide public safety broadband net-
20 work.

21 (ii) COMMISSION APPROVAL OR DIS-
22 APPROVAL.—Upon submission of a State
23 plan under clause (i), the Commission shall
24 either approve or disapprove the plan.

1 (iii) APPROVAL.—If the Commission
2 approves a plan under this subparagraph,
3 the State—

4 (I) may apply to the NTIA for a
5 grant to construct the radio access
6 network within the State that includes
7 the showing described in subpara-
8 graph (D); and

9 (II) shall apply to the NTIA to
10 lease spectrum capacity from the
11 First Responder Network Authority.

12 (iv) DISAPPROVAL.—If the Commis-
13 sion disapproves a plan under this sub-
14 paragraph, the construction, maintenance,
15 operation, and improvements of the net-
16 work within the State shall proceed in ac-
17 cordance with the plan proposed by the
18 First Responder Network Authority.

19 (D) FUNDING REQUIREMENTS.—In order
20 to obtain grant funds and spectrum capacity
21 leasing rights under subparagraph (C)(iii), a
22 State shall demonstrate—

23 (i) that the State has—

1 (I) the technical capabilities to
2 operate, and the funding to support,
3 the State radio access network;

4 (II) has the ability to maintain
5 ongoing interoperability with the na-
6 tionwide public safety broadband net-
7 work; and

8 (III) the ability to complete the
9 project within specified comparable
10 timelines specific to the State;

11 (ii) the cost-effectiveness of the State
12 plan submitted under subparagraph (C)(i);
13 and

14 (iii) comparable security, coverage,
15 and quality of service to that of the nation-
16 wide public safety broadband network.

17 (f) USER FEES.—If a State chooses to build its own
18 radio access network, the State shall pay any user fees
19 associated with State use of elements of the core network.

20 (g) PROHIBITION.—

21 (1) IN GENERAL.—A State that chooses to
22 build its own radio access network shall not provide
23 commercial service to consumers or offer wholesale
24 leasing capacity of the network within the State ex-
25 cept directly through public-private partnerships for

1 construction, maintenance, operation, and improve-
2 ment of the network within the State.

3 (2) RULE OF CONSTRUCTION.—Nothing in this
4 subsection shall be construed to prohibit the State
5 and a secondary user from entering into a covered
6 leasing agreement. Any revenue gained by the State
7 from such a leasing agreement shall be used only for
8 constructing, maintaining, operating, or improving
9 the radio access network of the State.

10 (h) JUDICIAL REVIEW.—

11 (1) IN GENERAL.—The United States District
12 Court for the District of Columbia shall have exclu-
13 sive jurisdiction to review a decision of the Commis-
14 sion made under subsection (e)(3)(C)(iv).

15 (2) STANDARD OF REVIEW.—The court shall
16 affirm the decision of the Commission unless—

17 (A) the decision was procured by corrup-
18 tion, fraud, or undue means;

19 (B) there was actual partiality or corrup-
20 tion in the Commission; or

21 (C) the Commission was guilty of mis-
22 conduct in refusing to hear evidence pertinent
23 and material to the decision or of any other
24 misbehavior by which the rights of any party
25 have been prejudiced.

1 **SEC. 6303. PUBLIC SAFETY WIRELESS COMMUNICATIONS**
2 **RESEARCH AND DEVELOPMENT.**

3 (a) NIST DIRECTED RESEARCH AND DEVELOPMENT
4 PROGRAM.—From amounts made available from the Pub-
5 lic Safety Trust Fund, the Director of NIST, in consulta-
6 tion with the Commission, the Secretary of Homeland Se-
7 curity, and the National Institute of Justice of the Depart-
8 ment of Justice, as appropriate, shall conduct research
9 and assist with the development of standards, tech-
10 nologies, and applications to advance wireless public safety
11 communications.

12 (b) REQUIRED ACTIVITIES.—In carrying out the re-
13 quirement under subsection (a), the Director of NIST, in
14 consultation with the First Responder Network Authority
15 and the public safety advisory committee established
16 under section 6205(a), shall—

17 (1) document public safety wireless communica-
18 tions technical requirements;

19 (2) accelerate the development of the capability
20 for communications between currently deployed pub-
21 lic safety narrowband systems and the nationwide
22 public safety broadband network;

23 (3) establish a research plan, and direct re-
24 search, that addresses the wireless communications
25 needs of public safety entities beyond what can be

1 provided by the current generation of broadband
2 technology;

3 (4) accelerate the development of mission crit-
4 ical voice, including device-to-device “talkaround”
5 capability over broadband networks, public safety
6 prioritization, authentication capabilities, and stand-
7 ard application programming interfaces for the nation-
8 wide public safety broadband network, if necessary
9 and practical;

10 (5) accelerate the development of communica-
11 tions technology and equipment that can facilitate
12 the eventual migration of public safety narrowband
13 communications to the nationwide public safety
14 broadband network; and

15 (6) convene working groups of relevant govern-
16 ment and commercial parties to achieve the require-
17 ments in paragraphs (1) through (5).

18 **Subtitle D—Spectrum Auction** 19 **Authority**

20 **SEC. 6401. DEADLINES FOR AUCTION OF CERTAIN SPEC-** 21 **TRUM.**

22 (a) CLEARING CERTAIN FEDERAL SPECTRUM.—

23 (1) IN GENERAL.—The President shall—

24 (A) not later than 3 years after the date
25 of the enactment of this Act, begin the process

1 of withdrawing or modifying the assignment to
2 a Federal Government station of the electro-
3 magnetic spectrum described in paragraph (2);
4 and

5 (B) not later than 30 days after com-
6 pleting the withdrawal or modification, notify
7 the Commission that the withdrawal or modi-
8 fication is complete.

9 (2) SPECTRUM DESCRIBED.—The electro-
10 magnetic spectrum described in this paragraph is
11 the 15 megahertz of spectrum between 1675 mega-
12 hertz and 1710 megahertz identified under para-
13 graph (3).

14 (3) IDENTIFICATION BY SECRETARY OF COM-
15 MERCE.—Not later than 1 year after the date of the
16 enactment of this Act, the Secretary of Commerce
17 shall submit to the President a report identifying 15
18 megahertz of spectrum between 1675 megahertz and
19 1710 megahertz for reallocation from Federal use to
20 non-Federal use.

21 (b) REALLOCATION AND AUCTION.—

22 (1) IN GENERAL.—Notwithstanding paragraph
23 (15)(A) of section 309(j) of the Communications Act
24 of 1934 (47 U.S.C. 309(j)), not later than 3 years
25 after the date of the enactment of this Act, the

1 Commission shall, except as provided in paragraph
2 (4)—

3 (A) allocate the spectrum described in
4 paragraph (2) for commercial use; and

5 (B) through a system of competitive bid-
6 ding under such section, grant new initial li-
7 censes for the use of such spectrum, subject to
8 flexible-use service rules.

9 (2) SPECTRUM DESCRIBED.—The spectrum de-
10 scribed in this paragraph is the following:

11 (A) The frequencies between 1915 mega-
12 hertz and 1920 megahertz.

13 (B) The frequencies between 1995 mega-
14 hertz and 2000 megahertz.

15 (C) The frequencies described in sub-
16 section (a)(2).

17 (D) The frequencies between 2155 mega-
18 hertz and 2180 megahertz.

19 (E) Fifteen megahertz of contiguous spec-
20 trum to be identified by the Commission.

21 (3) PROCEEDS TO COVER 110 PERCENT OF FED-
22 ERAL RELOCATION OR SHARING COSTS.—Nothing in
23 paragraph (1) shall be construed to relieve the Com-
24 mission from the requirements of section

1 309(j)(16)(B) of the Communications Act of 1934
2 (47 U.S.C. 309(j)(16)(B)).

3 (4) DETERMINATION BY COMMISSION.—If the
4 Commission determines that the band of frequencies
5 described in paragraph (2)(A) or the band of fre-
6 quencies described in paragraph (2)(B) cannot be
7 used without causing harmful interference to com-
8 mercial mobile service licensees in the frequencies
9 between 1930 megahertz and 1995 megahertz, the
10 Commission may not—

11 (A) allocate such band for commercial use
12 under paragraph (1)(A); or

13 (B) grant licenses under paragraph (1)(B)
14 for the use of such band.

15 (c) AUCTION PROCEEDS.—Section 309(j)(8) of the
16 Communications Act of 1934 (47 U.S.C. 309(j)(8)) is
17 amended—

18 (1) in subparagraph (A), by striking “(D), and
19 (E),” and inserting “(D), (E), (F), and (G),”;

20 (2) in subparagraph (C)(i), by striking “sub-
21 paragraph (E)(ii)” and inserting “subparagraphs
22 (D)(ii), (E)(ii), (F), and (G)”;

23 (3) in subparagraph (D)—

1 (A) by striking the heading and inserting
2 “PROCEEDS FROM REALLOCATED FEDERAL
3 SPECTRUM.—”;

4 (B) by striking “Cash” and inserting the
5 following:

6 “(i) IN GENERAL.—Except as pro-
7 vided in clause (ii), cash”; and

8 (C) by adding at the end the following:

9 “(ii) CERTAIN OTHER PROCEEDS.—
10 Notwithstanding subparagraph (A) and ex-
11 cept as provided in subparagraph (B), in
12 the case of proceeds (including deposits
13 and upfront payments from successful bid-
14 ders) attributable to the auction of eligible
15 frequencies described in paragraph (2) of
16 section 113(g) of the National Tele-
17 communications and Information Adminis-
18 tration Organization Act that are required
19 to be auctioned by section 6401(b)(1)(B)
20 of the Middle Class Tax Relief and Job
21 Creation Act of 2012, such portion of such
22 proceeds as is necessary to cover the relo-
23 cation or sharing costs (as defined in para-
24 graph (3) of such section 113(g)) of Fed-
25 eral entities relocated from such eligible

1 frequencies shall be deposited in the Spec-
2 trum Relocation Fund. The remainder of
3 such proceeds shall be deposited in the
4 Public Safety Trust Fund established by
5 section 6413(a)(1) of the Middle Class Tax
6 Relief and Job Creation Act of 2012.”;
7 and

8 (4) by adding at the end the following:

9 “(F) CERTAIN PROCEEDS DESIGNATED
10 FOR PUBLIC SAFETY TRUST FUND.—Notwith-
11 standing subparagraph (A) and except as pro-
12 vided in subparagraphs (B) and (D)(ii), the
13 proceeds (including deposits and upfront pay-
14 ments from successful bidders) from the use of
15 a system of competitive bidding under this sub-
16 section pursuant to section 6401(b)(1)(B) of
17 the Middle Class Tax Relief and Job Creation
18 Act of 2012 shall be deposited in the Public
19 Safety Trust Fund established by section
20 6413(a)(1) of such Act.”.

21 **SEC. 6402. GENERAL AUTHORITY FOR INCENTIVE AUC-**
22 **TIONS.**

23 Section 309(j)(8) of the Communications Act of
24 1934, as amended by section 6401(c), is further amended
25 by adding at the end the following:

1 “(G) INCENTIVE AUCTIONS.—

2 “(i) IN GENERAL.—Notwithstanding
3 subparagraph (A) and except as provided
4 in subparagraph (B), the Commission may
5 encourage a licensee to relinquish volun-
6 tarily some or all of its licensed spectrum
7 usage rights in order to permit the assign-
8 ment of new initial licenses subject to flexi-
9 ble-use service rules by sharing with such
10 licensee a portion, based on the value of
11 the relinquished rights as determined in
12 the reverse auction required by clause
13 (ii)(I), of the proceeds (including deposits
14 and upfront payments from successful bid-
15 ders) from the use of a competitive bidding
16 system under this subsection.

17 “(ii) LIMITATIONS.—The Commission
18 may not enter into an agreement for a li-
19 censee to relinquish spectrum usage rights
20 in exchange for a share of auction proceeds
21 under clause (i) unless—

22 “(I) the Commission conducts a
23 reverse auction to determine the
24 amount of compensation that licensees
25 would accept in return for voluntarily

1 relinquishing spectrum usage rights;
2 and

3 “**(II)** at least two competing li-
4 censees participate in the reverse auc-
5 tion.

6 “**(iii) TREATMENT OF REVENUES.—**
7 Notwithstanding subparagraph (A) and ex-
8 cept as provided in subparagraph (B), the
9 proceeds (including deposits and upfront
10 payments from successful bidders) from
11 any auction, prior to the end of fiscal year
12 2022, of spectrum usage rights made avail-
13 able under clause (i) that are not shared
14 with licensees under such clause shall be
15 deposited as follows:

16 “**(I)** \$1,750,000,000 of the pro-
17 ceeds from the incentive auction of
18 broadcast television spectrum required
19 by section 6403 of the Middle Class
20 Tax Relief and Job Creation Act of
21 2012 shall be deposited in the TV
22 Broadcaster Relocation Fund estab-
23 lished by subsection (d)(1) of such
24 section.

1 “(II) All other proceeds shall be
2 deposited—

3 “(aa) prior to the end of fis-
4 cal year 2022, in the Public Safe-
5 ty Trust Fund established by sec-
6 tion 6413(a)(1) of such Act; and

7 “(bb) after the end of fiscal
8 year 2022, in the general fund of
9 the Treasury, where such pro-
10 ceeds shall be dedicated for the
11 sole purpose of deficit reduction.

12 “(iv) CONGRESSIONAL NOTIFICA-
13 TION.—At least 3 months before any in-
14 centive auction conducted under this sub-
15 paragraph, the Chairman of the Commis-
16 sion, in consultation with the Director of
17 the Office of Management and Budget,
18 shall notify the appropriate committees of
19 Congress of the methodology for calcu-
20 lating the amounts that will be shared with
21 licensees under clause (i).

22 “(v) DEFINITION.—In this subpara-
23 graph, the term ‘appropriate committees of
24 Congress’ means—

1 “(I) the Committee on Com-
2 merce, Science, and Transportation of
3 the Senate;

4 “(II) the Committee on Appro-
5 priations of the Senate;

6 “(III) the Committee on Energy
7 and Commerce of the House of Rep-
8 resentatives; and

9 “(IV) the Committee on Appro-
10 priations of the House of Representa-
11 tives.”.

12 **SEC. 6403. SPECIAL REQUIREMENTS FOR INCENTIVE AUC-**
13 **TION OF BROADCAST TV SPECTRUM.**

14 (a) REVERSE AUCTION TO IDENTIFY INCENTIVE
15 AMOUNT.—

16 (1) IN GENERAL.—The Commission shall con-
17 duct a reverse auction to determine the amount of
18 compensation that each broadcast television licensee
19 would accept in return for voluntarily relinquishing
20 some or all of its broadcast television spectrum
21 usage rights in order to make spectrum available for
22 assignment through a system of competitive bidding
23 under subparagraph (G) of section 309(j)(8) of the
24 Communications Act of 1934, as added by section
25 6402.

1 (2) ELIGIBLE RELINQUISHMENTS.—A relin-
2 quishment of usage rights for purposes of paragraph
3 (1) shall include the following:

4 (A) Relinquishing all usage rights with re-
5 spect to a particular television channel without
6 receiving in return any usage rights with re-
7 spect to another television channel.

8 (B) Relinquishing all usage rights with re-
9 spect to an ultra high frequency television chan-
10 nel in return for receiving usage rights with re-
11 spect to a very high frequency television chan-
12 nel.

13 (C) Relinquishing usage rights in order to
14 share a television channel with another licensee.

15 (3) CONFIDENTIALITY.—The Commission shall
16 take all reasonable steps necessary to protect the
17 confidentiality of Commission-held data of a licensee
18 participating in the reverse auction under paragraph
19 (1), including withholding the identity of such li-
20 censee until the reassignments and reallocations (if
21 any) under subsection (b)(1)(B) become effective, as
22 described in subsection (f)(2).

23 (4) PROTECTION OF CARRIAGE RIGHTS OF LI-
24 CENSEES SHARING A CHANNEL.—A broadcast tele-
25 vision station that voluntarily relinquishes spectrum

1 usage rights under this subsection in order to share
2 a television channel and that possessed carriage
3 rights under section 338, 614, or 615 of the Com-
4 munications Act of 1934 (47 U.S.C. 338; 534; 535)
5 on November 30, 2010, shall have, at its shared lo-
6 cation, the carriage rights under such section that
7 would apply to such station at such location if it
8 were not sharing a channel.

9 (b) REORGANIZATION OF BROADCAST TV SPEC-
10 TRUM.—

11 (1) IN GENERAL.—For purposes of making
12 available spectrum to carry out the forward auction
13 under subsection (c)(1), the Commission—

14 (A) shall evaluate the broadcast television
15 spectrum (including spectrum made available
16 through the reverse auction under subsection
17 (a)(1)); and

18 (B) may, subject to international coordina-
19 tion along the border with Mexico and Can-
20 ada—

21 (i) make such reassignments of tele-
22 vision channels as the Commission con-
23 siders appropriate; and

1 (ii) reallocate such portions of such
2 spectrum as the Commission determines
3 are available for reallocation.

4 (2) FACTORS FOR CONSIDERATION.—In making
5 any reassignments or reallocations under paragraph
6 (1)(B), the Commission shall make all reasonable ef-
7 forts to preserve, as of the date of the enactment of
8 this Act, the coverage area and population served of
9 each broadcast television licensee, as determined
10 using the methodology described in OET Bulletin 69
11 of the Office of Engineering and Technology of the
12 Commission.

13 (3) NO INVOLUNTARY RELOCATION FROM UHF
14 TO VHF.—In making any reassignments under para-
15 graph (1)(B)(i), the Commission may not involun-
16 tarily reassign a broadcast television licensee—

17 (A) from an ultra high frequency television
18 channel to a very high frequency television
19 channel; or

20 (B) from a television channel between the
21 frequencies from 174 megahertz to 216 mega-
22 hertz to a television channel between the fre-
23 quencies from 54 megahertz to 88 megahertz.

24 (4) PAYMENT OF RELOCATION COSTS.—

1 (A) IN GENERAL.—Except as provided in
2 subparagraph (B), from amounts made avail-
3 able under subsection (d)(2), the Commission
4 shall reimburse costs reasonably incurred by—

5 (i) a broadcast television licensee that
6 was reassigned under paragraph (1)(B)(i)
7 from one ultra high frequency television
8 channel to a different ultra high frequency
9 television channel, from one very high fre-
10 quency television channel to a different
11 very high frequency television channel, or,
12 in accordance with subsection (g)(1)(B),
13 from a very high frequency television chan-
14 nel to an ultra high frequency television
15 channel, in order for the licensee to relo-
16 cate its television service from one channel
17 to the other;

18 (ii) a multichannel video programming
19 distributor in order to continue to carry
20 the signal of a broadcast television licensee
21 that—

22 (I) is described in clause (i);

23 (II) voluntarily relinquishes spec-
24 trum usage rights under subsection
25 (a) with respect to an ultra high fre-

1 frequency television channel in return for
2 receiving usage rights with respect to
3 a very high frequency television chan-
4 nel; or

5 (III) voluntarily relinquishes
6 spectrum usage rights under sub-
7 section (a) to share a television chan-
8 nel with another licensee; or

9 (iii) a channel 37 incumbent user, in
10 order to relocate to other suitable spec-
11 trum, provided that all such users can be
12 relocated and that the total relocation
13 costs of such users do not exceed
14 \$300,000,000. For the purpose of this sec-
15 tion, the spectrum made available through
16 relocation of channel 37 incumbent users
17 shall be deemed as spectrum reclaimed
18 through a reverse auction under section
19 6403(a).

20 (B) REGULATORY RELIEF.—In lieu of re-
21 imbursement for relocation costs under sub-
22 paragraph (A), a broadcast television licensee
23 may accept, and the Commission may grant as
24 it considers appropriate, a waiver of the service
25 rules of the Commission to permit the licensee,

1 subject to interference protections, to make
2 flexible use of the spectrum assigned to the li-
3 censee to provide services other than broadcast
4 television services. Such waiver shall only re-
5 main in effect while the licensee provides at
6 least 1 broadcast television program stream on
7 such spectrum at no charge to the public.

8 (C) LIMITATION.—The Commission may
9 not make reimbursements under subparagraph
10 (A) for lost revenues.

11 (D) DEADLINE.—The Commission shall
12 make all reimbursements required by subpara-
13 graph (A) not later than the date that is 3
14 years after the completion of the forward auc-
15 tion under subsection (c)(1).

16 (5) LOW-POWER TELEVISION USAGE RIGHTS.—
17 Nothing in this subsection shall be construed to alter
18 the spectrum usage rights of low-power television
19 stations.

20 (c) FORWARD AUCTION.—

21 (1) AUCTION REQUIRED.—The Commission
22 shall conduct a forward auction in which—

23 (A) the Commission assigns licenses for
24 the use of the spectrum that the Commission
25 reallocates under subsection (b)(1)(B)(ii); and

1 (B) the amount of the proceeds that the
2 Commission shares under clause (i) of section
3 309(j)(8)(G) of the Communications Act of
4 1934 with each licensee whose bid the Commis-
5 sion accepts in the reverse auction under sub-
6 section (a)(1) is not less than the amount of
7 such bid.

8 (2) MINIMUM PROCEEDS.—

9 (A) IN GENERAL.—If the amount of the
10 proceeds from the forward auction under para-
11 graph (1) is not greater than the sum described
12 in subparagraph (B), no licenses shall be as-
13 signed through such forward auction, no re-
14 assignments or reallocations under subsection
15 (b)(1)(B) shall become effective, and the Com-
16 mission may not revoke any spectrum usage
17 rights by reason of a bid that the Commission
18 accepts in the reverse auction under subsection
19 (a)(1).

20 (B) SUM DESCRIBED.—The sum described
21 in this subparagraph is the sum of—

22 (i) the total amount of compensation
23 that the Commission must pay successful
24 bidders in the reverse auction under sub-
25 section (a)(1);

1 (ii) the costs of conducting such for-
2 ward auction that the salaries and ex-
3 penses account of the Commission is re-
4 quired to retain under section 309(j)(8)(B)
5 of the Communications Act of 1934 (47
6 U.S.C. 309(j)(8)(B)); and

7 (iii) the estimated costs for which the
8 Commission is required to make reim-
9 bursements under subsection (b)(4)(A).

10 (C) ADMINISTRATIVE COSTS.—The amount
11 of the proceeds from the forward auction under
12 paragraph (1) that the salaries and expenses
13 account of the Commission is required to retain
14 under section 309(j)(8)(B) of the Communica-
15 tions Act of 1934 (47 U.S.C. 309(j)(8)(B))
16 shall be sufficient to cover the costs incurred by
17 the Commission in conducting the reverse auc-
18 tion under subsection (a)(1), conducting the
19 evaluation of the broadcast television spectrum
20 under subparagraph (A) of subsection (b)(1),
21 and making any reassignments or reallocations
22 under subparagraph (B) of such subsection, in
23 addition to the costs incurred by the Commis-
24 sion in conducting such forward auction.

1 (3) FACTOR FOR CONSIDERATION.—In con-
2 ducting the forward auction under paragraph (1),
3 the Commission shall consider assigning licenses
4 that cover geographic areas of a variety of different
5 sizes.

6 (d) TV BROADCASTER RELOCATION FUND.—

7 (1) ESTABLISHMENT.—There is established in
8 the Treasury of the United States a fund to be
9 known as the TV Broadcaster Relocation Fund.

10 (2) PAYMENT OF RELOCATION COSTS.—Any
11 amounts borrowed under paragraph (3)(A) and any
12 amounts in the TV Broadcaster Relocation Fund
13 that are not necessary for reimbursement of the gen-
14 eral fund of the Treasury for such borrowed
15 amounts shall be available to the Commission to
16 make the payments required by subsection (b)(4)(A).

17 (3) BORROWING AUTHORITY.—

18 (A) IN GENERAL.—Beginning on the date
19 when any reassignments or reallocations under
20 subsection (b)(1)(B) become effective, as pro-
21 vided in subsection (f)(2), and ending when
22 \$1,000,000,000 has been deposited in the TV
23 Broadcaster Relocation Fund, the Commission
24 may borrow from the Treasury of the United
25 States an amount not to exceed \$1,000,000,000

1 to use toward the payments required by sub-
2 section (b)(4)(A).

3 (B) REIMBURSEMENT.—The Commission
4 shall reimburse the general fund of the Treas-
5 ury, without interest, for any amounts borrowed
6 under subparagraph (A) as funds are deposited
7 into the TV Broadcaster Relocation Fund.

8 (4) TRANSFER OF UNUSED FUNDS.—If any
9 amounts remain in the TV Broadcaster Relocation
10 Fund after the date that is 3 years after the comple-
11 tion of the forward auction under subsection (c)(1),
12 the Secretary of the Treasury shall—

13 (A) prior to the end of fiscal year 2022,
14 transfer such amounts to the Public Safety
15 Trust Fund established by section 6413(a)(1);
16 and

17 (B) after the end of fiscal year 2022,
18 transfer such amounts to the general fund of
19 the Treasury, where such amounts shall be
20 dedicated for the sole purpose of deficit reduc-
21 tion.

22 (e) NUMERICAL LIMITATION ON AUCTIONS AND RE-
23 ORGANIZATION.—The Commission may not complete more
24 than one reverse auction under subsection (a)(1) or more

1 than one reorganization of the broadcast television spec-
2 trum under subsection (b).

3 (f) TIMING.—

4 (1) CONTEMPORANEOUS AUCTIONS AND REOR-
5 GANIZATION PERMITTED.—The Commission may
6 conduct the reverse auction under subsection (a)(1),
7 any reassignments or reallocations under subsection
8 (b)(1)(B), and the forward auction under subsection
9 (c)(1) on a contemporaneous basis.

10 (2) EFFECTIVENESS OF REASSIGNMENTS AND
11 REALLOCATIONS.—Notwithstanding paragraph (1),
12 no reassignments or reallocations under subsection
13 (b)(1)(B) shall become effective until the completion
14 of the reverse auction under subsection (a)(1) and
15 the forward auction under subsection (c)(1), and, to
16 the extent practicable, all such reassignments and
17 reallocations shall become effective simultaneously.

18 (3) DEADLINE.—The Commission may not con-
19 duct the reverse auction under subsection (a)(1) or
20 the forward auction under subsection (c)(1) after the
21 end of fiscal year 2022.

22 (4) LIMIT ON DISCRETION REGARDING AUCTION
23 TIMING.—Section 309(j)(15)(A) of the Communica-
24 tions Act of 1934 (47 U.S.C. 309(j)(15)(A)) shall

1 not apply in the case of an auction conducted under
2 this section.

3 (g) LIMITATION ON REORGANIZATION AUTHORITY.—

4 (1) IN GENERAL.—During the period described
5 in paragraph (2), the Commission may not—

6 (A) involuntarily modify the spectrum
7 usage rights of a broadcast television licensee or
8 reassign such a licensee to another television
9 channel except—

10 (i) in accordance with this section; or

11 (ii) in the case of a violation by such
12 licensee of the terms of its license or a spe-
13 cific provision of a statute administered by
14 the Commission, or a regulation of the
15 Commission promulgated under any such
16 provision; or

17 (B) reassign a broadcast television licensee
18 from a very high frequency television channel to
19 an ultra high frequency television channel, un-
20 less—

21 (i) such a reassignment will not de-
22 crease the total amount of ultra high fre-
23 quency spectrum made available for re-
24 allocation under this section; or

1 (ii) a request from such licensee for
2 the reassignment was pending at the Com-
3 mission on May 31, 2011.

4 (2) PERIOD DESCRIBED.—The period described
5 in this paragraph is the period beginning on the date
6 of the enactment of this Act and ending on the ear-
7 liest of—

8 (A) the first date when the reverse auction
9 under subsection (a)(1), the reassignments and
10 reallocations (if any) under subsection
11 (b)(1)(B), and the forward auction under sub-
12 section (c)(1) have been completed;

13 (B) the date of a determination by the
14 Commission that the amount of the proceeds
15 from the forward auction under subsection
16 (c)(1) is not greater than the sum described in
17 subsection (c)(2)(B); or

18 (C) September 30, 2022.

19 (h) PROTEST RIGHT INAPPLICABLE.—The right of a
20 licensee to protest a proposed order of modification of its
21 license under section 316 of the Communications Act of
22 1934 (47 U.S.C. 316) shall not apply in the case of a
23 modification made under this section.

24 (i) COMMISSION AUTHORITY.—Nothing in subsection
25 (b) shall be construed to—

1 (1) expand or contract the authority of the
2 Commission, except as otherwise expressly provided;
3 or

4 (2) prevent the implementation of the Commis-
5 sion’s “White Spaces” Second Report and Order and
6 Memorandum Opinion and Order (FCC 08–260,
7 adopted November 4, 2008) in the spectrum that re-
8 mains allocated for broadcast television use after the
9 reorganization required by such subsection.

10 **SEC. 6404. CERTAIN CONDITIONS ON AUCTION PARTICIPA-**
11 **TION PROHIBITED.**

12 Section 309(j) of the Communications Act of 1934
13 (47 U.S.C. 309(j)) is amended by adding at the end the
14 following new paragraph:

15 “(17) CERTAIN CONDITIONS ON AUCTION PAR-
16 TICIPATION PROHIBITED.—

17 “(A) IN GENERAL.—Notwithstanding any
18 other provision of law, the Commission may not
19 prevent a person from participating in a system
20 of competitive bidding under this subsection if
21 such person—

22 “(i) complies with all the auction pro-
23 cedures and other requirements to protect
24 the auction process established by the
25 Commission; and

1 “(ii) either—

2 “(I) meets the technical, finan-
3 cial, character, and citizenship quali-
4 fications that the Commission may re-
5 quire under section 303(l)(1), 308(b),
6 or 310 to hold a license; or

7 “(II) would meet such license
8 qualifications by means approved by
9 the Commission prior to the grant of
10 the license.

11 “(B) CLARIFICATION OF AUTHORITY.—
12 Nothing in subparagraph (A) affects any au-
13 thority the Commission has to adopt and en-
14 force rules of general applicability, including
15 rules concerning spectrum aggregation that pro-
16 mote competition.”.

17 **SEC. 6405. EXTENSION OF AUCTION AUTHORITY.**

18 Section 309(j)(11) of the Communications Act of
19 1934 (47 U.S.C. 309(j)(11)) is amended by striking
20 “2012” and inserting “2022”.

21 **SEC. 6406. UNLICENSED USE IN THE 5 GHZ BAND.**

22 (a) MODIFICATION OF COMMISSION REGULATIONS
23 TO ALLOW CERTAIN UNLICENSED USE.—

24 (1) IN GENERAL.—Subject to paragraph (2),
25 not later than 1 year after the date of the enactment

1 of this Act, the Commission shall begin a proceeding
2 to modify part 15 of title 47, Code of Federal Regu-
3 lations, to allow unlicensed U–NII devices to operate
4 in the 5350–5470 MHz band.

5 (2) REQUIRED DETERMINATIONS.—The Com-
6 mission may make the modification described in
7 paragraph (1) only if the Commission, in consulta-
8 tion with the Assistant Secretary, determines that—

9 (A) licensed users will be protected by
10 technical solutions, including use of existing,
11 modified, or new spectrum-sharing technologies
12 and solutions, such as dynamic frequency selec-
13 tion; and

14 (B) the primary mission of Federal spec-
15 trum users in the 5350–5470 MHz band will
16 not be compromised by the introduction of unli-
17 censed devices.

18 (b) STUDY BY NTIA.—

19 (1) IN GENERAL.—The Assistant Secretary, in
20 consultation with the Department of Defense and
21 other impacted agencies, shall conduct a study eval-
22 uating known and proposed spectrum-sharing tech-
23 nologies and the risk to Federal users if unlicensed
24 U–NII devices were allowed to operate in the 5350–
25 5470 MHz band and in the 5850–5925 MHz band.

1 (2) SUBMISSION.—The Assistant Secretary
2 shall submit to the Commission and the Committee
3 on Energy and Commerce of the House of Rep-
4 resentatives and the Committee on Commerce,
5 Science, and Transportation of the Senate—

6 (A) not later than 8 months after the date
7 of the enactment of this Act, a report on the
8 portion of the study required by paragraph (1)
9 with respect to the 5350–5470 MHz band; and

10 (B) not later than 18 months after the
11 date of the enactment of this Act, a report on
12 the portion of the study required by paragraph
13 (1) with respect to the 5850–5925 MHz band.

14 (c) DEFINITIONS.—In this section:

15 (1) 5350–5470 MHZ BAND.—The term “5350–
16 5470 MHz band” means the portion of the electro-
17 magnetic spectrum between the frequencies from
18 5350 megahertz to 5470 megahertz.

19 (2) 5850–5925 MHZ BAND.—The term “5850–
20 5925 MHz band” means the portion of the electro-
21 magnetic spectrum between the frequencies from
22 5850 megahertz to 5925 megahertz.

23 **SEC. 6407. GUARD BANDS AND UNLICENSED USE.**

24 (a) IN GENERAL.—Nothing in subparagraph (G) of
25 section 309(j)(8) of the Communications Act of 1934, as

1 added by section 6402, or in section 6403 shall be con-
2 strued to prevent the Commission from using relinquished
3 or other spectrum to implement band plans with guard
4 bands.

5 (b) SIZE OF GUARD BANDS.—Such guard bands shall
6 be no larger than is technically reasonable to prevent
7 harmful interference between licensed services outside the
8 guard bands.

9 (c) UNLICENSED USE IN GUARD BANDS.—The Com-
10 mission may permit the use of such guard bands for unli-
11 censed use.

12 (d) DATABASE.—Unlicensed use shall rely on a data-
13 base or subsequent methodology as determined by the
14 Commission.

15 (e) PROTECTIONS AGAINST HARMFUL INTER-
16 FERENCE.—The Commission may not permit any use of
17 a guard band that the Commission determines would
18 cause harmful interference to licensed services.

19 **SEC. 6408. STUDY ON RECEIVER PERFORMANCE AND SPEC-**
20 **TRUM EFFICIENCY.**

21 (a) IN GENERAL.—The Comptroller General of the
22 United States shall conduct a study to consider efforts to
23 ensure that each transmission system is designed and op-
24 erated so that reasonable use of adjacent spectrum does
25 not excessively impair the functioning of such system.

1 (b) REQUIRED CONSIDERATIONS.—In conducting the
2 study required by subsection (a), the Comptroller General
3 shall consider—

4 (1) the value of—

5 (A) improving receiver performance as it
6 relates to increasing spectral efficiency;

7 (B) improving the operation of services
8 that are located in adjacent spectrum; and

9 (C) narrowing the guard bands between
10 adjacent spectrum use;

11 (2) the role of manufacturers, commercial li-
12 censees, and government users with respect to their
13 transmission systems and the use of adjacent spec-
14 trum;

15 (3) the feasibility of industry self-compliance
16 with respect to the design and operational require-
17 ments of transmission systems and the reasonable
18 use of adjacent spectrum; and

19 (4) the value of action by the Commission and
20 the Assistant Secretary to establish, by rule, tech-
21 nical requirements or standards for non-Federal and
22 Federal use, respectively, with respect to the reason-
23 able use of portions of the radio spectrum that are
24 adjacent to each other.

1 (c) REPORT.—Not later than 1 year after the date
2 of the enactment of this Act, the Comptroller General shall
3 submit a report on the results of the study required by
4 subsection (a) to the Committee on Energy and Commerce
5 of the House of Representatives and the Committee on
6 Commerce, Science, and Transportation of the Senate.

7 (d) TRANSMISSION SYSTEM DEFINED.—In this sec-
8 tion, the term “transmission system” means any tele-
9 communications, broadcast, satellite, commercial mobile
10 service, or other communications system that employs
11 radio spectrum.

12 **SEC. 6409. WIRELESS FACILITIES DEPLOYMENT.**

13 (a) FACILITY MODIFICATIONS.—

14 (1) IN GENERAL.—Notwithstanding section 704
15 of the Telecommunications Act of 1996 (Public Law
16 104–104) or any other provision of law, a State or
17 local government may not deny, and shall approve,
18 any eligible facilities request for a modification of an
19 existing wireless tower or base station that does not
20 substantially change the physical dimensions of such
21 tower or base station.

22 (2) ELIGIBLE FACILITIES REQUEST.—For pur-
23 poses of this subsection, the term “eligible facilities
24 request” means any request for modification of an

1 existing wireless tower or base station that in-
2 volves—

3 (A) collocation of new transmission equip-
4 ment;

5 (B) removal of transmission equipment; or

6 (C) replacement of transmission equip-
7 ment.

8 (3) APPLICABILITY OF ENVIRONMENTAL
9 LAWS.—Nothing in paragraph (1) shall be construed
10 to relieve the Commission from the requirements of
11 the National Historic Preservation Act or the Na-
12 tional Environmental Policy Act of 1969.

13 (b) FEDERAL EASEMENTS AND RIGHTS-OF-WAY.—

14 (1) GRANT.—If an executive agency, a State, a
15 political subdivision or agency of a State, or a per-
16 son, firm, or organization applies for the grant of an
17 easement or right-of-way to, in, over, or on a build-
18 ing or other property owned by the Federal Govern-
19 ment for the right to install, construct, and maintain
20 wireless service antenna structures and equipment
21 and backhaul transmission equipment, the executive
22 agency having control of the building or other prop-
23 erty may grant to the applicant, on behalf of the
24 Federal Government, an easement or right-of-way to

1 perform such installation, construction, and mainte-
2 nance.

3 (2) APPLICATION.—The Administrator of Gen-
4 eral Services shall develop a common form for appli-
5 cations for easements and rights-of-way under para-
6 graph (1) for all executive agencies that shall be
7 used by applicants with respect to the buildings or
8 other property of each such agency.

9 (3) FEE.—

10 (A) IN GENERAL.—Notwithstanding any
11 other provision of law, the Administrator of
12 General Services shall establish a fee for the
13 grant of an easement or right-of-way pursuant
14 to paragraph (1) that is based on direct cost re-
15 covery.

16 (B) EXCEPTIONS.—The Administrator of
17 General Services may establish exceptions to
18 the fee amount required under subparagraph

19 (A)—

20 (i) in consideration of the public ben-
21 efit provided by a grant of an easement or
22 right-of-way; and

23 (ii) in the interest of expanding wire-
24 less and broadband coverage.

1 (4) USE OF FEES COLLECTED.—Any fee
2 amounts collected by an executive agency pursuant
3 to paragraph (3) may be made available, as provided
4 in appropriations Acts, to such agency to cover the
5 costs of granting the easement or right-of-way.

6 (c) MASTER CONTRACTS FOR WIRELESS FACILITY
7 SITINGS.—

8 (1) IN GENERAL.—Notwithstanding section 704
9 of the Telecommunications Act of 1996 or any other
10 provision of law, and not later than 60 days after
11 the date of the enactment of this Act, the Adminis-
12 trator of General Services shall—

13 (A) develop 1 or more master contracts
14 that shall govern the placement of wireless serv-
15 ice antenna structures on buildings and other
16 property owned by the Federal Government;
17 and

18 (B) in developing the master contract or
19 contracts, standardize the treatment of the
20 placement of wireless service antenna structures
21 on building rooftops or facades, the placement
22 of wireless service antenna equipment on roof-
23 tops or inside buildings, the technology used in
24 connection with wireless service antenna struc-
25 tures or equipment placed on Federal buildings

1 and other property, and any other key issues
2 the Administrator of General Services considers
3 appropriate.

4 (2) **APPLICABILITY.**—The master contract or
5 contracts developed by the Administrator of General
6 Services under paragraph (1) shall apply to all pub-
7 licly accessible buildings and other property owned
8 by the Federal Government, unless the Adminis-
9 trator of General Services decides that issues with
10 respect to the siting of a wireless service antenna
11 structure on a specific building or other property
12 warrant nonstandard treatment of such building or
13 other property.

14 (3) **APPLICATION.**—The Administrator of Gen-
15 eral Services shall develop a common form or set of
16 forms for wireless service antenna structure siting
17 applications under this subsection for all executive
18 agencies that shall be used by applicants with re-
19 spect to the buildings and other property of each
20 such agency.

21 (d) **EXECUTIVE AGENCY DEFINED.**—In this section,
22 the term “executive agency” has the meaning given such
23 term in section 102 of title 40, United States Code.

1 **SEC. 6410. FUNCTIONAL RESPONSIBILITY OF NTIA TO EN-**
2 **SURE EFFICIENT USE OF SPECTRUM.**

3 Section 103(b)(2) of the National Telecommuni-
4 cations and Information Administration Organization Act
5 (47 U.S.C. 902(b)(2)) is amended by adding at the end
6 the following:

7 “(U) The responsibility to promote the
8 best possible and most efficient use of electro-
9 magnetic spectrum resources across the Federal
10 Government, subject to and consistent with the
11 needs and missions of Federal agencies.”.

12 **SEC. 6411. SYSTEM CERTIFICATION.**

13 Not later than 6 months after the date of the enact-
14 ment of this Act, the Director of the Office of Manage-
15 ment and Budget shall update and revise section 33.4 of
16 OMB Circular A-11 to reflect the recommendations re-
17 garding such Circular made in the Commerce Spectrum
18 Management Advisory Committee Incentive Subcommittee
19 report, adopted January 11, 2011.

20 **SEC. 6412. DEPLOYMENT OF 11 GHZ, 18 GHZ, AND 23 GHZ**
21 **MICROWAVE BANDS.**

22 (a) FCC REPORT ON REJECTION RATE.—Not later
23 than 9 months after the date of the enactment of this Act,
24 the Commission shall submit to the Committee on Energy
25 and Commerce of the House of Representatives and the
26 Committee on Commerce, Science, and Transportation of

1 the Senate a report on the rejection rate for the spectrum
2 described in subsection (c).

3 (b) GAO STUDY ON DEPLOYMENT.—

4 (1) IN GENERAL.—The Comptroller General of
5 the United States shall conduct a study to assess
6 whether the spectrum described in subsection (c) is
7 being deployed in such a manner that, in areas with
8 high demand for common carrier licenses for the use
9 of such spectrum, market forces—

10 (A) provide adequate incentive for the effi-
11 cient use of such spectrum; and

12 (B) ensure that the Federal Government
13 receives maximum revenue for such spectrum
14 through competitive bidding under section
15 309(j) of the Communications Act of 1934 (47
16 U.S.C. 309(j)).

17 (2) FACTORS FOR CONSIDERATION.—In con-
18 ducting the study required by paragraph (1), the
19 Comptroller General shall take into consideration—

20 (A) spectrum that is adjacent to the spec-
21 trum described in subsection (c) and that was
22 assigned through competitive bidding under sec-
23 tion 309(j) of the Communications Act of 1934;
24 and

1 (B) the rejection rate for the spectrum de-
2 scribed in subsection (c), current as of the time
3 of the assessment and as projected for the fu-
4 ture, in markets in which there is a high de-
5 mand for common carrier licenses for the use of
6 such spectrum.

7 (3) REPORT.—Not later than 9 months after
8 the date of the enactment of this Act, the Comp-
9 troller General shall submit a report on the study re-
10 quired by paragraph (1) to—

11 (A) the Commission; and

12 (B) the Committee on Energy and Com-
13 merce of the House of Representatives and the
14 Committee on Commerce, Science, and Trans-
15 portation of the Senate.

16 (c) SPECTRUM DESCRIBED.—The spectrum de-
17 scribed in this subsection is the portions of the electro-
18 magnetic spectrum between the frequencies from 10,700
19 megahertz to 11,700 megahertz, from 17,700 megahertz
20 to 19,700 megahertz, and from 21,200 megahertz to
21 23,600 megahertz.

22 (d) REJECTION RATE DEFINED.—In this section, the
23 term “rejection rate” means the number and percent of
24 applications (whether made to the Commission or to a
25 third-party coordinator) for common carrier use of spec-

1 trum that were not granted because of lack of availability
2 of such spectrum or interference concerns of existing li-
3 censees.

4 (e) NO ADDITIONAL FUNDS AUTHORIZED.—Funds
5 necessary to carry out this section shall be derived from
6 funds otherwise authorized to be appropriated.

7 **SEC. 6413. PUBLIC SAFETY TRUST FUND.**

8 (a) ESTABLISHMENT OF PUBLIC SAFETY TRUST
9 FUND.—

10 (1) IN GENERAL.—There is established in the
11 Treasury of the United States a trust fund to be
12 known as the Public Safety Trust Fund.

13 (2) AVAILABILITY.—Amounts deposited in the
14 Public Safety Trust Fund shall remain available
15 through fiscal year 2022. Any amounts remaining in
16 the Fund after the end of such fiscal year shall be
17 deposited in the general fund of the Treasury, where
18 such amounts shall be dedicated for the sole purpose
19 of deficit reduction.

20 (b) USE OF FUND.—As amounts are deposited in the
21 Public Safety Trust Fund, such amounts shall be used to
22 make the following deposits or payments in the following
23 order of priority:

24 (1) REPAYMENT OF AMOUNT BORROWED FOR
25 FIRST RESPONDER NETWORK AUTHORITY.—An

1 amount not to exceed \$2,000,000,000 shall be avail-
2 able to the NTIA to reimburse the general fund of
3 the Treasury for any amounts borrowed under sec-
4 tion 6207.

5 (2) STATE AND LOCAL IMPLEMENTATION
6 FUND.—\$135,000,000 shall be deposited in the
7 State and Local Implementation Fund established
8 by section 6301.

9 (3) BUILDOUT BY FIRST RESPONDER NETWORK
10 AUTHORITY.—\$7,000,000,000, reduced by the
11 amount borrowed under section 6207, shall be de-
12 posited in the Network Construction Fund estab-
13 lished by section 6206.

14 (4) PUBLIC SAFETY RESEARCH.—\$100,000,000
15 shall be available to the Director of NIST to carry
16 out section 6303.

17 (5) DEFICIT REDUCTION.—\$20,400,000,000
18 shall be deposited in the general fund of the Treas-
19 ury, where such amount shall be dedicated for the
20 sole purpose of deficit reduction.

21 (6) 9-1-1, E9-1-1, AND NEXT GENERATION 9-
22 1-1 IMPLEMENTATION GRANTS.—\$115,000,000 shall
23 be available to the Assistant Secretary and the Ad-
24 ministrator of the National Highway Traffic Safety
25 Administration to carry out the grant program

1 under section 158 of the National Telecommuni-
2 cations and Information Administration Organiza-
3 tion Act, as amended by section 6503 of this title.

4 (7) ADDITIONAL PUBLIC SAFETY RESEARCH.—
5 \$200,000,000 shall be available to the Director of
6 NIST to carry out section 6303.

7 (8) ADDITIONAL DEFICIT REDUCTION.—Any re-
8 maining amounts deposited in the Public Safety
9 Trust Fund shall be deposited in the general fund
10 of the Treasury, where such amounts shall be dedi-
11 cated for the sole purpose of deficit reduction.

12 (c) INVESTMENT.—Amounts in the Public Safety
13 Trust Fund shall be invested in accordance with section
14 9702 of title 31, United States Code, and any interest on,
15 and proceeds from, any such investment shall be credited
16 to, and become a part of, the Fund.

17 **SEC. 6414. STUDY ON EMERGENCY COMMUNICATIONS BY**
18 **AMATEUR RADIO AND IMPEDIMENTS TO AMA-**
19 **TEUR RADIO COMMUNICATIONS.**

20 (a) IN GENERAL.—Not later than 180 days after the
21 date of the enactment of this Act, the Commission, in con-
22 sultation with the Office of Emergency Communications
23 in the Department of Homeland Security, shall—

1 (1) complete a study on the uses and capabili-
2 ties of amateur radio service communications in
3 emergencies and disaster relief; and

4 (2) submit to the Committee on Energy and
5 Commerce of the House of Representatives and the
6 Committee on Commerce, Science, and Transpor-
7 tation of the Senate a report on the findings of such
8 study.

9 (b) CONTENTS.—The study required by subsection
10 (a) shall include—

11 (1)(A) a review of the importance of emergency
12 amateur radio service communications relating to
13 disasters, severe weather, and other threats to lives
14 and property in the United States; and

15 (B) recommendations for—

16 (i) enhancements in the voluntary deploy-
17 ment of amateur radio operators in disaster and
18 emergency communications and disaster relief
19 efforts; and

20 (ii) improved integration of amateur radio
21 operators in the planning and furtherance of
22 initiatives of the Federal Government; and

23 (2)(A) an identification of impediments to en-
24 hanced amateur radio service communications, such
25 as the effects of unreasonable or unnecessary private

1 land use restrictions on residential antenna installa-
2 tions; and

3 (B) recommendations regarding the removal of
4 such impediments.

5 (c) EXPERTISE.—In conducting the study required
6 by subsection (a), the Commission shall use the expertise
7 of stakeholder entities and organizations, including the
8 amateur radio, emergency response, and disaster commu-
9 nications communities.

10 **Subtitle E—Next Generation 9–1–1** 11 **Advancement Act of 2012**

12 **SEC. 6501. SHORT TITLE.**

13 This subtitle may be cited as the “Next Generation
14 9–1–1 Advancement Act of 2012”.

15 **SEC. 6502. DEFINITIONS.**

16 In this subtitle, the following definitions shall apply:

17 (1) 9–1–1 SERVICES AND E9–1–1 SERVICES.—

18 The terms “9–1–1 services” and “E9–1–1 services”
19 shall have the meaning given those terms in section
20 158 of the National Telecommunications and Infor-
21 mation Administration Organization Act (47 U.S.C.
22 942), as amended by this subtitle.

23 (2) MULTI-LINE TELEPHONE SYSTEM.—The
24 term “multi-line telephone system” or “MLTS”
25 means a system comprised of common control units,

1 telephone sets, control hardware and software and
2 adjunct systems, including network and premises
3 based systems, such as Centrex and VoIP, as well as
4 PBX, Hybrid, and Key Telephone Systems (as clas-
5 sified by the Commission under part 68 of title 47,
6 Code of Federal Regulations), and includes systems
7 owned or leased by governmental agencies and non-
8 profit entities, as well as for profit businesses.

9 (3) OFFICE.—The term “Office” means the 9–
10 1–1 Implementation Coordination Office established
11 under section 158 of the National Telecommuni-
12 cations and Information Administration Organiza-
13 tion Act (47 U.S.C. 942), as amended by this sub-
14 title.

15 **SEC. 6503. COORDINATION OF 9–1–1 IMPLEMENTATION.**

16 Section 158 of the National Telecommunications and
17 Information Administration Organization Act (47 U.S.C.
18 942) is amended to read as follows:

19 **“SEC. 158. COORDINATION OF 9–1–1, E9–1–1, AND NEXT GEN-
20 ERATION 9–1–1 IMPLEMENTATION.**

21 **“(a) 9–1–1 IMPLEMENTATION COORDINATION OF-
22 FICE.—**

23 **“(1) ESTABLISHMENT AND CONTINUATION.—**

24 The Assistant Secretary and the Administrator of

1 the National Highway Traffic Safety Administration
2 shall—

3 “(A) establish and further a program to
4 facilitate coordination and communication be-
5 tween Federal, State, and local emergency com-
6 munications systems, emergency personnel,
7 public safety organizations, telecommunications
8 carriers, and telecommunications equipment
9 manufacturers and vendors involved in the im-
10 plementation of 9–1–1 services; and

11 “(B) establish a 9–1–1 Implementation
12 Coordination Office to implement the provisions
13 of this section.

14 “(2) MANAGEMENT PLAN.—

15 “(A) DEVELOPMENT.—The Assistant Sec-
16 retary and the Administrator shall develop a
17 management plan for the grant program estab-
18 lished under this section, including by devel-
19 oping—

20 “(i) plans related to the organiza-
21 tional structure of such program; and

22 “(ii) funding profiles for each fiscal
23 year of the duration of such program.

24 “(B) SUBMISSION TO CONGRESS.—Not
25 later than 90 days after the date of enactment

1 of the Next Generation 9–1–1 Advancement Act
2 of 2012, the Assistant Secretary and the Ad-
3 ministrator shall submit the management plan
4 developed under subparagraph (A) to—

5 “(i) the Committees on Commerce,
6 Science, and Transportation and Appro-
7 priations of the Senate; and

8 “(ii) the Committees on Energy and
9 Commerce and Appropriations of the
10 House of Representatives.

11 “(3) PURPOSE OF OFFICE.—The Office shall—

12 “(A) take actions, in concert with coordi-
13 nators designated in accordance with subsection
14 (b)(3)(A)(ii), to improve coordination and com-
15 munication with respect to the implementation
16 of 9–1–1 services, E9–1–1 services, and Next
17 Generation 9–1–1 services;

18 “(B) develop, collect, and disseminate in-
19 formation concerning practices, procedures, and
20 technology used in the implementation of 9–1–
21 1 services, E9–1–1 services, and Next Genera-
22 tion 9–1–1 services;

23 “(C) advise and assist eligible entities in
24 the preparation of implementation plans re-
25 quired under subsection (b)(3)(A)(iii);

1 “(D) receive, review, and recommend the
2 approval or disapproval of applications for
3 grants under subsection (b); and

4 “(E) oversee the use of funds provided by
5 such grants in fulfilling such implementation
6 plans.

7 “(4) REPORTS.—The Assistant Secretary and
8 the Administrator shall provide an annual report to
9 Congress by the first day of October of each year on
10 the activities of the Office to improve coordination
11 and communication with respect to the implementa-
12 tion of 9–1–1 services, E9–1–1 services, and Next
13 Generation 9–1–1 services.

14 “(b) 9–1–1, E9–1–1, AND NEXT GENERATION 9–1–
15 1 IMPLEMENTATION GRANTS.—

16 “(1) MATCHING GRANTS.—The Assistant Sec-
17 retary and the Administrator, acting through the Of-
18 fice, shall provide grants to eligible entities for—

19 “(A) the implementation and operation of
20 9–1–1 services, E9–1–1 services, migration to
21 an IP-enabled emergency network, and adoption
22 and operation of Next Generation 9–1–1 serv-
23 ices and applications;

24 “(B) the implementation of IP-enabled
25 emergency services and applications enabled by

1 Next Generation 9–1–1 services, including the
2 establishment of IP backbone networks and the
3 application layer software infrastructure needed
4 to interconnect the multitude of emergency re-
5 sponse organizations; and

6 “(C) training public safety personnel, in-
7 cluding call-takers, first responders, and other
8 individuals and organizations who are part of
9 the emergency response chain in 9–1–1 serv-
10 ices.

11 “(2) MATCHING REQUIREMENT.—The Federal
12 share of the cost of a project eligible for a grant
13 under this section shall not exceed 60 percent.

14 “(3) COORDINATION REQUIRED.—In providing
15 grants under paragraph (1), the Assistant Secretary
16 and the Administrator shall require an eligible entity
17 to certify in its application that—

18 “(A) in the case of an eligible entity that
19 is a State government, the entity—

20 “(i) has coordinated its application
21 with the public safety answering points lo-
22 cated within the jurisdiction of such entity;

23 “(ii) has designated a single officer or
24 governmental body of the entity to serve as
25 the coordinator of implementation of 9–1–

1 services, except that such designation
2 need not vest such coordinator with direct
3 legal authority to implement 9–1–1 serv-
4 ices, E9–1–1 services, or Next Generation
5 9–1–1 services or to manage emergency
6 communications operations;

7 “(iii) has established a plan for the
8 coordination and implementation of 9–1–1
9 services, E9–1–1 services, and Next Gen-
10 eration 9–1–1 services; and

11 “(iv) has integrated telecommuni-
12 cations services involved in the implemen-
13 tation and delivery of 9–1–1 services, E9–
14 1–1 services, and Next Generation 9–1–1
15 services; or

16 “(B) in the case of an eligible entity that
17 is not a State, the entity has complied with
18 clauses (i), (iii), and (iv) of subparagraph (A),
19 and the State in which it is located has com-
20 plied with clause (ii) of such subparagraph.

21 “(4) CRITERIA.—Not later than 120 days after
22 the date of enactment of the Next Generation 9–1–
23 1 Advancement Act of 2012, the Assistant Secretary
24 and the Administrator shall issue regulations, after
25 providing the public with notice and an opportunity

1 to comment, prescribing the criteria for selection for
2 grants under this section. The criteria shall include
3 performance requirements and a timeline for comple-
4 tion of any project to be financed by a grant under
5 this section. The Assistant Secretary and the Ad-
6 ministrator shall update such regulations as nec-
7 essary.

8 “(c) DIVERSION OF 9–1–1 CHARGES.—

9 “(1) DESIGNATED 9–1–1 CHARGES.—For the
10 purposes of this subsection, the term ‘designated 9–
11 1–1 charges’ means any taxes, fees, or other charges
12 imposed by a State or other taxing jurisdiction that
13 are designated or presented as dedicated to deliver
14 or improve 9–1–1 services, E9–1–1 services, or Next
15 Generation 9–1–1 services.

16 “(2) CERTIFICATION.—Each applicant for a
17 matching grant under this section shall certify to the
18 Assistant Secretary and the Administrator at the
19 time of application, and each applicant that receives
20 such a grant shall certify to the Assistant Secretary
21 and the Administrator annually thereafter during
22 any period of time during which the funds from the
23 grant are available to the applicant, that no portion
24 of any designated 9–1–1 charges imposed by a State
25 or other taxing jurisdiction within which the appli-

1 cant is located are being obligated or expended for
2 any purpose other than the purposes for which such
3 charges are designated or presented during the pe-
4 riod beginning 180 days immediately preceding the
5 date of the application and continuing through the
6 period of time during which the funds from the
7 grant are available to the applicant.

8 “(3) CONDITION OF GRANT.—Each applicant
9 for a grant under this section shall agree, as a con-
10 dition of receipt of the grant, that if the State or
11 other taxing jurisdiction within which the applicant
12 is located, during any period of time during which
13 the funds from the grant are available to the appli-
14 cant, obligates or expends designated 9–1–1 charges
15 for any purpose other than the purposes for which
16 such charges are designated or presented, eliminates
17 such charges, or redesignates such charges for pur-
18 poses other than the implementation or operation of
19 9–1–1 services, E9–1–1 services, or Next Generation
20 9–1–1 services, all of the funds from such grant
21 shall be returned to the Office.

22 “(4) PENALTY FOR PROVIDING FALSE INFOR-
23 MATION.—Any applicant that provides a certification
24 under paragraph (2) knowing that the information
25 provided in the certification was false shall—

1 “(A) not be eligible to receive the grant
2 under subsection (b);

3 “(B) return any grant awarded under sub-
4 section (b) during the time that the certification
5 was not valid; and

6 “(C) not be eligible to receive any subse-
7 quent grants under subsection (b).

8 “(d) FUNDING AND TERMINATION.—

9 “(1) IN GENERAL.—From the amounts made
10 available to the Assistant Secretary and the Admin-
11 istrator under section 6413(b)(6) of the Middle
12 Class Tax Relief and Job Creation Act of 2012, the
13 Assistant Secretary and the Administrator are au-
14 thorized to provide grants under this section through
15 the end of fiscal year 2022. Not more than 5 per-
16 cent of such amounts may be obligated or expended
17 to cover the administrative costs of carrying out this
18 section.

19 “(2) TERMINATION.—Effective on October 1,
20 2022, the authority provided by this section termi-
21 nates and this section shall have no effect.

22 “(e) DEFINITIONS.—In this section, the following
23 definitions shall apply:

1 “(1) 9–1–1 SERVICES.—The term ‘9–1–1 serv-
2 ices’ includes both E9–1–1 services and Next Gen-
3 eration 9–1–1 services.

4 “(2) E9–1–1 SERVICES.—The term ‘E9–1–1
5 services’ means both phase I and phase II enhanced
6 9–1–1 services, as described in section 20.18 of the
7 Commission’s regulations (47 C.F.R. 20.18), as in
8 effect on the date of enactment of the Next Genera-
9 tion 9–1–1 Advancement Act of 2012, or as subse-
10 quently revised by the Commission.

11 “(3) ELIGIBLE ENTITY.—

12 “(A) IN GENERAL.—The term ‘eligible en-
13 tity’ means a State or local government or a
14 tribal organization (as defined in section 4(l) of
15 the Indian Self-Determination and Education
16 Assistance Act (25 U.S.C. 450b(l))).

17 “(B) INSTRUMENTALITIES.—The term ‘eli-
18 gible entity’ includes public authorities, boards,
19 commissions, and similar bodies created by one
20 or more eligible entities described in subpara-
21 graph (A) to provide 9–1–1 services, E9–1–1
22 services, or Next Generation 9–1–1 services.

23 “(C) EXCEPTION.—The term ‘eligible enti-
24 ty’ does not include any entity that has failed
25 to submit the most recently required certifi-

1 cation under subsection (c) within 30 days after
2 the date on which such certification is due.

3 “(4) EMERGENCY CALL.—The term ‘emergency
4 call’ refers to any real-time communication with a
5 public safety answering point or other emergency
6 management or response agency, including—

7 “(A) through voice, text, or video and re-
8 lated data; and

9 “(B) nonhuman-initiated automatic event
10 alerts, such as alarms, telematics, or sensor
11 data, which may also include real-time voice,
12 text, or video communications.

13 “(5) NEXT GENERATION 9–1–1 SERVICES.—The
14 term ‘Next Generation 9–1–1 services’ means an IP-
15 based system comprised of hardware, software, data,
16 and operational policies and procedures that—

17 “(A) provides standardized interfaces from
18 emergency call and message services to support
19 emergency communications;

20 “(B) processes all types of emergency calls,
21 including voice, data, and multimedia informa-
22 tion;

23 “(C) acquires and integrates additional
24 emergency call data useful to call routing and
25 handling;

1 “(D) delivers the emergency calls, mes-
2 sages, and data to the appropriate public safety
3 answering point and other appropriate emer-
4 gency entities;

5 “(E) supports data or video communica-
6 tions needs for coordinated incident response
7 and management; and

8 “(F) provides broadband service to public
9 safety answering points or other first responder
10 entities.

11 “(6) OFFICE.—The term ‘Office’ means the 9–
12 1–1 Implementation Coordination Office.

13 “(7) PUBLIC SAFETY ANSWERING POINT.—The
14 term ‘public safety answering point’ has the meaning
15 given the term in section 222 of the Communica-
16 tions Act of 1934 (47 U.S.C. 222).

17 “(8) STATE.—The term ‘State’ means any
18 State of the United States, the District of Columbia,
19 Puerto Rico, American Samoa, Guam, the United
20 States Virgin Islands, the Northern Mariana Is-
21 lands, and any other territory or possession of the
22 United States.”.

1 **SEC. 6504. REQUIREMENTS FOR MULTI-LINE TELEPHONE**
2 **SYSTEMS.**

3 (a) IN GENERAL.—Not later than 270 days after the
4 date of the enactment of this Act, the Administrator of
5 General Services, in conjunction with the Office, shall
6 issue a report to Congress identifying the 9–1–1 capabili-
7 ties of the multi-line telephone system in use by all Fed-
8 eral agencies in all Federal buildings and properties.

9 (b) COMMISSION ACTION.—

10 (1) IN GENERAL.—Not later than 90 days after
11 the date of the enactment of this Act, the Commis-
12 sion shall issue a public notice seeking comment on
13 the feasibility of MLTS manufacturers including
14 within all such systems manufactured or sold after
15 a date certain, to be determined by the Commission,
16 one or more mechanisms to provide a sufficiently
17 precise indication of a 9–1–1 caller’s location, while
18 avoiding the imposition of undue burdens on MLTS
19 manufacturers, providers, and operators.

20 (2) SPECIFIC REQUIREMENT.—The public no-
21 tice under paragraph (1) shall seek comment on the
22 National Emergency Number Association’s “Tech-
23 nical Requirements Document On Model Legislation
24 E9–1–1 for Multi-Line Telephone Systems” (NENA
25 06–750, Version 2).

1 **SEC. 6505. GAO STUDY OF STATE AND LOCAL USE OF 9-1-1**
2 **SERVICE CHARGES.**

3 (a) IN GENERAL.—Not later than 60 days after the
4 date of the enactment of this Act, the Comptroller General
5 of the United States shall initiate a study of—

6 (1) the imposition of taxes, fees, or other
7 charges imposed by States or political subdivisions
8 of States that are designated or presented as dedi-
9 cated to improve emergency communications serv-
10 ices, including 9-1-1 services or enhanced 9-1-1
11 services, or related to emergency communications
12 services operations or improvements; and

13 (2) the use of revenues derived from such taxes,
14 fees, or charges.

15 (b) REPORT.—Not later than 18 months after initi-
16 ating the study required by subsection (a), the Comp-
17 troller General shall prepare and submit a report on the
18 results of the study to the Committee on Commerce,
19 Science, and Transportation of the Senate and the Com-
20 mittee on Energy and Commerce of the House of Rep-
21 resentatives setting forth the findings, conclusions, and
22 recommendations, if any, of the study, including—

23 (1) the identity of each State or political sub-
24 division that imposes such taxes, fees, or other
25 charges; and

1 U.S.C. 615a) to wireless carriers, public safety answering
2 points, and users of wireless 9–1–1 service (as defined in
3 paragraphs (4), (3), and (6), respectively, of section 6 of
4 that Act (47 U.S.C. 615b)) with respect to such release,
5 use, and other matters.

6 **SEC. 6507. COMMISSION PROCEEDING ON AUTODIALING.**

7 (a) IN GENERAL.—Not later than 90 days after the
8 date of the enactment of this Act, the Commission shall
9 initiate a proceeding to create a specialized Do-Not-Call
10 registry for public safety answering points.

11 (b) FEATURES OF THE REGISTRY.—The Commission
12 shall issue regulations, after providing the public with no-
13 tice and an opportunity to comment, that—

14 (1) permit verified public safety answering
15 point administrators or managers to register the
16 telephone numbers of all 9–1–1 trunks and other
17 lines used for the provision of emergency services to
18 the public or for communications between public
19 safety agencies;

20 (2) provide a process for verifying, no less fre-
21 quently than once every 7 years, that registered
22 numbers should continue to appear upon the reg-
23 istry;

1 (3) provide a process for granting and tracking
2 access to the registry by the operators of automatic
3 dialing equipment;

4 (4) protect the list of registered numbers from
5 disclosure or dissemination by parties granted access
6 to the registry; and

7 (5) prohibit the use of automatic dialing or
8 “robocall” equipment to establish contact with reg-
9 istered numbers.

10 (c) ENFORCEMENT.—The Commission shall—

11 (1) establish monetary penalties for violations
12 of the protective regulations established pursuant to
13 subsection (b)(4) of not less than \$100,000 per inci-
14 dent nor more than \$1,000,000 per incident;

15 (2) establish monetary penalties for violations
16 of the prohibition on automatically dialing registered
17 numbers established pursuant to subsection (b)(5) of
18 not less than \$10,000 per call nor more than
19 \$100,000 per call; and

20 (3) provide for the imposition of fines under
21 paragraphs (1) or (2) that vary depending upon
22 whether the conduct leading to the violation was
23 negligent, grossly negligent, reckless, or willful, and
24 depending on whether the violation was a first or
25 subsequent offence.

1 **SEC. 6508. REPORT ON COSTS FOR REQUIREMENTS AND**
2 **SPECIFICATIONS OF NEXT GENERATION 9-1-1**
3 **SERVICES.**

4 (a) **IN GENERAL.**—Not later than 1 year after the
5 date of the enactment of this Act, the Office, in consulta-
6 tion with the Administrator of the National Highway
7 Traffic Safety Administration, the Commission, and the
8 Secretary of Homeland Security, shall prepare and submit
9 a report to Congress that analyzes and determines detailed
10 costs for specific Next Generation 9-1-1 service require-
11 ments and specifications.

12 (b) **PURPOSE OF REPORT.**—The purpose of the re-
13 port required under subsection (a) is to serve as a resource
14 for Congress as it considers creating a coordinated, long-
15 term funding mechanism for the deployment and oper-
16 ation, accessibility, application development, equipment
17 procurement, and training of personnel for Next Genera-
18 tion 9-1-1 services.

19 (c) **REQUIRED INCLUSIONS.**—The report required
20 under subsection (a) shall include the following:

21 (1) How costs would be broken out geographi-
22 cally and allocated among public safety answering
23 points, broadband service providers, and third-party
24 providers of Next Generation 9-1-1 services.

1 (2) An assessment of the current state of Next
2 Generation 9–1–1 service readiness among public
3 safety answering points.

4 (3) How differences in public safety answering
5 points’ access to broadband across the United States
6 may affect costs.

7 (4) A technical analysis and cost study of dif-
8 ferent delivery platforms, such as wireline, wireless,
9 and satellite.

10 (5) An assessment of the architectural charac-
11 teristics, feasibility, and limitations of Next Genera-
12 tion 9–1–1 service delivery.

13 (6) An analysis of the needs for Next Genera-
14 tion 9–1–1 services of persons with disabilities.

15 (7) Standards and protocols for Next Genera-
16 tion 9–1–1 services and for incorporating Voice over
17 Internet Protocol and “Real-Time Text” standards.

18 **SEC. 6509. COMMISSION RECOMMENDATIONS FOR LEGAL**
19 **AND STATUTORY FRAMEWORK FOR NEXT**
20 **GENERATION 9–1–1 SERVICES.**

21 Not later than 1 year after the date of the enactment
22 of this Act, the Commission, in coordination with the Sec-
23 retary of Homeland Security, the Administrator of the Na-
24 tional Highway Traffic Safety Administration, and the Of-
25 fice, shall prepare and submit a report to Congress that

1 contains recommendations for the legal and statutory
2 framework for Next Generation 9–1–1 services, consistent
3 with recommendations in the National Broadband Plan
4 developed by the Commission pursuant to the American
5 Recovery and Reinvestment Act of 2009, including the fol-
6 lowing:

7 (1) A legal and regulatory framework for the
8 development of Next Generation 9–1–1 services and
9 the transition from legacy 9–1–1 to Next Generation
10 9–1–1 networks.

11 (2) Legal mechanisms to ensure efficient and
12 accurate transmission of 9–1–1 caller information to
13 emergency response agencies.

14 (3) Recommendations for removing jurisdic-
15 tional barriers and inconsistent legacy regulations
16 including—

17 (A) proposals that would require States to
18 remove regulatory roadblocks to Next Genera-
19 tion 9–1–1 services development, while recog-
20 nizing existing State authority over 9–1–1 serv-
21 ices;

22 (B) eliminating outdated 9–1–1 regula-
23 tions at the Federal level; and

24 (C) preempting inconsistent State regula-
25 tions.

1 **Subtitle F—Telecommunications**
2 **Development Fund**

3 **SEC. 6601. NO ADDITIONAL FEDERAL FUNDS.**

4 Section 309(j)(8)(C)(iii) of the Communications Act
5 of 1934 (47 U.S.C. 309(j)(8)(C)(iii)) is amended to read
6 as follows:

7 “(iii) the interest accrued to the ac-
8 count shall be deposited in the general
9 fund of the Treasury, where such amount
10 shall be dedicated for the sole purpose of
11 deficit reduction.”.

12 **SEC. 6602. INDEPENDENCE OF THE FUND.**

13 Section 714 of the Communications Act of 1934 (47
14 U.S.C. 614) is amended—

15 (1) by striking subsection (c) and inserting the
16 following:

17 “(c) INDEPENDENT BOARD OF DIRECTORS.—The
18 Fund shall have a Board of Directors consisting of 5 peo-
19 ple with experience in areas including finance, investment
20 banking, government banking, communications law and
21 administrative practice, and public policy. The Board of
22 Directors shall select annually a Chair from among the
23 directors. A nominating committee, comprised of the Chair
24 and 2 other directors selected by the Chair, shall appoint
25 additional directors. The Fund’s bylaws shall regulate the

1 other aspects of the Board of Directors, including provi-
2 sions relating to meetings, quorums, committees, and
3 other matters, all as typically contained in the bylaws of
4 a similar private investment fund.”;

5 (2) in subsection (d)—

6 (A) by striking “(after consultation with
7 the Commission and the Secretary of the Treas-
8 ury)”;

9 (B) by striking paragraph (1); and

10 (C) by redesignating paragraphs (2)
11 through (4) as paragraphs (1) through (3), re-
12 spectively; and

13 (3) in subsection (g), by striking “subsection
14 (d)(2)” and inserting “subsection (d)(1)”.

15 **Subtitle G—Federal Spectrum** 16 **Relocation**

17 **SEC. 6701. RELOCATION OF AND SPECTRUM SHARING BY** 18 **FEDERAL GOVERNMENT STATIONS.**

19 (a) IN GENERAL.—Section 113 of the National Tele-
20 communications and Information Administration Organi-
21 zation Act (47 U.S.C. 923) is amended—

22 (1) in subsection (g)—

23 (A) by striking the heading and inserting
24 “RELOCATION OF AND SPECTRUM SHARING BY
25 FEDERAL GOVERNMENT STATIONS.—”;

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

3 “(1) ELIGIBLE FEDERAL ENTITIES.—Any Fed-
4 eral entity that operates a Federal Government sta-
5 tion authorized to use a band of eligible frequencies
6 described in paragraph (2) and that incurs reloca-
7 tion or sharing costs because of planning for an auc-
8 tion of spectrum frequencies or the reallocation of
9 spectrum frequencies from Federal use to exclusive
10 non-Federal use or to shared use shall receive pay-
11 ment for such relocation or sharing costs from the
12 Spectrum Relocation Fund, in accordance with this
13 section and section 118. For purposes of this para-
14 graph, Federal power agencies exempted under sub-
15 section (c)(4) that choose to relocate from the fre-
16 quencies identified for reallocation pursuant to sub-
17 section (a) are eligible to receive payment under this
18 paragraph.”;

19 (C) by amending paragraph (2)(B) to read
20 as follows:

21 “(B) any other band of frequencies reallo-
22 cated from Federal use to non-Federal use or
23 to shared use after January 1, 2003, that is as-
24 signed by competitive bidding pursuant to sec-

1 tion 309(j) of the Communications Act of 1934
2 (47 U.S.C. 309(j)).”;

3 (D) by amending paragraph (3) to read as
4 follows:

5 “(3) RELOCATION OR SHARING COSTS DE-
6 FINED.—

7 “(A) IN GENERAL.—For purposes of this
8 section and section 118, the term ‘relocation or
9 sharing costs’ means the costs incurred by a
10 Federal entity in connection with the auction of
11 spectrum frequencies previously assigned to
12 such entity or the sharing of spectrum fre-
13 quencies assigned to such entity (including the
14 auction or a planned auction of the rights to
15 use spectrum frequencies on a shared basis with
16 such entity) in order to achieve comparable ca-
17 pability of systems as before the relocation or
18 sharing arrangement. Such term includes, with
19 respect to relocation or sharing, as the case
20 may be—

21 “(i) the costs of any modification or
22 replacement of equipment, spares, associ-
23 ated ancillary equipment, software, facili-
24 ties, operating manuals, training, or com-

1 compliance with regulations that are attrib-
2 utable to relocation or sharing;

3 “(ii) the costs of all engineering,
4 equipment, software, site acquisition, and
5 construction, as well as any legitimate and
6 prudent transaction expense, including
7 term-limited Federal civil servant and con-
8 tractor staff necessary to carry out the re-
9 location or sharing activities of a Federal
10 entity, and reasonable additional costs in-
11 curred by the Federal entity that are at-
12 tributable to relocation or sharing, includ-
13 ing increased recurring costs associated
14 with the replacement of facilities;

15 “(iii) the costs of research, engineer-
16 ing studies, economic analyses, or other ex-
17 penses reasonably incurred in connection
18 with—

19 “(I) calculating the estimated re-
20 location or sharing costs that are pro-
21 vided to the Commission pursuant to
22 paragraph (4)(A);

23 “(II) determining the technical or
24 operational feasibility of relocation to

1 1 or more potential relocation bands;
2 or

3 “(III) planning for or managing
4 a relocation or sharing arrangement
5 (including spectrum coordination with
6 auction winners);

7 “(iv) the one-time costs of any modi-
8 fication of equipment reasonably nec-
9 essary—

10 “(I) to accommodate non-Federal
11 use of shared frequencies; or

12 “(II) in the case of eligible fre-
13 quencies reallocated for exclusive non-
14 Federal use and assigned through a
15 system of competitive bidding under
16 section 309(j) of the Communications
17 Act of 1934 (47 U.S.C. 309(j)) but
18 with respect to which a Federal entity
19 retains primary allocation or protected
20 status for a period of time after the
21 completion of the competitive bidding
22 process, to accommodate shared Fed-
23 eral and non-Federal use of such fre-
24 quencies for such period; and

1 “(v) the costs associated with the ac-
2 celerated replacement of systems and
3 equipment if the acceleration is necessary
4 to ensure the timely relocation of systems
5 to a new frequency assignment or the time-
6 ly accommodation of sharing of Federal
7 frequencies.

8 “(B) COMPARABLE CAPABILITY OF SYS-
9 TEMS.—For purposes of subparagraph (A),
10 comparable capability of systems—

11 “(i) may be achieved by relocating a
12 Federal Government station to a new fre-
13 quency assignment, by relocating a Federal
14 Government station to a different geo-
15 graphic location, by modifying Federal
16 Government equipment to mitigate inter-
17 ference or use less spectrum, in terms of
18 bandwidth, geography, or time, and there-
19 by permitting spectrum sharing (including
20 sharing among relocated Federal entities
21 and incumbents to make spectrum avail-
22 able for non-Federal use) or relocation, or
23 by utilizing an alternative technology; and

24 “(ii) includes the acquisition of state-
25 of-the-art replacement systems intended to

1 meet comparable operational scope, which
2 may include incidental increases in
3 functionality.”;

4 (E) in paragraph (4)—

5 (i) in the heading, by striking “RELO-
6 CATIONS COSTS” and inserting “RELOCA-
7 TION OR SHARING COSTS”;

8 (ii) by striking “relocation costs” each
9 place it appears and inserting “relocation
10 or sharing costs”; and

11 (iii) in subparagraph (A), by inserting
12 “or sharing” after “such relocation”;

13 (F) in paragraph (5)—

14 (i) by striking “relocation costs” and
15 inserting “relocation or sharing costs”; and

16 (ii) by inserting “or sharing” after
17 “for relocation”; and

18 (G) by amending paragraph (6) to read as
19 follows:

20 “(6) IMPLEMENTATION OF PROCEDURES.—The
21 NTIA shall take such actions as necessary to ensure
22 the timely relocation of Federal entities’ spectrum-
23 related operations from frequencies described in
24 paragraph (2) to frequencies or facilities of com-
25 parable capability and to ensure the timely imple-

1 mentation of arrangements for the sharing of fre-
2 quencies described in such paragraph. Upon a find-
3 ing by the NTIA that a Federal entity has achieved
4 comparable capability of systems, the NTIA shall
5 terminate or limit the entity's authorization and no-
6 tify the Commission that the entity's relocation has
7 been completed or sharing arrangement has been im-
8 plemented. The NTIA shall also terminate such enti-
9 ty's authorization if the NTIA determines that the
10 entity has unreasonably failed to comply with the
11 timeline for relocation or sharing submitted by the
12 Director of the Office of Management and Budget
13 under section 118(d)(2)(C).”;

14 (2) by redesignating subsections (h) and (i) as
15 subsections (k) and (l), respectively; and

16 (3) by inserting after subsection (g) the fol-
17 lowing:

18 “(h) DEVELOPMENT AND PUBLICATION OF RELOCA-
19 TION OR SHARING TRANSITION PLANS.—

20 “(1) DEVELOPMENT OF TRANSITION PLAN BY
21 FEDERAL ENTITY.—Not later than 240 days before
22 the commencement of any auction of eligible fre-
23 quencies described in subsection (g)(2), a Federal
24 entity authorized to use any such frequency shall
25 submit to the NTIA and to the Technical Panel es-

1 tablished by paragraph (3) a transition plan for the
2 implementation by such entity of the relocation or
3 sharing arrangement. The NTLA shall specify, after
4 public input, a common format for all Federal enti-
5 ties to follow in preparing transition plans under
6 this paragraph.

7 “(2) CONTENTS OF TRANSITION PLAN.—The
8 transition plan required by paragraph (1) shall in-
9 clude the following information:

10 “(A) The use by the Federal entity of the
11 eligible frequencies to be auctioned, current as
12 of the date of the submission of the plan.

13 “(B) The geographic location of the facili-
14 ties or systems of the Federal entity that use
15 such frequencies.

16 “(C) The frequency bands used by such fa-
17 cilities or systems, described by geographic loca-
18 tion.

19 “(D) The steps to be taken by the Federal
20 entity to relocate its spectrum use from such
21 frequencies or to share such frequencies, includ-
22 ing timelines for specific geographic locations in
23 sufficient detail to indicate when use of such
24 frequencies at such locations will be discon-

1 tinued by the Federal entity or shared between
2 the Federal entity and non-Federal users.

3 “(E) The specific interactions between the
4 eligible Federal entity and the NTIA needed to
5 implement the transition plan.

6 “(F) The name of the officer or employee
7 of the Federal entity who is responsible for the
8 relocation or sharing efforts of the entity and
9 who is authorized to meet and negotiate with
10 non-Federal users regarding the transition.

11 “(G) The plans and timelines of the Fed-
12 eral entity for—

13 “(i) using funds received from the
14 Spectrum Relocation Fund established by
15 section 118;

16 “(ii) procuring new equipment and
17 additional personnel needed for relocation
18 or sharing;

19 “(iii) field-testing and deploying new
20 equipment needed for relocation or shar-
21 ing; and

22 “(iv) hiring and relying on contract
23 personnel, if any, needed for relocation or
24 sharing.

1 “(H) Factors that could hinder fulfillment
2 of the transition plan by the Federal entity.

3 “(3) TECHNICAL PANEL.—

4 “(A) ESTABLISHMENT.—There is estab-
5 lished within the NTIA a panel to be known as
6 the Technical Panel.

7 “(B) MEMBERSHIP.—

8 “(i) NUMBER AND APPOINTMENT.—
9 The Technical Panel shall be composed of
10 3 members, to be appointed as follows:

11 “(I) One member to be appointed
12 by the Director of the Office of Man-
13 agement and Budget (in this sub-
14 section referred to as ‘OMB’).

15 “(II) One member to be ap-
16 pointed by the Assistant Secretary.

17 “(III) One member to be ap-
18 pointed by the Chairman of the Com-
19 mission.

20 “(ii) QUALIFICATIONS.—Each mem-
21 ber of the Technical Panel shall be a radio
22 engineer or a technical expert.

23 “(iii) INITIAL APPOINTMENT.—The
24 initial members of the Technical Panel
25 shall be appointed not later than 180 days

1 after the date of the enactment of the Mid-
2 dle Class Tax Relief and Job Creation Act
3 of 2012.

4 “(iv) TERMS.—The term of a member
5 of the Technical Panel shall be 18 months,
6 and no individual may serve more than 1
7 consecutive term.

8 “(v) VACANCIES.—Any member ap-
9 pointed to fill a vacancy occurring before
10 the expiration of the term for which the
11 member’s predecessor was appointed shall
12 be appointed only for the remainder of that
13 term. A member may serve after the expi-
14 ration of that member’s term until a suc-
15 cesssor has taken office. A vacancy shall be
16 filled in the manner in which the original
17 appointment was made.

18 “(vi) NO COMPENSATION.—The mem-
19 bers of the Technical Panel shall not re-
20 ceive any compensation for service on the
21 Technical Panel. If any such member is an
22 employee of the agency of the official that
23 appointed such member to the Technical
24 Panel, compensation in the member’s ca-

1 capacity as such an employee shall not be
2 considered compensation under this clause.

3 “(C) ADMINISTRATIVE SUPPORT.—The
4 NTIA shall provide the Technical Panel with
5 the administrative support services necessary to
6 carry out its duties under this subsection and
7 subsection (i).

8 “(D) REGULATIONS.—Not later than 180
9 days after the date of the enactment of the
10 Middle Class Tax Relief and Job Creation Act
11 of 2012, the NTIA shall, after public notice and
12 comment and subject to approval by the Direc-
13 tor of OMB, adopt regulations to govern the
14 workings of the Technical Panel.

15 “(E) CERTAIN REQUIREMENTS INAPPLI-
16 CABLE.—The Federal Advisory Committee Act
17 (5 U.S.C. App.) and sections 552 and 552b of
18 title 5, United States Code, shall not apply to
19 the Technical Panel.

20 “(4) REVIEW OF PLAN BY TECHNICAL
21 PANEL.—

22 “(A) IN GENERAL.—Not later than 30
23 days after the submission of the plan under
24 paragraph (1), the Technical Panel shall submit
25 to the NTIA and to the Federal entity a report

1 on the sufficiency of the plan, including whether
2 the plan includes the information required by
3 paragraph (2) and an assessment of the reason-
4 ableness of the proposed timelines and esti-
5 mated relocation or sharing costs, including the
6 costs of any proposed expansion of the capabili-
7 ties of a Federal system in connection with relo-
8 cation or sharing.

9 “(B) INSUFFICIENCY OF PLAN.—If the
10 Technical Panel finds the plan insufficient, the
11 Federal entity shall, not later than 90 days
12 after the submission of the report by the Tech-
13 nical panel under subparagraph (A), submit to
14 the Technical Panel a revised plan. Such re-
15 vised plan shall be treated as a plan submitted
16 under paragraph (1).

17 “(5) PUBLICATION OF TRANSITION PLAN.—Not
18 later than 120 days before the commencement of the
19 auction described in paragraph (1), the NTIA shall
20 make the transition plan publicly available on its
21 website.

22 “(6) UPDATES OF TRANSITION PLAN.—As the
23 Federal entity implements the transition plan, it
24 shall periodically update the plan to reflect any
25 changed circumstances, including changes in esti-

1 mated relocation or sharing costs or the timeline for
2 relocation or sharing. The NTIA shall make the up-
3 dates available on its website.

4 “(7) CLASSIFIED AND OTHER SENSITIVE IN-
5 FORMATION.—

6 “(A) CLASSIFIED INFORMATION.—If any
7 of the information required to be included in
8 the transition plan of a Federal entity is classi-
9 fied information (as defined in section 798(b) of
10 title 18, United States Code), the entity shall—

11 “(i) include in the plan—

12 “(I) an explanation of the exclu-
13 sion of any such information, which
14 shall be as specific as possible; and

15 “(II) all relevant non-classified
16 information that is available; and

17 “(ii) discuss as a factor under para-
18 graph (2)(H) the extent of the classified
19 information and the effect of such informa-
20 tion on the implementation of the reloca-
21 tion or sharing arrangement.

22 “(B) REGULATIONS.—Not later than 180
23 days after the date of the enactment of the
24 Middle Class Tax Relief and Job Creation Act
25 of 2012, the NTIA, in consultation with the Di-

1 rector of OMB and the Secretary of Defense,
2 shall adopt regulations to ensure that the infor-
3 mation publicly released under paragraph (5) or
4 (6) does not contain classified information or
5 other sensitive information.

6 “(i) DISPUTE RESOLUTION PROCESS.—

7 “(1) IN GENERAL.—If a dispute arises between
8 a Federal entity and a non-Federal user regarding
9 the execution, timing, or cost of the transition plan
10 submitted by the Federal entity under subsection
11 (h)(1), the Federal entity or the non-Federal user
12 may request that the NTIA establish a dispute reso-
13 lution board to resolve the dispute.

14 “(2) ESTABLISHMENT OF BOARD.—

15 “(A) IN GENERAL.—If the NTIA receives
16 a request under paragraph (1), it shall establish
17 a dispute resolution board.

18 “(B) MEMBERSHIP AND APPOINTMENT.—

19 The dispute resolution board shall be composed
20 of 3 members, as follows:

21 “(i) A representative of the Office of
22 Management and Budget (in this sub-
23 section referred to as ‘OMB’), to be ap-
24 pointed by the Director of OMB.

1 “(ii) A representative of the NTIA, to
2 be appointed by the Assistant Secretary.

3 “(iii) A representative of the Commis-
4 sion, to be appointed by the Chairman of
5 the Commission.

6 “(C) CHAIR.—The representative of OMB
7 shall be the Chair of the dispute resolution
8 board.

9 “(D) VACANCIES.—Any vacancy in the dis-
10 pute resolution board shall be filled in the man-
11 ner in which the original appointment was
12 made.

13 “(E) NO COMPENSATION.—The members
14 of the dispute resolution board shall not receive
15 any compensation for service on the board. If
16 any such member is an employee of the agency
17 of the official that appointed such member to
18 the board, compensation in the member’s capac-
19 ity as such an employee shall not be considered
20 compensation under this subparagraph.

21 “(F) TERMINATION OF BOARD.—The dis-
22 pute resolution board shall be terminated after
23 it rules on the dispute that it was established
24 to resolve and the time for appeal of its decision
25 under paragraph (7) has expired, unless an ap-

1 peal has been taken under such paragraph. If
2 such an appeal has been taken, the board shall
3 continue to exist until the appeal process has
4 been exhausted and the board has completed
5 any action required by a court hearing the ap-
6 peal.

7 “(3) PROCEDURES.—The dispute resolution
8 board shall meet simultaneously with representatives
9 of the Federal entity and the non-Federal user to
10 discuss the dispute. The dispute resolution board
11 may require the parties to make written submissions
12 to it.

13 “(4) DEADLINE FOR DECISION.—The dispute
14 resolution board shall rule on the dispute not later
15 than 30 days after the request was made to the
16 NTIA under paragraph (1).

17 “(5) ASSISTANCE FROM TECHNICAL PANEL.—
18 The Technical Panel established under subsection
19 (h)(3) shall provide the dispute resolution board
20 with such technical assistance as the board requests.

21 “(6) ADMINISTRATIVE SUPPORT.—The NTIA
22 shall provide the dispute resolution board with the
23 administrative support services necessary to carry
24 out its duties under this subsection.

1 “(7) APPEALS.—A decision of the dispute reso-
2 lution board may be appealed to the United States
3 Court of Appeals for the District of Columbia Cir-
4 cuit by filing a notice of appeal with that court not
5 later than 30 days after the date of such decision.
6 Each party shall bear its own costs and expenses, in-
7 cluding attorneys’ fees, for any appeal under this
8 paragraph.

9 “(8) REGULATIONS.—Not later than 180 days
10 after the date of the enactment of the Middle Class
11 Tax Relief and Job Creation Act of 2012, the NTIA
12 shall, after public notice and comment and subject
13 to approval by OMB, adopt regulations to govern
14 the working of any dispute resolution boards estab-
15 lished under paragraph (2)(A) and the role of the
16 Technical Panel in assisting any such board.

17 “(9) CERTAIN REQUIREMENTS INAPPLI-
18 CABLE.—The Federal Advisory Committee Act (5
19 U.S.C. App.) and sections 552 and 552b of title 5,
20 United States Code, shall not apply to a dispute res-
21 olution board established under paragraph (2)(A).

22 “(j) RELOCATION PRIORITIZED OVER SHARING.—

23 “(1) IN GENERAL.—In evaluating a band of
24 frequencies for possible reallocation for exclusive
25 non-Federal use or shared use, the NTIA shall give

1 priority to options involving reallocation of the band
2 for exclusive non-Federal use and shall choose op-
3 tions involving shared use only when it determines,
4 in consultation with the Director of the Office of
5 Management and Budget, that relocation of a Fed-
6 eral entity from the band is not feasible because of
7 technical or cost constraints.

8 “(2) NOTIFICATION OF CONGRESS WHEN SHAR-
9 ING CHOSEN.—If the NTIA determines under para-
10 graph (1) that relocation of a Federal entity from
11 the band is not feasible, the NTIA shall notify the
12 Committee on Commerce, Science, and Transpor-
13 tation of the Senate and the Committee on Energy
14 and Commerce of the House of Representatives of
15 the determination, including the specific technical or
16 cost constraints on which the determination is
17 based.”.

18 (b) CONFORMING AMENDMENT.—Section 309(j) of
19 the Communications Act of 1934 is further amended by
20 striking “relocation costs” each place it appears and in-
21 serting “relocation or sharing costs”.

22 **SEC. 6702. SPECTRUM RELOCATION FUND.**

23 Section 118 of the National Telecommunications and
24 Information Administration Organization Act (47 U.S.C.
25 928) is amended—

1 (1) by striking “relocation costs” each place it
2 appears and inserting “relocation or sharing costs”;

3 (2) by amending subsection (c) to read as fol-
4 lows:

5 “(c) USE OF FUNDS.—The amounts in the Fund
6 from auctions of eligible frequencies are authorized to be
7 used to pay relocation or sharing costs of an eligible Fed-
8 eral entity incurring such costs with respect to relocation
9 from or sharing of those frequencies.”;

10 (3) in subsection (d)—

11 (A) in paragraph (2)—

12 (i) in subparagraph (A), by inserting
13 “or sharing” before the semicolon;

14 (ii) in subparagraph (B), by inserting
15 “or sharing” before the period at the end;

16 (iii) by redesignating subparagraphs
17 (A) and (B) as subparagraphs (B) and
18 (C), respectively; and

19 (iv) by inserting before subparagraph
20 (B), as so redesignated, the following:

21 “(A) unless the eligible Federal entity has
22 submitted a transition plan to the NTIA as re-
23 quired by paragraph (1) of section 113(h), the
24 Technical Panel has found such plan sufficient
25 under paragraph (4) of such section, and the

1 NTIA has made available such plan on its
2 website as required by paragraph (5) of such
3 section;”;

4 (B) by striking paragraph (3); and

5 (C) by adding at the end the following:

6 “(3) TRANSFERS FOR PRE-AUCTION COSTS.—

7 “(A) IN GENERAL.—Subject to subpara-
8 graph (B), the Director of OMB may transfer
9 to an eligible Federal entity, at any time (in-
10 cluding prior to a scheduled auction), such
11 sums as may be available in the Fund to pay
12 relocation or sharing costs related to pre-auc-
13 tion estimates or research, as such costs are de-
14 scribed in section 113(g)(3)(A)(iii).

15 “(B) NOTIFICATION.—No funds may be
16 transferred pursuant to subparagraph (A) un-
17 less—

18 “(i) the notification provided under
19 paragraph (2)(C) includes a certification
20 from the Director of OMB that—

21 “(I) funds transferred before an
22 auction will likely allow for timely im-
23 plementation of relocation or sharing,
24 thereby increasing net expected auc-
25 tion proceeds by an amount not less

1 than the time value of the amount of
2 funds transferred; and

3 “(II) the auction is intended to
4 occur not later than 5 years after
5 transfer of funds; and

6 “(ii) the transition plan submitted by
7 the eligible Federal entity under section
8 113(h)(1) provides—

9 “(I) to the fullest extent possible,
10 for sharing and coordination of eligi-
11 ble frequencies with non-Federal
12 users, including reasonable accommo-
13 dation by the eligible Federal entity
14 for the use of eligible frequencies by
15 non-Federal users during the period
16 that the entity is relocating its spec-
17 trum uses (in this clause referred to
18 as the ‘transition period’);

19 “(II) for non-Federal users to be
20 able to use eligible frequencies during
21 the transition period in geographic
22 areas where the eligible Federal entity
23 does not use such frequencies;

24 “(III) that the eligible Federal
25 entity will, during the transition pe-

1 riod, make itself available for negotia-
2 tion and discussion with non-Federal
3 users not later than 30 days after a
4 written request therefor; and

5 “(IV) that the eligible Federal
6 entity will, during the transition pe-
7 riod, make available to a non-Federal
8 user with appropriate security clear-
9 ances any classified information (as
10 defined in section 798(b) of title 18,
11 United States Code) regarding the re-
12 location process, on a need-to-know
13 basis, to assist the non-Federal user
14 in the relocation process with such eli-
15 gible Federal entity or other eligible
16 Federal entities.

17 “(C) APPLICABILITY TO CERTAIN COSTS.—

18 “(i) IN GENERAL.—The Director of
19 OMB may transfer under subparagraph
20 (A) not more than \$10,000,000 for costs
21 incurred after June 28, 2010, but before
22 the date of the enactment of the Middle
23 Class Tax Relief and Job Creation Act of
24 2012.

1 “(ii) SUPPLEMENT NOT SUPPLANT.—
2 Any amounts transferred by the Director
3 of OMB pursuant to clause (i) shall be in
4 addition to any amounts that the Director
5 of OMB may transfer for costs incurred on
6 or after the date of the enactment of the
7 Middle Class Tax Relief and Job Creation
8 Act of 2012.

9 “(4) REVERSION OF UNUSED FUNDS.—Any
10 amounts in the Fund that are remaining after the
11 payment of the relocation or sharing costs that are
12 payable from the Fund shall revert to and be depos-
13 ited in the general fund of the Treasury, for the sole
14 purpose of deficit reduction, not later than 8 years
15 after the date of the deposit of such proceeds to the
16 Fund, unless within 60 days in advance of the rever-
17 sion of such funds, the Director of OMB, in con-
18 sultation with the NTIA, notifies the congressional
19 committees described in paragraph (2)(C) that such
20 funds are needed to complete or to implement cur-
21 rent or future relocation or sharing arrangements.”;

22 (4) in subsection (e)—

23 (A) in paragraph (1)(B)—

1 (i) in clause (i), by striking “sub-
2 section (d)(2)(A)” and inserting “sub-
3 section (d)(2)(B)”;

4 (ii) in clause (ii), by striking “sub-
5 section (d)(2)(B)” and inserting “sub-
6 section (d)(2)(C)”;

7 (B) in paragraph (2)—

8 (i) by striking “entity’s relocation”
9 and inserting “relocation of the entity or
10 implementation of the sharing arrange-
11 ment by the entity”;

12 (ii) by inserting “or the implementa-
13 tion of such arrangement” after “such re-
14 location”;

15 (iii) by striking “subsection
16 (d)(2)(A)” and inserting “subsection
17 (d)(2)(B)”;

18 (5) by adding at the end the following:

19 “(f) ADDITIONAL PAYMENTS FROM FUND.—

20 “(1) AMOUNTS AVAILABLE.—Notwithstanding
21 subsections (c) through (e), after the date of the en-
22 actment of the Middle Class Tax Relief and Job
23 Creation Act of 2012, there are appropriated from
24 the Fund and available to the Director of OMB for
25 use in accordance with paragraph (2) not more than

1 10 percent of the amounts deposited in the Fund
2 from auctions occurring after such date of enact-
3 ment of licenses for the use of spectrum vacated by
4 eligible Federal entities.

5 “(2) USE OF AMOUNTS.—

6 “(A) IN GENERAL.—The Director of OMB,
7 in consultation with the NTIA, may use
8 amounts made available under paragraph (1) to
9 make payments to eligible Federal entities that
10 are implementing a transition plan submitted
11 under section 113(h)(1) in order to encourage
12 such entities to complete the implementation
13 more quickly, thereby encouraging timely access
14 to the eligible frequencies that are being reallo-
15 cated for exclusive non-Federal use or shared
16 use.

17 “(B) CONDITIONS.—In the case of any
18 payment by the Director of OMB under sub-
19 paragraph (A)—

20 “(i) such payment shall be based on
21 the market value of the eligible fre-
22 quencies, the timeliness with which the eli-
23 gible Federal entity clears its use of such
24 frequencies, and the need for such fre-

1 frequencies in order for the entity to conduct
2 its essential missions;

3 “(ii) the eligible Federal entity shall
4 use such payment for the purposes speci-
5 fied in clauses (i) through (v) of section
6 113(g)(3)(A) to achieve comparable capa-
7 bility of systems affected by the realloca-
8 tion of eligible frequencies from Federal
9 use to exclusive non-Federal use or to
10 shared use;

11 “(iii) such payment may not be made
12 if the amount remaining in the Fund after
13 such payment will be less than 10 percent
14 of the winning bids in the auction of the
15 spectrum with respect to which the Federal
16 entity is incurring relocation or sharing
17 costs; and

18 “(iv) such payment may not be made
19 until 30 days after the Director of OMB
20 has notified the congressional committees
21 described in subsection (d)(2)(C).

22 “(g) RESTRICTION ON USE OF FUNDS.—No amounts
23 in the Fund on the day before the date of the enactment
24 of the Middle Class Tax Relief and Job Creation Act of
25 2012 may be used for any purpose except—

1 “(1) to pay the relocation or sharing costs in-
2 curred by eligible Federal entities in order to relo-
3 cate from the frequencies the auction of which gen-
4 erated such amounts; or

5 “(2) to pay relocation or sharing costs related
6 to pre-auction estimates or research, in accordance
7 with subsection (d)(3).”.

8 **SEC. 6703. NATIONAL SECURITY AND OTHER SENSITIVE IN-**
9 **FORMATION.**

10 Part B of title I of the National Telecommunications
11 and Information Administration Organization Act (47
12 U.S.C. 921 et seq.) is amended by adding at the end the
13 following:

14 **“SEC. 119. NATIONAL SECURITY AND OTHER SENSITIVE IN-**
15 **FORMATION.**

16 “(a) DETERMINATION.—If the head of an Executive
17 agency (as defined in section 105 of title 5, United States
18 Code) determines that public disclosure of any information
19 contained in a notification or report required by section
20 113 or 118 would reveal classified national security infor-
21 mation, or other information for which there is a legal
22 basis for nondisclosure and the public disclosure of which
23 would be detrimental to national security, homeland secu-
24 rity, or public safety or would jeopardize a law enforce-
25 ment investigation, the head of the Executive agency shall

1 notify the Assistant Secretary of that determination prior
2 to the release of such information.

3 “(b) INCLUSION IN ANNEX.—The head of the Execu-
4 tive agency shall place the information with respect to
5 which a determination was made under subsection (a) in
6 a separate annex to the notification or report required by
7 section 113 or 118. The annex shall be provided to the
8 subcommittee of primary jurisdiction of the congressional
9 committee of primary jurisdiction in accordance with ap-
10 propriate national security stipulations but shall not be
11 disclosed to the public or provided to any unauthorized
12 person through any means.”.

13 **TITLE VII—MISCELLANEOUS** 14 **PROVISIONS**

15 **SEC. 7001. REPEAL OF CERTAIN SHIFTS IN THE TIMING OF** 16 **CORPORATE ESTIMATED TAX PAYMENTS.**

17 The following provisions of law (and any modification
18 of any such provision which is contained in any other pro-
19 vision of law) shall not apply with respect to any install-
20 ment of corporate estimated tax:

21 (1) Section 201(b) of the Corporate Estimated
22 Tax Shift Act of 2009.

23 (2) Section 561 of the Hiring Incentives to Re-
24 store Employment Act.

1 (3) Section 505 of the United States-Korea
2 Free Trade Agreement Implementation Act.

3 (4) Section 603 of the United States-Colombia
4 Trade Promotion Agreement Implementation Act.

5 (5) Section 502 of the United State-Panama
6 Trade Promotion Agreement Implementation Act.

7 **SEC. 7002. REPEAL OF REQUIREMENT RELATING TO TIME**
8 **FOR REMITTING CERTAIN MERCHANDISE**
9 **PROCESSING FEES.**

10 (a) REPEAL.—The Trade Adjustment Assistance Ex-
11 tension Act of 2011 (title II of Public Law 112–40; 125
12 Stat. 402) is amended by striking section 263.

13 (b) CLERICAL AMENDMENT.—The table of contents
14 for such Act is amended by striking the item relating to
15 section 263.

16 **SEC. 7003. TREATMENT FOR PAYGO PURPOSES.**

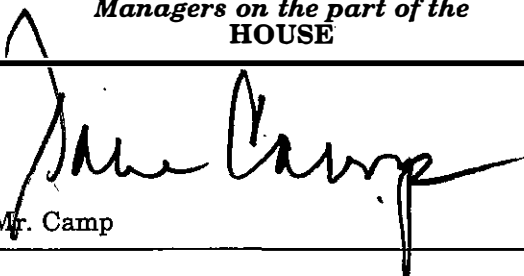

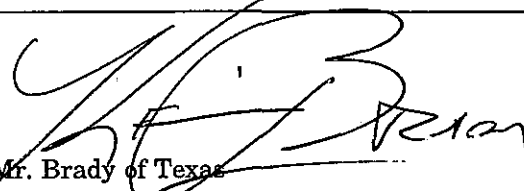
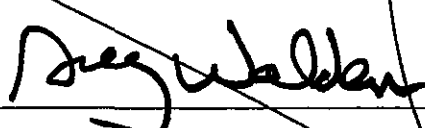
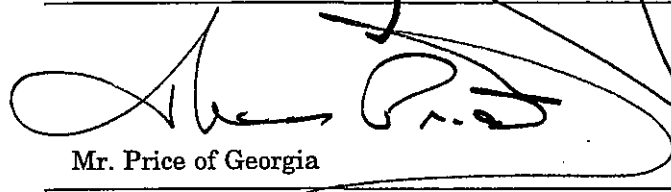
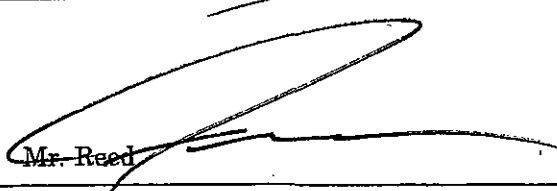

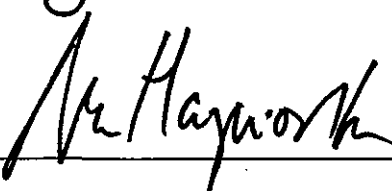
17 The budgetary effects of this Act shall not be entered
18 on either PAYGO scorecard maintained pursuant to sec-
19 tion 4(d) of the Statutory Pay-As-You-Go Act of 2010.

 And the Senate agree to the same.


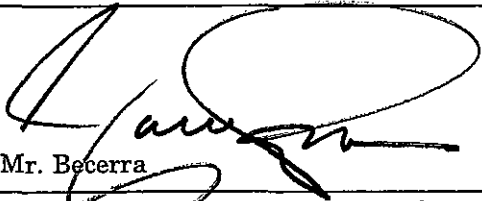
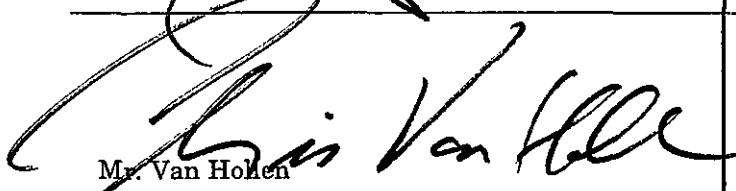
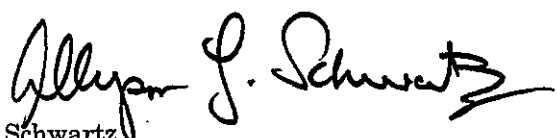
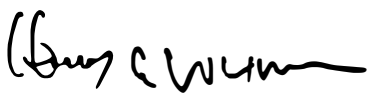
 That the Senate recede from its amendment to the
 title of the bill.




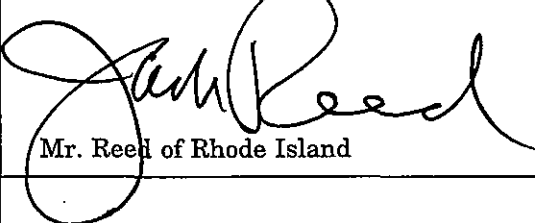




H.R. 3630

<i>Managers on the part of the HOUSE</i>	<i>Managers on the part of the SENATE</i>
 Mr. Camp	
 Mr. Upton	
 Mr. Brady of Texas	
 Mr. Walden	
 Mr. Price of Georgia	
 Mr. Reed	
 Mrs. Ellmers	
 Ms. Hayworth	

H.R. 3630—Continued

<i>Managers on the part of the HOUSE</i>	<i>Managers on the part of the SENATE</i>
 Mr. Levin	
 Mr. Becerra	
 Mr. Van Hollen	
 Ms. Schwartz	
 Mr. Waxman	

H.R. 3630—Continued

<i>Managers on the part of the HOUSE</i>	<i>Managers on the part of the SENATE</i>
	 Mr. Baucus
	 Mr. Reed of Rhode Island
	 Mr. Cardin
	 Mr. Casey
	
	 Mr. Crapo
	