

103^D CONGRESS
1ST SESSION

H. R. 3400

To provide a more effective, efficient, and responsive government.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 28, 1993

Mr. GEPHARDT introduced the following bill; which was referred jointly to the following committees for a period ending not later than November 15, 1993: Agriculture, Armed Services, Banking, Finance and Urban Affairs, Education and Labor, Energy and Commerce, Foreign Affairs, Government Operations, House Administration, the Judiciary, Merchant Marine and Fisheries, Natural Resources, Permanent Select Committee on Intelligence, Post Office and Civil Service, Public Works and Transportation, Science, Space, and Technology, Veterans' Affairs, and Ways and Means

A BILL

To provide a more effective, efficient, and responsive government.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the "Government Reform
5 and Savings Act of 1993".

6 **SEC. 2. TABLE OF CONTENTS.**

7 The table of contents is as follows:

TITLE I—DEPARTMENT OF AGRICULTURE

Subtitle A—Department of Agriculture Reorganization

Subtitle B—Eliminate Federal Support for Wool and Mohair

Subtitle C—Eliminate Federal Support for Honey

TITLE II—DEPARTMENT OF COMMERCE

Polar Satellite Convergence

TITLE III—DEPARTMENT OF DEFENSE

Subtitle A—Create Incentives for the Department of Defense to Generate Revenues

Subtitle B—Closure of the Uniform Services University of the Health Sciences

Subtitle C—Streamline and Reorganize the United States Army Corps of Engineers

TITLE IV—DEPARTMENT OF ENERGY

Subtitle A—Alaska Power Administration Sale Authorization Act

Subtitle B—Federal-Private Cogeneration of Electricity

Subtitle C—Power Marketing Administration Debt Buyout

TITLE V—DEPARTMENT OF HEALTH AND HUMAN SERVICES

Subtitle A—Increased Flexibility in Contracting for Medicare Claims Processing

Subtitle B—Workers' Compensation Data Exchange Pilot Projects

Subtitle C—Federal Clearinghouse on Death Information

Subtitle D—Continuing Disability Reviews

TITLE VI—DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Subtitle A—Multifamily Property Disposition

Subtitle B—Merger of the Certificate and Voucher Programs

Subtitle C—Streamline HUD

Subtitle D—Refinance Section 235 Mortgages

Subtitle E—Section 8 Rents for New Construction and Rehabilitation Projects

TITLE VII—DEPARTMENT OF THE INTERIOR

Subtitle A—Improve the Federal Helium Program

Subtitle B—Improve Minerals Management Service Royalty Collection

Subtitle C—Phase Out the Mineral Institute Program

TITLE VIII—DEPARTMENT OF JUSTICE

Bureau of Prisons Health Services User Fee

TITLE IX—DEPARTMENT OF LABOR

Subtitle A—Deterrence of Fraud and Abuse in the FECA Program

Subtitle B—Enhancement of Reemployment Programs for Federal Employees
Disabled in the Performance of Duty

Subtitle C—Wage Determinations—McNamara-O'Hara Service Contract Act
and Davis-Bacon Act

Subtitle D—Elimination of Filing Requirement for Plan Descriptions, Sum-
mary Plan Descriptions, and Descriptions of Material Modifications to a
Plan

TITLE X—DEPARTMENT OF STATE/UNITED STATES
INFORMATION AGENCY

Reduction of Mission Operating Costs

TITLE XI—DEPARTMENT OF TRANSPORTATION

Subtitle A—Authority to Charge Tuition for Attendance at the United States
Merchant Marine Academy

Subtitle B—Reform of the Essential Air Service Program

Subtitle C—Repeal of Authorization for the Airway Science Program, Colle-
giate Training Initiative, and Air Carrier Maintenance Technical Training
Facility Grant Program

TITLE XII—DEPARTMENT OF VETERANS AFFAIRS

Subtitle A—Remove Certain Limitations and Restrictions Contained in
Veterans Law

Subtitle B—Closure of Supply Depots and Transfer of Revolving Supply
Fund Money

Subtitle C—Provision of Information from the Medicare and Medicaid
Coverage Data Bank to the Department of Veterans Affairs

Subtitle D—Veterans' Appeals Improvement Act of 1993

TITLE XIII—HUMAN RESOURCE MANAGEMENT

Subtitle A—Federal Workforce Restructuring Act of 1993

Subtitle B—SES Annual Leave Accumulation

TITLE XIV—REINVENTING SUPPORT SERVICES

Government Information Dissemination and Printing Improvement Act of
1993

TITLE XV—STREAMLINING MANAGEMENT CONTROL

Authority to Increase Efficiency in Reporting to Congress

TITLE XVI—IMPROVING FINANCIAL MANAGEMENT

Subtitle A—Electronic Payments

Subtitle B—Franchise Funds and Innovation Funds

Subtitle C—Simplifying the Management Reporting Process

Subtitle D—Annual Financial Reports

Subtitle E—Strengthening Debt Collection Programs

Subtitle F—Improving Department of Justice Debt Collection

Subtitle G—Adjusting Civil Monetary penalties for Inflation

TITLE XVII—YEAR-END SPENDING

1 **TITLE I—DEPARTMENT OF**
2 **AGRICULTURE**
3 **Subtitle A—Department of**
4 **Agriculture Reorganization**

5 **SEC. 1001. DEPARTMENT OF AGRICULTURE REORGANIZA-**
6 **TION.**

7 Pursuant to authorities proposed in the Department
8 of Agriculture Reorganization Act of 1993 (H.R. 3171)
9 and current legal authorities, the Secretary of Agriculture
10 shall take action to restructure and reinvent the Depart-
11 ment of Agriculture by reducing the number of agencies
12 in the Department, reducing headquarters and adminis-
13 trative staffing and overhead, closing or consolidating un-
14 necessary field locations, and taking such other actions as
15 may be necessary to reduce the staffing of the department

1 by not less than 7,500 staff years and save a total of not
2 less than \$1.64 billion in fiscal years 1995 through 1999.

3 **Subtitle B—Eliminate Federal**
4 **Support for Wool and Mohair**

5 **SEC. 1101. AMENDMENTS TO SECTION 703 OF NATIONAL**
6 **WOOL ACT OF 1954.**

7 Section 703 of the National Wool Act of 1954 (7
8 U.S.C. 1782) is amended—

9 (1) by striking subsection (a) and inserting the
10 following new subsection:

11 “(a) Subject to subsection (b)(3), the Secretary of
12 Agriculture shall, through the Commodity Credit Corpora-
13 tion, make loans and payments to producers of wool and
14 mohair through December 31, 1995.”;

15 (2) in subsection (b)—

16 (A) in paragraph (2), by striking “1997”
17 and inserting “1995”; and

18 (B) by striking paragraph (3) and insert-
19 ing the following new paragraph:

20 “(3) No loans, purchases, or payments shall be made
21 for the 1996 and subsequent marketing years, except that
22 loans and payments for the 1995 marketing year shall be
23 paid in 1996.”; and

24 (3) by adding at the end the following new
25 paragraph:

1 “(4)(A) Through December 31, 1995, the Secretary
2 shall offer to wool and mohair producers recourse loans
3 under terms and conditions that are prescribed by the Sec-
4 retary, except that the loans shall be administered at no
5 net cost to the Federal Government.

6 “(B) A producer who fails to repay a loan made
7 under subparagraph (A) by the end of the following mar-
8 keting year shall be ineligible for a loan under this Act
9 for that marketing year and subsequent marketing
10 years.”.

11 **SEC. 1102. AMENDMENT TO SECTION 704 OF NATIONAL**
12 **WOOL ACT OF 1954.**

13 Section 704(a) of the National Wool Act of 1954 (7
14 U.S.C. 1783(a)) is amended by inserting after the first
15 sentence the following new sentence: “In the case of each
16 of the 1994 and 1995 marketing years, the payments shall
17 be 75 and 50 percent, respectively, of the amount other-
18 wise determined under the preceding sentence.”.

19 **SEC. 1103. REPEAL OF NATIONAL WOOL ACT OF 1954.**

20 (a) **IN GENERAL.**—Effective December 31, 1995, the
21 National Wool Act of 1954 (7 U.S.C. 1781 et seq.) is
22 repealed.

23 (b) **APPLICATION.**—The repeal made by subsection
24 (a) shall apply to both the wool and mohair programs.

1 (c) PROHIBITION.—Effective beginning December
2 31, 1995, the Secretary of Agriculture may not provide
3 loans or payments for wool or mohair by using the funds
4 of the Commodity Credit Corporation or under the author-
5 ity of any law.

6 **SEC. 1104. REPEAL OF SECTION 702 OF NATIONAL WOOL**
7 **ACT OF 1954, ETC.**

8 (a) Section 702 of the National Wool Act of 1954
9 (7 U.S.C. 1781) is repealed.

10 (b) Section 703 of such Act (7 U.S.C. 1782) is
11 amended—

12 (1) by striking the section heading and insert-
13 ing the following new section heading: “SUPPORT
14 PRICE FOR WOOL AND MOHAIR”;

15 (2) in subsection (b)(1)(i), by striking “such
16 price support” and inserting “the support price”;
17 and

18 (3) in subsection (d), by striking “price sup-
19 port” and inserting “support under this section”.

20 (c) Section 704 of such Act (7 U.S.C. 1783) is
21 amended—

22 (1) by striking the section heading and insert-
23 ing the following new section heading:

24 **“SEC. 704. PAYMENTS.”;**

25 and

1 (2) in subsection (a), by striking “If payments
2 are utilized as a means of price support, the” and
3 inserting “The”.

4 (d) The first sentence of section 706 of such Act (7
5 U.S.C. 1785) is amended by striking “price support oper-
6 ations” and inserting “operations under this Act”.

7 **SEC. 1105. SAVINGS PROVISION.**

8 A provision of this subtitle may not affect the liability
9 of any person under any provision of law as in effect be-
10 fore the effective date of the provision.

11 **Subtitle C—Eliminate Federal**
12 **Support for Honey**

13 **SEC. 1201. AMENDMENTS TO SECTION 207 OF AGRICUL-**
14 **TURAL ACT OF 1949.**

15 Section 207 of the Agricultural Act of 1949 (7 U.S.C.
16 1446h) is amended—

17 (1) by striking “1998” each place it appears, in
18 subsections (a), (c), and (j), and inserting “1995”;

19 (2) by striking “loan” each place it appears ex-
20 cept for subsection (d), and inserting “nonrecourse
21 loan”; and

22 (3) in subsection (a), by striking paragraphs
23 (3), (4), and (5) and inserting the following new
24 paragraph:

1 “(4)(i) No loans, purchases, or payments shall
2 be made for the 1996 and subsequent crop years.

3 “(ii) Through December 31, 1995, the Sec-
4 retary shall offer to honey producers recourse loans
5 under terms and conditions that are prescribed by
6 the Secretary, except that the loans shall be admin-
7 istered at no net cost to the Federal Government.

8 “(iii) A producer who fails to repay a loan made
9 under clause (ii) by the end of the following market-
10 ing year shall be ineligible for a loan under this Act
11 for that marketing year and subsequent marketing
12 years.”.

13 **SEC. 1202. FURTHER AMENDMENTS TO SECTION 207 OF AG-**
14 **RICULTURAL ACT OF 1949.**

15 Section 207 of the Agricultural Act of 1949 (7 U.S.C.
16 1446h) is amended—

17 (1) After subsection (b)(2), by inserting the
18 following:

19 “(3) In the case of the 1994 and 1995 market-
20 ing years, the quantity of honey for which a pro-
21 ducer may receive a nonrecourse loan shall be re-
22 duced by 25 and 50 percent, respectively, of the
23 lesser of—

24 “(i) the amount requested for a
25 nonrecourse loan, or

1 “(ii) the most recent five year average of
2 previous loan placements.

3 “(4) The honey not eligible for the nonrecourse
4 loan shall be eligible for a recourse loan but shall
5 not be eligible for a loan deficiency payment.”;

6 (2) In paragraphs (3) and (4), by striking
7 “(3)” and “(4)” and inserting “(4)” and “(5)”; and

8 (3) After subsection (c)(2), by inserting the fol-
9 lowing new paragraph:

10 “(3) In the case of the 1994 and 1995 market-
11 ing years, the quantity of honey for which a pro-
12 ducer can receive loan deficiency payments shall be
13 75 and 50 percent, respectively, of the lesser of—

14 “(i) the amount requested for honey eligi-
15 ble for nonrecourse loans, or

16 “(ii) the average amount received in loan
17 deficiency payments for the previous five
18 years.”.

19 **SEC. 1203. AMENDMENTS TO SECTION 405A OF AGRICUL-**
20 **TURAL ACT OF 1949.**

21 Section 405A of the Agricultural Act of 1949 (7
22 U.S.C. 1425a) is amended—

23 (1) in subsection (a), by striking “\$125,000”
24 and inserting “\$75,000”; and

1 (2) in subsection (a), by striking all that follows
2 “Provided, however,” and inserting “In the case of
3 the 1994 and 1995 marketing years, the amount
4 that a producer can forfeit shall be limited by the
5 amount that can be put under loan as determined
6 under section 207(b) and (c) of this Act.”.

7 **SEC. 1204. REPEAL OF SECTION 207 OF AGRICULTURAL ACT**
8 **OF 1949.**

9 (a) IN GENERAL.—Effective December 31, 1995,
10 Section 207 of the Agricultural Act of 1949 (7 U.S.C.
11 1446h) is repealed.

12 (b) PROHIBITION.—Effective beginning December
13 31, 1995, the Secretary of Agriculture may not provide
14 loans or payments for honey by using the funds of the
15 Commodity Credit Corporation or under the authority of
16 any law, except that the Commodity Credit Corporation
17 may settle any outstanding loans made on or before
18 December 31, 1995.

19 **SEC. 1205. SAVINGS PROVISION.**

20 A provision of this subtitle may not affect the liability
21 of any person under any provision of law as in effect be-
22 fore the effect date of the provision.

1 **TITLE II—DEPARTMENT OF**
2 **COMMERCE**

3 **SEC. 2001. POLAR SATELLITE CONVERGENCE.**

4 The Departments of Commerce and Defense and the
5 National Aeronautics and Space Administration shall pro-
6 pose a single operational polar environmental and weather
7 satellite system, which meets national needs. A detailed
8 implementation plan shall be submitted to Congress by the
9 Director of the Office of Science and Technology Policy,
10 in consultation with the Departments of Commerce and
11 Defense and the National Aeronautics and Space Adminis-
12 tration, by April 30, 1994. The plan shall be designed to
13 result in savings of up to \$300 million in budget authority
14 and up to \$251 million in outlays between fiscal years
15 1994 and 1999.

16 **TITLE III—DEPARTMENT OF**
17 **DEFENSE**

18 **Subtitle A—Create Incentives for**
19 **the Department of Defense to**
20 **Generate Revenues**

21 **SEC. 3001. INCENTIVES FOR DEPARTMENT OF DEFENSE TO**
22 **GENERATE REVENUES.**

23 Section 2577 of title 10, United States Code, is
24 amended by striking subsections (b) and (c), and inserting
25 the following new subsection:

1 (2) Under the phase-out process required by para-
2 graph (1), the Secretary of Defense is authorized to exer-
3 cise all of the authorities pertaining to the operation of
4 the Uniformed Services University of the Health Sciences
5 that were granted to the Secretary of Defense, the Board
6 of Regents, or the Dean of the Uniformed Services Univer-
7 sity of the Health Sciences by chapter 104 of title 10,
8 United States Code, prior to enactment of the repeal of
9 that chapter by subsection (a). Such authorities may be
10 exercised by the Secretary of Defense so as to achieve an
11 orderly phase-out of operations of the Uniformed Services
12 University of the Health Sciences.

13 (3) No new class of students may be admitted to
14 begin studies in the Uniformed Services University of the
15 Health Sciences after September 30, 1994. No students
16 may be awarded degrees by such University after Septem-
17 ber 30, 1998, except that the Secretary of Defense may
18 grant exceptions on a case-by-case basis for any students
19 who by that date have completed substantially all degree
20 requirements.

21 (c) AUTHORITIES UNAFFECTED.—(1) Commissioned
22 service obligations incurred by students of the Uniformed
23 Services University of the Health Sciences shall be unaf-
24 fected by enactment of the repeal of chapter 104 of title
25 10, United States Code, by subsection (a).

1 (2) Nothing in this subtitle shall be construed as lim-
2 iting the exercise by the Secretary of Defense of other au-
3 thorities under law pertaining to health sciences edu-
4 cation, training and professional development, graduate
5 medical education, medical and scientific research, and
6 similar activities. To the extent any such activities had
7 been assigned by the Secretary of Defense to the Uni-
8 formed Services University of the Health Sciences, the
9 Secretary of Defense’s authority to assign such activities
10 to any other component or entity of the Department of
11 Defense shall be unaffected by the phase-out and closure
12 of the Uniformed Services University of the Health
13 Sciences pursuant to this subtitle.

14 (d) CONFORMING AMENDMENTS.—(1) Section 178 of
15 title 10, United States Code, pertaining to the Henry M.
16 Jackson Foundation for the Advancement of Military
17 Medicine, is amended—

18 (A) in subsection (b), by striking “Uniformed
19 Services University of the Health Sciences” and in-
20 serting “Department of Defense”;

21 (B) in subsection (c)(1)(B), by striking “the
22 Dean of the Uniformed Services University of the
23 Health Sciences” and inserting “a person designated
24 by the Secretary of Defense”; and

1 (C) in subsection (g)(1), by striking “Uni-
2 formed Services University of the Health Sciences”
3 and inserting “Secretary of Defense”.

4 (2) Section 466 of the Public Health Service Act (42
5 U.S.C. section 286a), pertaining to the Board of Regents
6 of the National Library of Medicine, is amended in sub-
7 section (a)(1)(B) by striking “the Dean of the Uniformed
8 Services University of the Health Sciences”.

9 (3) The table of chapters and the table of sections
10 at the beginning of title 10, United States Code, is amend-
11 ed by striking references to chapter 104 and sections 2112
12 through 2115.

13 (e) EFFECTIVE DATE.—This section shall be effective
14 upon the date of enactment.

15 **Subtitle C—Streamline and Reor-**
16 **ganize the U.S. Army Corps of**
17 **Engineers**

18 **SEC. 3201. STREAMLINING AND REORGANIZATION OF**
19 **CORPS OF ENGINEERS.**

20 Notwithstanding any other provision of law, the Sec-
21 retary of the Army shall reorganize the United States
22 Army Corps of Engineers by reorganizing the head-
23 quarters offices, reducing the number of division offices,
24 and restructuring the district functions so as to increase
25 the efficiency of the United States Army Corps of Engi-

1 neers and reduce staff and costs, with the goal of achiev-
2 ing approximately \$50 million in net annual savings by
3 fiscal year 1998.

4 **TITLE IV—DEPARTMENT OF**
5 **ENERGY**
6 **Subtitle A—Alaska Power Adminis-**
7 **tration Sale Authorization Act**

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

9 This subtitle may be cited as the “Alaska Power Ad-
10 ministration Sale Authorization Act”.

11 **SEC. 4002. SALE OF SNETTISHAM AND EKLUTNA HYDRO-**
12 **ELECTRIC PROJECTS.**

13 (a) The Secretary of Energy may sell the Snettisham
14 Hydroelectric Project (referred to in this subtitle as
15 “Snettisham”) to the State of Alaska Power Authority
16 (now known as the Alaska Industrial Development and
17 Export Authority, and referred to in this subtitle as the
18 “Authority”), or its successor, in accordance with the Feb-
19 ruary 10, 1989, Snettisham Purchase Agreement between
20 the Alaska Power Administration of the United States De-
21 partment of Energy and the Authority.

22 (b) The Secretary of Energy may sell the Eklutna
23 Hydroelectric Project (referred to in this subtitle as
24 “Eklutna”) to the Municipality of Anchorage doing busi-
25 ness as Municipal Light and Power, the Chugach Electric

1 Association, Inc., and the Matanuska Electric Association,
2 Inc. (referred to in this subtitle as “Eklutna Purchasers”)
3 in accordance with the August 2, 1989, Eklutna Purchase
4 Agreement between the United States Department of En-
5 ergy and the Eklutna Purchasers.

6 (c) The heads of other affected Federal departments
7 and agencies, including the Secretary of the Interior, shall
8 assist the Secretary of Energy in implementing the sales
9 authorized by this Act.

10 (d) The Secretary of Energy shall deposit sale pro-
11 ceeds in the Treasury of the United States to the credit
12 of miscellaneous receipts.

13 (e) There are authorized to be appropriated such
14 sums as are necessary to prepare or acquire Eklutna and
15 Snettisham assets for sale and conveyance, such prepara-
16 tions to provide sufficient title to ensure the beneficial use,
17 enjoyment, and occupancy to the purchasers of the assets
18 to be sold.

19 (f) No later than one year after both of the sales au-
20 thorized in section 4002 have occurred, as measured by
21 the Transaction Dates stipulated in the Purchase Agree-
22 ments, the Secretary of Energy shall—

23 (1) complete the business of, and close out, the
24 Alaska Power Administration; and

1 (2) prepare and submit to Congress a report
2 documenting the sales.

3 **SEC. 4003. ASSESSMENT OF ALTERNATIVE OPTIONS.**

4 Before taking any action authorized in section 4002,
5 the Secretary shall assess the feasibility of alternative op-
6 tions for maximizing the return to the Treasury from the
7 sale of the Alaska Power Marketing Administration.

8 **Subtitle B—Federal-Private**
9 **Cogeneration of Electricity**

10 **SEC. 4101. FEDERAL-PRIVATE COGENERATION OF ELEC-**
11 **TRICITY.**

12 Section 804(2)(B) of the National Energy Conserva-
13 tion Policy Act (42 U.S.C. 8287c(2)(B)) is amended by
14 striking “, excluding any cogeneration process for other
15 than a federally owned building or buildings or other fed-
16 erally owned facilities.”.

17 **Subtitle C—Power Marketing**
18 **Administration Debt Buyout**

19 **PART 1—BONNEVILLE POWER ADMINISTRATION**
20 **DEBT BUYOUT**

21 **SEC. 4201. SHORT TITLE.**

22 This part may be cited as the “Bonneville Power Ad-
23 ministration Repayment Bonds Act”.

1 **SEC. 4202. SALE OF BONDS.**

2 Notwithstanding any other law and without fiscal
3 year limitation—

4 (1) in addition to the authority in section 13 of
5 the Federal Columbia River Transmission System
6 Act (16 U.S.C. 838k), the Administrator may issue
7 and sell bonds, notes, and other evidences of indebt-
8 edness (referred to in this part as “Bonds”) in the
9 manner and amounts the Administrator, considers
10 appropriate in the name of and for and on behalf of
11 the Bonneville Power Administration, to—

12 (A) satisfy the unpaid repayment obliga-
13 tion associated with the appropriated capital in-
14 vestment made in the Federal Columbia River
15 Power System before the issuance of the Bonds
16 authorized under this part takes place, but not
17 including Federal irrigation investments as-
18 signed to be repaid from power revenues; and

19 (B) refund Bonds;

20 (2) the Administrator shall transfer, and the
21 Secretary of the Treasury shall accept for the ac-
22 count of the General Fund, the net proceeds of the
23 Bonds referred to in paragraph (1)(A), and when
24 the Secretary of the Treasury receives the net pro-
25 ceeds, the repayment obligation associated with the
26 part of the appropriated capital investment in the

1 Federal Columbia River Power System covered by
2 the Bonds is considered to be satisfied forever;

3 (3) the Secretary of the Treasury, in consulta-
4 tion with the Administrator, shall establish the
5 amount of proceeds needed to satisfy the unpaid re-
6 payment obligation associated with the part of the
7 capital investment referred to in paragraph (1)(A)
8 as the amount necessary to increase the sum of the
9 net proceeds and the discounted present value of the
10 remaining Federal debt service of the Federal Co-
11 lumbia River Power System by \$100 million relative
12 to the discounted present value of the total Federal
13 debt service of the Federal Columbia River Power
14 System as provided by the Administrator based upon
15 the repayment schedule that would have been paid
16 under repayment policy and practices in effect on
17 September 1, 1993;

18 (4) to determine the discounted present values
19 in paragraph (3), the Secretary of the Treasury
20 shall use discount rates based on the secondary mar-
21 ket's average yield for the most recently issued 30-
22 year Treasury bonds when the Bonds authorized in
23 paragraph (1) are issued;

24 (5) these Bonds shall be in the forms and de-
25 nominations, bear the maturities (without respect to

1 the remaining average service life of the capital in-
2 vestment associated with the repayment obligation
3 satisfied by the Bonds issued under this part), be is-
4 sued and sold at the times, prices, discounts, and
5 yields, and be subject to other terms and conditions
6 (including variable rates) as the Administrator con-
7 siders appropriate;

8 (6) under section 2(f) of the Bonneville Project
9 Act of 1937 (16 U.S.C. 832a(f)) and this part, the
10 Administrator may enter into any contract that the
11 Administrator considers necessary for the purposes
12 of carrying out this part including, but not limited
13 to, contracts for—

14 (A) the payment of the principal, interest,
15 and premium, if any, on Bonds issued under
16 this part;

17 (B) the purchase or redemption of those
18 Bonds;

19 (C) the payment of costs and expenses in-
20 cidental to this payment, purchase, and re-
21 demption; or

22 (D) the creation of reserve and other funds
23 to be held by a trustee, which funds the Admin-
24 istrator may pledge exclusively to pay those
25 costs for which the funds were created and es-

1 tablish a lien on the funds in favor of the bene-
2 ficiaries of the funds under any indenture, reso-
3 lution, or other agreement entered into in con-
4 nection with the issuance of Bonds under this
5 part;

6 (7) Bonds issued under this part—

7 (A) shall be issuable and payable through
8 the Federal wire system;

9 (B) are negotiable instruments that may
10 be accepted as security for all fiduciary, trust,
11 and public funds, the investment or deposit of
12 which is under the authority or control of any
13 officer or agency of the United States;

14 (C) may be held without limitation by na-
15 tional banks;

16 (D) qualify as legal investments for banks,
17 savings and loan institutions, and credit unions;
18 and

19 (E) are eligible collateral for Federal ad-
20 vances and discounts, for deposits of the United
21 States, and for the Treasury tax and loan
22 accounts;

23 (8) Bonds issued under this part are not in-
24 tended to be and are not secured by the full faith
25 and credit of the United States;

1 (9) Bonds issued under this part are exempt
2 both as to principal and interest from all taxation by
3 any State or local taxing authority, except estate, in-
4 heritance, and gift taxes;

5 (10) Bonds issued under this part shall contain
6 a recital that they are issued under this part and
7 this recital is conclusive evidence of the regularity of
8 the issuance and sale of the Bonds and their
9 validity;

10 (11) the Bonds issued under this part, all re-
11 cepts of the Secretary of the Treasury under this
12 part, any portion of the fund established under the
13 Federal Columbia River Transmission System Act
14 (16 U.S.C. 838 et seq.) related to these Bonds, all
15 receipts and disbursements of that fund related to
16 these Bonds, and all expenditures by the Adminis-
17 trator related to these Bonds—

18 (A) are exempt from any general budget
19 limitation imposed by statute on expenditures
20 and net lending (budget outlays) of the United
21 States Government, sequestration order, or dis-
22 cretionary spending limit;

23 (B) are exempt from any order issued pur-
24 suant to sections 251, 252, or 253 of the Bal-

1 anced Budget and Emergency Deficit Control
2 Act of 1985 (2 U.S.C. 900 et seq.); and

3 (C) are not subject to apportionment under
4 subchapter II of chapter 15 of title 31, United
5 States Code;

6 (12) in all future contracts for the sale of elec-
7 tric power, transmission, or other services, the Ad-
8 ministrator shall include provisions specifying that
9 after the repayment obligation is fully and forever
10 satisfied, the Administrator's rates for electric
11 power, transmission, or other services shall not in-
12 clude any form of economic rent to be returned to
13 the United States Government, including, without
14 limitation, a falling water charge or any other fee for
15 use of Federal facilities for power generation or
16 transmission, that relates to a project, facility, or
17 separable unit of a project or facility associated with
18 the satisfied repayment obligation, other than a
19 charge necessary to repay the new indebtedness in-
20 curred under this part. Amounts provided under sec-
21 tion 1304 of title 31, United States Code, shall be
22 the sole source for payment of a judgment against
23 the Administrator or the United States on a claim
24 for a violation of the contract provision required by
25 this paragraph;

1 (13) the Administrator shall offer to amend the
2 Administrator’s existing contracts for the sale of
3 electric power, transmission, or other services to in-
4 clude the provisions described in paragraph (12);
5 and

6 (14) the Administrator shall consult with the
7 Secretary of the Treasury regarding the timing and
8 structure of the bonds issued under this part.

9 **SEC. 4203. PAYMENT OF BOND COSTS.**

10 Section 11(b)(6) of the Federal Columbia River
11 Transmission System Act (16 U.S.C. 838i(b)(6)), is
12 amended by striking “or” before “(iv)” and by inserting
13 before the semicolon “, or (v) to pay the cost of financing
14 and debt service, including premiums, if any, on Bond is-
15 sued by the Bonneville Power Administration”.

16 **SEC. 4204. COMBINED REPAYMENT STUDY.**

17 Section 7(a) of the Pacific Northwest Electric Power
18 Planning and Conservation Act (16 U.S.C. 893e(a)), is
19 amended by adding after paragraph (2) the following:

20 “(3) In establishing power and transmission
21 rates, the Administrator may base them on a single,
22 combined generation and transmission repayment
23 study which demonstrates that all indebtedness is
24 repaid by its due date. The use of such a study is

1 sufficient for the commission to approve the rates as
2 meeting repayment requirements.”.

3 **SEC. 4205. DEFINITIONS.**

4 For the purposes of this part—

5 (1) “Administrator” means the Administrator
6 of the Bonneville Power Administration; and

7 (2) “appropriated capital investment made in
8 the Federal Columbia River Power System” means
9 an investment made by the United States that—

10 (A) is made using Federal appropriations;

11 (B) is for a project or separable feature of
12 a project that is placed in service;

13 (C) is allocated to power and required by
14 law to be repaid from the power revenues by
15 the Administrator;

16 (D) is not allocated or suballocated to irri-
17 gation; and

18 (E) excludes an investment made using
19 funds borrowed under section 13 of the Federal
20 Columbia River Transmission System Act.

21 **PART 2—OTHER POWER MARKETING**

22 **ADMINISTRATIONS DEBT BUYOUT**

23 **SEC. 4206. SHORT TITLE.**

24 This part may be cited as the “Power Marketing Ad-
25 ministrations Financing Act”.

1 **SEC. 4207. DEFINITIONS.**

2 For the purposes of this part—

3 (1) “Administrator” means the Administrator
4 of the Southeastern Power Administration, the Ad-
5 ministrator of the Southwestern Power Administra-
6 tion, and the Administrator of the Western Area
7 Power Administration;

8 (2) “Fund” means the Power Marketing Ad-
9 ministration Sinking Fund established under section
10 4209; and

11 (3) “Power marketing administration” means
12 the Southeastern Power Administration, the South-
13 western Power Administration, and the Western
14 Area Power Administration.

15 **SEC. 4208. REPAYMENT OF EXISTING INDEBTEDNESS.**

16 (a) Notwithstanding any other law, within 12 months
17 after the enactment of this Act, each Administrator shall
18 develop, in consultation with the Secretary of the Treas-
19 ury, and shall implement a plan for paying the United
20 States Treasury the discounted present value of principal
21 and interest payments on power investments scheduled to
22 be paid to the United States Treasury as provided by the
23 Administrator under existing law and repayment practices
24 by that power marketing administration, as well as a one-
25 time additional payment of \$12,500,000 by the Southeast-
26 ern Power Administration, \$12,500,000 by the Southwest-

1 ern Power Administration, and \$50,000,000 by the West-
2 ern Area Power Administration. Each Administrator shall
3 issue revenue bonds as provided in section 4210 to pay
4 the obligation to the United States Treasury addressed in
5 this section, except that the issuance of these bonds shall
6 occur only if each Administrator determines by means of
7 financial studies that the refinancing will not cause an in-
8 crease in power rates over existing repayment practices.
9 When the Treasury receives full payment from an Admin-
10 istrator, it shall consider the repayment obligation of the
11 Administration associated with the payment fully and for-
12 ever discharged.

13 (b) In all future contracts for the sale of electric
14 power, transmission, or other services, each Administrator
15 shall include provisions agreeing that when the repayment
16 obligation is fully and forever discharged under subsection
17 (a), the Administrator's rates for electric power, trans-
18 mission, or other services shall not, other than is necessary
19 to repay the new indebtedness incurred under this Act,
20 include any charge in place of the satisfied obligation or
21 include any other similar form of economic rent by or re-
22 turned to the United States (including, without limitation,
23 a falling water charge or any other type of user fee for
24 use of Federal facilities for the purpose of power genera-
25 tion and transmission) on account of any project, facility,

1 or separable unit of a project or facility associated with
2 the repayment obligation satisfied.

3 (c) Each Administrator shall offer to amend existing
4 contracts for the sale of electric power, transmission, or
5 other services to include the provision described in sub-
6 section (b).

7 **SEC. 4209. POWER MARKETING ADMINISTRATION SINKING**
8 **FUND.**

9 (a) There is established in the Treasury of the United
10 States a Power Marketing Administration Sinking Fund.
11 The Secretary of the Treasury, acting as trustee for the
12 power marketing administrations, shall establish and
13 maintain a separate account in the Fund for each power
14 marketing administration, and monies of one power mar-
15 keting administration shall not be commingled with mon-
16 ies of another power marketing administration. Within the
17 separate account for each power marketing administra-
18 tion, separate projects or systems shall be accounted for
19 separately. An Administrator may deposit into the Fund
20 the monies derived from revenues that the Administrator
21 considers appropriate to ensure that the bonds issued
22 under section 4210 are refunded in a timely manner.

23 (b) Balances in the Fund shall earn interest at a rate
24 determined by the Secretary of the Treasury.

1 (c) An Administrator may make expenditures from
2 the Administrator's account in the Fund without further
3 appropriation and without fiscal year limitation to pay in-
4 debtedness incurred from bonds issued under section
5 4210.

6 (d) Each power marketing administration shall main-
7 tain its books of account in substantial conformance with
8 the Uniform System of Accounts of the Federal Energy
9 Regulatory Commission.

10 (e) The financial transactions of an Administrator
11 shall be audited by independent financial auditors, and re-
12 ports of the results of each audit shall be made to the
13 Congress within 6½ months following the end of the fiscal
14 year covered by the audit.

15 **SEC. 4210. REVENUE BONDS.**

16 (a) Each Administrator, in consultation with the Sec-
17 retary of the Treasury, may issue and sell from time to
18 time in the name of, and for and on behalf of, the respec-
19 tive power marketing administration bonds, notes, and
20 other evidences of indebtedness (in this section collectively
21 referred to as "bonds") to refinance existing indebtedness
22 as provided in section 4208 and to issue and sell bonds
23 to refund those bonds. The bonds shall be in the forms
24 and denominations, bear maturities (without respect to
25 the remaining average service life of facilities), and be sub-

1 ject to terms and conditions as prescribed by the Adminis-
2 trator taking into account terms and conditions prevailing
3 in the market for similar bonds and financing practices
4 of the utility industry. Provisions for early retirement of
5 bonds may be prescribed by each Administrator. The
6 bonds shall bear interest at a rate determined by the
7 Administrator.

8 (b) Each Administrator may enter into any contract
9 that the Administrator considers necessary for the pur-
10 poses of carrying out this part including, but not limited
11 to, contracts for—

12 (1) the payment of the principal, interest, and
13 premium, if any, on bonds issued under this part;

14 (2) their purchase or redemption;

15 (3) the payment of costs and expenses inciden-
16 tal to their payment, purchase, and redemption; or

17 (4) the creation of reserve and other funds to
18 be held by the Secretary of the Treasury as trustee,
19 which funds the Administrator may pledge exclu-
20 sively to pay those costs for which the funds were
21 created and may establish a lien on the funds in
22 favor of the beneficiaries of the funds under any in-
23 denture, resolution, or other agreement entered into
24 in connection with the issuance of bonds under this
25 part.

1 (c) Bonds issued under this part—

2 (1) shall be issuable and negotiable through the
3 Federal wire system;

4 (2) are negotiable instruments that may be ac-
5 cepted as security for all fiduciary, trust, and public
6 funds, the investment or deposit of which is under
7 the authority or control of any officer or agency of
8 the United States;

9 (3) may be held, without limitation, by national
10 banks;

11 (4) qualify as legal instruments for banks, sav-
12 ings and loan institutions, and credit unions; and

13 (5) are eligible collateral for Federal advances
14 and discounts, for deposits of the United States, and
15 for Treasury tax and loan accounts.

16 (d) Bonds issued under this part are exempt both as
17 to principal and interest from all taxation by any State
18 or local taxing authority, except estate, inheritance, and
19 gift taxes.

20 (e) Bonds issued under this part shall contain a re-
21 cital that they are issued under this part and such a recital
22 is conclusive evidence of the regularity of the issuance and
23 sale of the bonds and their validity.

24 (f) These bonds are not intended to be and are not
25 secured by the full faith and credit of the United States.

1 (g) The bonds issued under this part, all receipts of
2 the Secretary of the Treasury under this part, any portion
3 of the Fund established under section 4210 related to
4 these bonds, all receipts and disbursements of the Fund
5 related to these bonds, and all expenditures by an Admin-
6 istrator related to these bonds—

7 (1) are exempt from any general budget limita-
8 tion imposed by statute on expenditures and net
9 lending (budget outlays) of the United States Gov-
10 ernment, sequestration order, or discretionary
11 spending limit;

12 (2) are exempt from any order issued pursuant
13 to sections 251, 252, or 253 of the Balanced Budget
14 and Emergency Deficit Control Act of 1985 (2
15 U.S.C. 900 et seq.); and

16 (3) are not subject to apportionment under sub-
17 chapter II of chapter 15 of title 31, United States
18 Code.

19 (h) With respect to the Western Area Power Adminis-
20 tration, except as otherwise provided, this Act is consid-
21 ered to be a supplement to the Federal reclamation laws.

1 “(A) determine (subject to the provisions of sec-
2 tion 1878 and to such review by the Secretary as
3 may be provided for by the agreements) the amount
4 of the payments required pursuant to this part to be
5 made to providers of services,

6 “(B) make payments described in subparagraph
7 (A),

8 “(C) provide consultative services to institutions
9 or agencies to enable them to establish and maintain
10 fiscal records necessary for purposes of this part and
11 otherwise to qualify as hospitals, extended care fa-
12 cilities, and home health agencies,

13 “(D) serve as a center for, and communicate to
14 providers, any information or instructions furnished
15 to the agency or organization by the Secretary, and
16 serve as a channel of communication from providers
17 to the Secretary,

18 “(E) make such audits of the records of provid-
19 ers as may be necessary to ensure that proper pay-
20 ments are made under this part, and

21 “(F) perform such other functions as are nec-
22 essary to carry out the purposes of this part.

23 “(2) As used in this title and part B of title XI, the
24 term ‘fiscal intermediary’ means an agency or organiza-
25 tion with a contract under this section.”.

1 (2) Subsections (d) and (e) of section 1816 of
2 that Act are repealed.

3 (3) Section 1816(f)(1) of that Act is amended
4 by striking the second sentence.

5 (4) The matter in section 1842(a) of that Act
6 preceding paragraph (1) is amended by inserting “,
7 or parts of those functions” after “following func-
8 tions”.

9 (5) Section 1842(b)(3)(G) of that Act is
10 amended by inserting “(unless provided by another
11 carrier)” after “will provide”.

12 (6) The matter in section 1842(b)(3)(H) of that
13 Act preceding clause (i) is amended by striking “im-
14 plement—” and inserting “implement (as appro-
15 priate)—”.

16 (7) Section 1842(b)(3)(L) of that Act is amend-
17 ed by inserting “(as appropriate)” after “will”.

18 (8) The first sentence of section 1842(h)(2) of
19 that Act is amended by inserting “(unless main-
20 tained by another carrier)” after “shall maintain”.

21 (c) ELIMINATION OF SPECIAL PROVISIONS FOR TER-
22 MINATION OF CONTRACTS.—

23 (1) Section 1816(f)(1) of that Act is amended
24 by striking “, renew, or terminate” and “or reas-
25 sign”.

1 (2) Section 1816(g) of that Act is repealed.

2 (3) Section 1842(b) of that Act is amended by
3 striking paragraph (5).

4 (d) REPEAL OF PROHIBITION AGAINST DATA
5 MATCHING.—Sections 1816(c)(1) and 1842(b)(2)(A) of
6 that Act are each amended by striking the last sentence.

7 (e) REPEAL OF COST REIMBURSEMENT REQUIRE-
8 MENTS.—

9 (1) The first sentence of section 1816(c)(1) of
10 that Act is amended—

11 (A) by striking the comma after “appro-
12 priate” and inserting “and”; and

13 (B) by striking everything after “sub-
14 section (a)” up to the period.

15 (2) Section 1816(c)(1) of that Act is further
16 amended by striking the remaining sentences.

17 (3) The first sentence of section 1842(c)(1)(A)
18 of that Act is amended—

19 (A) by striking “shall provide” the first
20 place it occurs and inserting “may provide”;
21 and

22 (B) by striking everything after “this
23 part” up to the period.

24 (4) Section 1842(c)(1)(A) of that Act is further
25 amended by striking the remaining sentences.

1 (5) Section 2326(a) of the Deficit Reduction
2 Act of 1984 is repealed.

3 (f) ELIMINATION OF SEPARATE CARRIER FOR RAIL-
4 ROAD RETIREES.—Section 1842(g) of the Social Security
5 Act is repealed.

6 (g) EFFECTIVE DATE.—The amendments made by
7 the preceding subsections apply to contracts (including re-
8 newals) entered into after the third calendar month that
9 begins after the date of enactment of this Act.

10 **Subtitle B—Workers’ Compensation**
11 **Data Exchange Pilot**
12 **Projects**

13 **SEC. 5101. WORKERS’ COMPENSATION DATA EXCHANGE**
14 **PILOT PROJECTS.**

15 (a) IN GENERAL.—The Secretary is authorized to
16 conduct pilot projects with not more than three States for
17 the purpose of studying various means of obtaining on a
18 timely and accurate basis such information relating to
19 benefits paid on account of total or partial disability under
20 the States’ workers’ compensation plan as the Secretary
21 may require for the purpose of carrying out section 224
22 of the Social Security Act.

23 (b) REIMBURSEMENT OF STATE COSTS.—A State
24 that participates in a project conducted pursuant to sub-
25 section (a) may be paid by the Secretary, from amounts

1 available pursuant to subsection (e), the reasonable costs
2 of such participation.

3 (c) EVALUATION.—The Secretary shall evaluate each
4 project conducted pursuant to subsection (a) and shall
5 apply the findings, as appropriate, to agreements nego-
6 tiated pursuant to subsection (h)(2) of such section 224.

7 (d) DEADLINE FOR COMMENCEMENT OF
8 PROJECTS.—No pilot project authorized by subsection (a)
9 may be commenced after the expiration of the 5-year pe-
10 riod beginning on the date of enactment of this section.

11 (e) FUNDING.—Expenditures for pilot projects con-
12 ducted pursuant to subsection (a) may be made from the
13 Federal Disability Insurance Trust Fund and the Old-Age
14 and Survivors Insurance Trust Fund, as determined ap-
15 propriate by the Secretary.

16 (f) EFFECTIVE DATE.—This section shall be effective
17 upon enactment.

18 **Subtitle C—Federal Clearinghouse**
19 **on Death Information**

20 **SEC. 5201. FEDERAL CLEARINGHOUSE ON DEATH INFOR-**
21 **MATION.**

22 (a) CLEARINGHOUSE DESIGNATION.—The heading
23 for section 205(r) of the Social Security Act is amended
24 to read as follows: “Clearinghouse on Death Information”.

1 (b) ACQUISITION OF DISCLOSABLE DEATH INFORMA-
2 TION FROM STATES.—

3 (1) Section 205(r)(1)(A) of the Social Security
4 Act is amended by striking “to furnish the Secretary
5 periodically with” and inserting “to furnish periodi-
6 cally to the Secretary, for use in carrying out sub-
7 paragraph (B) and paragraphs (3) and (4),”.

8 (2)(A) Notwithstanding clause (ii) of section
9 6103(d)(4)(B) of the Internal Revenue Code of 1986
10 (as added by section 13444(a) of the Omnibus
11 Budget Reconciliation Act of 1993 (Public Law
12 103–66)), in order for a contract requiring a State
13 to furnish the Secretary of Health and Human Serv-
14 ices information concerning individuals with respect
15 to whom death certificates (or equivalent documents
16 maintained by the State or any subdivision thereof)
17 have been officially filed with it to meet the require-
18 ments of such section 6103(d)(4)(B), such contract
19 shall authorize the Secretary to use such information
20 and to redisclose such information to any Federal
21 agency or any agency of a State or political subdivi-
22 sion in accordance with section 205(r) of the Social
23 Security Act.

24 (B) The provisions of subparagraph (A) of this
25 paragraph and, notwithstanding subparagraph (C)

1 of section 6103(d)(4) of the Internal Revenue Code
2 of 1986 (as added by section 13444(a) of the Omni-
3 bus Budget Reconciliation Act of 1993 (Public Law
4 103–66)), the provisions of subparagraphs (A) and
5 (B) of such section 6103(d)(4) shall apply to all
6 States, regardless of whether they were, on July 1,
7 1993, pursuant to a contract, furnishing the Sec-
8 retary of Health and Human Services information
9 concerning individuals with respect to whom death
10 certificates (or equivalent documents maintained by
11 the State or any subdivision thereof) have been offi-
12 cially filed with it.

13 (C) Subparagraphs (A) and (B) of this para-
14 graph shall take effect at the same time as the
15 amendment made by section 13444(a) of the Omni-
16 bus Budget Reconciliation Act of 1993 takes effect.

17 (D) For the purpose of applying the special rule
18 contained in section 13444(b)(2) of the Omnibus
19 Budget Reconciliation Act of 1993, the reference in
20 such section to section 6103(d)(4)(B) of the Internal
21 Revenue Code of 1986 shall be deemed to include a
22 reference to subparagraph (A) of this paragraph.

23 (c) PAYMENT TO STATES FOR DEATH INFORMA-
24 TION.—Section 205(r)(2) of the Social Security Act is
25 amended—

1 (1) by striking “the reasonable costs” and in-
2 sserting “a reasonable amount”; and

3 (2) by striking “transcribing and transmitting”
4 and inserting “furnishing”.

5 (d) FEE FOR CLEARINGHOUSE INFORMATION.—

6 (1) Section 205(r)(3) of the Social Security Act
7 is amended by striking out “if” and all that follows,
8 and inserting “, provided that such agency agrees to
9 pay the fees set by the Secretary pursuant to para-
10 graph (8).”.

11 (2) Section 205(r)(4) of the Social Security Act
12 is amended—

13 (A) by inserting “and political subdivi-
14 sions” after “States” the first place such term
15 appears;

16 (B) by striking “the States” and inserting
17 “any State, political subdivision, or combination
18 thereof”; and

19 (C) by striking “if” and all that follows
20 and inserting “provided such States and politi-
21 cal subdivisions agree to pay the fees set by the
22 Secretary pursuant to paragraph (8).”.

23 (3) Section 205(r) of the Social Security Act is
24 amended by adding at the end a new paragraph as
25 follows: “(8) The Secretary shall establish fees for

1 the disclosure of information pursuant to this sub-
2 section. Such fees shall be in amounts sufficient to
3 cover all costs (including indirect costs) associated
4 with the Secretary's responsibilities under this sub-
5 section. Fees collected pursuant to this paragraph
6 shall remain available, without fiscal year limitation,
7 to the Secretary to cover the administrative costs of
8 carrying out this subsection.”.

9 (e) TECHNICAL ASSISTANCE.—Section 205(r) of the
10 Social Security Act is amended by adding at the end (after
11 the paragraph added by subsection (d)(3)) the following
12 new paragraph:

13 “(9) The Secretary may provide to any Federal or
14 State agency that provides Federally funded benefits,
15 upon the request of such agency, technical assistance on
16 the effective collection, dissemination, and use of death in-
17 formation available under this subsection for the purpose
18 of ensuring that such benefits are not erroneously paid
19 to deceased individuals.”.

20 (f) TECHNICAL AMENDMENT.—Section 205(r) of the
21 Social Security Act is amended by adding at the end (after
22 the paragraph added by subsection (e)) the following new
23 paragraph:

1 **TITLE VI—DEPARTMENT OF**
2 **HOUSING AND URBAN DEVELOPMENT**

3
4 **Subtitle A—Multifamily Property**
5 **Disposition**

6 **SEC. 6001. MULTIFAMILY PROPERTY DISPOSITION.**

7 (a) FINDINGS.—The Congress finds that—

8 (1) the portfolio of multifamily housing project
9 mortgages insured by the FHA is severely troubled
10 and at risk of default, requiring the Secretary to in-
11 crease loss reserves from \$5,500,000,000 in 1991 to
12 \$11,900,000,000 in 1992 to cover estimated future
13 losses;

14 (2) the inventory of multifamily housing
15 projects owned by the Secretary has more than tri-
16 pled since 1989, and, by the end of 1993, may ex-
17 ceed 75,000 units;

18 (3) the cost to the Federal Government of own-
19 ing and maintaining multifamily housing projects es-
20 calated to approximately \$250,000,000 in fiscal year
21 1992;

22 (4) the inventory of multifamily housing
23 projects subject to mortgages held by the Secretary
24 has increased dramatically, to more than 2,400

1 mortgages, and approximately half of these mort-
2 gages, with over 230,000 units, are delinquent;

3 (5) the inventory of insured and formerly in-
4 sured multifamily housing projects is rapidly deterio-
5 rating, endangering tenants and neighborhoods;

6 (6) over 5 million families today have a critical
7 need for housing that is affordable and habitable;
8 and

9 (7) the current statutory framework governing
10 the disposition of multifamily housing projects effec-
11 tively impedes the Government's ability to dispose of
12 properties, protect tenants, and ensure that projects
13 are maintained over time.

14 (b) MANAGEMENT AND DISPOSITION OF MULTIFAM-
15 ILY HOUSING PROJECTS.—Section 203 of the Housing
16 and Community Development Amendments of 1978 (12
17 U.S.C. 1701z-11) is amended to read as follows:

18 **“SEC. 203. MANAGEMENT AND DISPOSITION OF MULTIFAM-**
19 **ILY HOUSING PROJECTS.**

20 “(a) GOALS.—The Secretary of Housing and Urban
21 Development (hereafter in this section referred to as the
22 ‘Secretary’) shall manage or dispose of multifamily hous-
23 ing projects that are owned by the Secretary or that are
24 subject to a mortgage held by the Secretary in a manner
25 that—

1 “(1) is consistent with the National Housing
2 Act and this section;

3 “(2) will protect the financial interests of the
4 Federal Government; and

5 “(3) will, in the least costly fashion among rea-
6 sonable available alternatives, further the goals of—

7 “(A) preserving housing so that it can re-
8 main available to and affordable by low-income
9 persons;

10 “(B) preserving and revitalizing residential
11 neighborhoods;

12 “(C) maintaining existing housing stock in
13 a decent, safe, and sanitary condition;

14 “(D) minimizing the involuntary displace-
15 ment of tenants;

16 “(E) maintaining housing for the purpose
17 of providing rental housing, cooperative hous-
18 ing, and homeownership opportunities for low-
19 income persons; and

20 “(F) minimizing the need to demolish mul-
21 tifamily housing projects.

22 The Secretary, in determining the manner in which a
23 project is to be managed or disposed of, may balance com-
24 peting goals relating to individual projects in a manner
25 that will further the purposes of this section.

1 “(b) DEFINITIONS.—For purposes of this section, the
2 following definitions shall apply:

3 “(1) MULTIFAMILY HOUSING PROJECT.—The
4 term ‘multifamily housing project’ means any multi-
5 family rental housing project which is, or prior to
6 acquisition by the Secretary was, assisted or insured
7 under the National Housing Act, or was subject to
8 a loan under section 202 of the Housing Act of
9 1959.

10 “(2) SUBSIDIZED PROJECT.—The term ‘sub-
11 sidized project’ means a multifamily housing project
12 receiving any of the following types of assistance im-
13 mediately prior to the assignment of the mortgage
14 on such project to, or the acquisition of such mort-
15 gage by, the Secretary:

16 “(A) Below market interest rate mortgage
17 insurance under the proviso of section
18 221(d)(5) of the National Housing Act.

19 “(B) Interest reduction payments made in
20 connection with mortgages insured under sec-
21 tion 236 of the National Housing Act.

22 “(C) Direct loans made under section 202
23 of the Housing Act of 1959.

24 “(D) Assistance in the form of—

1 “(i) rent supplement payments under
2 section 101 of the Housing and Urban De-
3 velopment Act of 1965;

4 “(ii) housing assistance payments
5 made under section 23 of the United
6 States Housing Act of 1937 (as in effect
7 before January 1, 1975); or

8 “(iii) housing assistance payments
9 made under section 8 of the United States
10 Housing Act of 1937 (excluding payments
11 made for tenant-based assistance under
12 section 8),

13 if (except for purposes of section 183(c) of the
14 Housing and Community Development Act of
15 1987) such assistance payments are made to
16 more than 50 percent of the units in the
17 project.

18 “(3) FORMERLY SUBSIDIZED PROJECT.—The
19 term ‘formerly subsidized project’ means a multi-
20 family housing project owned by the Secretary that
21 was a subsidized project immediately prior to its ac-
22 quisition by the Secretary.

23 “(4) UNSUBSIDIZED PROJECT.—The term
24 ‘unsubsidized project’ means a multifamily housing

1 project owned by the Secretary that is not a sub-
2 sidized project or a formerly subsidized project.

3 “(c) MANAGEMENT OR DISPOSITION OF PROP-
4 ERTY.—

5 “(1) DISPOSITION TO PURCHASERS.—The Sec-
6 retary is authorized, in carrying out this section, to
7 dispose of a multifamily housing project owned by
8 the Secretary on a negotiated, competitive bid, or
9 other basis, on such terms as the Secretary deems
10 appropriate considering the low-income character of
11 the project and the requirements of subsection (a),
12 to a purchaser determined by the Secretary to be ca-
13 pable of—

14 “(A) satisfying the conditions of the dis-
15 position;

16 “(B) implementing a sound financial and
17 physical management program that is designed
18 to enable the project to meet anticipated oper-
19 ating and repair expenses to ensure that the
20 project will remain in decent, safe, and sanitary
21 condition;

22 “(C) responding to the needs of the ten-
23 ants and working cooperatively with tenant or-
24 ganizations;

1 “(D) providing adequate organizational
2 staff and financial resources to the project; and

3 “(E) meeting such other requirements as
4 the Secretary may determine.

5 “(2) CONTRACTING FOR MANAGEMENT SERV-
6 ICES.—The Secretary is authorized, in carrying out
7 this section—

8 “(A) to contract for management services
9 for a multifamily housing project that is owned
10 by the Secretary (or for which the Secretary is
11 mortgagee in possession), on a negotiated, com-
12 petitive bid, or other basis at a price deter-
13 mined by the Secretary to be reasonable, with
14 a manager the Secretary has determined is ca-
15 pable of—

16 “(i) implementing a sound financial
17 and physical management program that is
18 designed to enable the project to meet an-
19 ticipated operating and maintenance ex-
20 penses to ensure that the project will re-
21 main in decent, safe, and sanitary condi-
22 tion;

23 “(ii) responding to the needs of the
24 tenants and working cooperatively with
25 tenant organizations;

1 “(iii) providing adequate organiza-
2 tional, staff, and other resources to imple-
3 ment a management program determined
4 by the Secretary; and

5 “(iv) meeting such other requirements
6 as the Secretary may determine; and

7 “(B) to require the owner of a multifamily
8 housing project that is subject to a mortgage
9 held by the Secretary to contract for manage-
10 ment services for the project in the manner de-
11 scribed in subparagraph (A).

12 “(d) MAINTENANCE OF HOUSING PROJECTS.—

13 “(1) HOUSING PROJECTS OWNED BY THE SEC-
14 RETARY.—In the case of multifamily housing
15 projects that are owned by the Secretary (or for
16 which the Secretary is mortgagee in possession), the
17 Secretary shall—

18 “(A) to the greatest extent possible, main-
19 tain all such occupied projects in a decent, safe,
20 and sanitary condition;

21 “(B) to the greatest extent possible, main-
22 tain full occupancy in all such projects; and

23 “(C) maintain all such projects for pur-
24 poses of providing rental or cooperative hous-
25 ing.

1 “(2) HOUSING PROJECTS SUBJECT TO A MORT-
2 GAGE HELD BY THE SECRETARY.—In the case of
3 any multifamily housing project that is subject to a
4 mortgage held by the Secretary, the Secretary shall
5 require the owner of the project to carry out the re-
6 quirements of paragraph (1).

7 “(e) REQUIRED ASSISTANCE.—In carrying out the
8 goal specified in subsection (a)(3)(A), the Secretary shall
9 take not less than one of the following actions:

10 “(1) CONTRACT WITH OWNER.—Enter into con-
11 tracts under section 8 of the United States Housing
12 Act of 1937, to the extent budget authority is avail-
13 able, with owners of multifamily housing projects
14 that are acquired by a purchaser other than the Sec-
15 retary at foreclosure or after sale by the Secretary.

16 “(A) SUBSIDIZED OR FORMERLY SUB-
17 SIDIZED PROJECTS RECEIVING CERTAIN ASSIST-
18 ANCE.—In the case of a subsidized or formerly
19 subsidized project referred to in subparagraphs
20 (A) through (C) of subsection (b)(2)—

21 “(i) the contract shall be sufficient to
22 assist at least all units covered by an as-
23 sistance contract under any of the authori-
24 ties referred to in subsection (b)(2)(D) be-
25 fore acquisition, unless the Secretary acts

1 pursuant to the provisions of subparagraph
2 (C);

3 “(ii) in the case of units requiring
4 project-based rental assistance pursuant to
5 this paragraph that are occupied by fami-
6 lies who are not eligible for assistance
7 under section 8, a contract under this sub-
8 paragraph shall also provide that when a
9 vacancy occurs, the owner shall lease the
10 available unit to a family eligible for assist-
11 ance under section 8; and

12 “(iii) the Secretary shall take actions
13 to ensure the availability and affordability,
14 as defined in paragraph (3)(B), for the re-
15 maining useful life of the project, as de-
16 fined by the Secretary, of any unit located
17 in any project referred to in subparagraphs
18 (A) through (C) of subsection (b)(2) that
19 does not otherwise receive project-based as-
20 sistance under this subparagraph. To carry
21 out this clause, the Secretary may require
22 purchasers to establish use or rent restric-
23 tions maintaining affordability, as defined
24 in paragraph (3)(B).

1 “(B) SUBSIDIZED OR FORMERLY SUB-
2 SIDIZED PROJECTS RECEIVING OTHER ASSIST-
3 ANCE.—In the case of a subsidized or formerly
4 subsidized project referred to in subsection
5 (b)(2)(D)—

6 “(i) the contract shall be sufficient to
7 assist at least all units in the project that
8 are covered, or were covered immediately
9 before foreclosure on or acquisition of the
10 project by the Secretary, by an assistance
11 contract under any of the authorities re-
12 ferred to in such subsection, unless the
13 Secretary acts pursuant to provisions of
14 subparagraph (C); and

15 “(ii) in the case of units requiring
16 project-based rental assistance pursuant to
17 this paragraph that are occupied by fami-
18 lies who are not eligible for assistance
19 under section 8, a contract under this
20 paragraph shall also provide that when a
21 vacancy occurs, the owner shall lease the
22 available unit to a family eligible for assist-
23 ance under section 8.

24 “(C) EXCEPTIONS TO SUBPARAGRAPHS (A)
25 AND (B).—In lieu of providing project-based as-

1 sistance under subparagraph (A) or (B), the
2 Secretary may require certain units in
3 unsubsidized projects to contain use restrictions
4 providing that such units will be available to
5 and affordable by very low-income families for
6 the remaining useful life of the project, as de-
7 fined by the Secretary, if—

8 “(i) the Secretary matches any reduc-
9 tion in units otherwise required to be as-
10 sisted with project-based assistance under
11 subparagraph (A) or (B) with at least an
12 equivalent increase in units made afford-
13 able to very low-income persons within
14 unsubsidized projects;

15 “(ii) low-income tenants residing in
16 units otherwise requiring project-based as-
17 sistance under subparagraph (A) or (B)
18 upon disposition receive section 8 tenant-
19 based assistance; and

20 “(iii) the units described in clause (i)
21 are located within the same market area.

22 “(D) CONTRACT REQUIREMENTS FOR
23 UNSUBSIDIZED PROJECTS.—Notwithstanding
24 actions taken pursuant to subparagraph (C), in

1 unsubsidized projects, the contract shall at least
2 be sufficient to provide—

3 “(i) project-based rental assistance for
4 all units that are covered or were covered
5 immediately before foreclosure or acquisi-
6 tion by an assistance contract under—

7 “(I) section 8(b)(2) of the United
8 States Housing Act of 1937 (as such
9 section existed before October 1,
10 1983) (new construction and substan-
11 tial rehabilitation); section 8(b) of
12 such Act (property disposition); sec-
13 tion 8(d)(2) of such Act (project-
14 based certificates); section 8(e)(2) of
15 such Act (moderate rehabilitation);
16 section 23 of such Act (as in effect
17 before January 1, 1975); or section
18 101 of the Housing and Urban Devel-
19 opment Act of 1965 (rent supple-
20 ments); or

21 “(II) section 8 of the United
22 States Housing Act of 1937, following
23 conversion from section 101 of the
24 Housing and Urban Development Act
25 of 1965; and

1 “(ii) tenant-based assistance under
2 section 8 of the United States Housing Act
3 of 1937 for tenants currently residing in
4 units that were covered by an assistance
5 contract under the Loan Management Set-
6 Aside program under section 8(b) of the
7 United States Housing Act of 1937 imme-
8 diately before foreclosure or acquisition of
9 the project by the Secretary.

10 “(2) ANNUAL CONTRIBUTION CONTRACTS.—In
11 the case of multifamily housing projects that are ac-
12 quired by a purchaser other than the Secretary at
13 foreclosure or after sale by the Secretary, enter into
14 annual contribution contracts with public housing
15 agencies to provide tenant-based assistance under
16 section 8 of the United States Housing Act of 1937
17 to all low-income families who are eligible for such
18 assistance on the date that the project is acquired
19 by the purchaser. The Secretary shall take action
20 under this paragraph only after making a deter-
21 mination that there is available in the area an ade-
22 quate supply of habitable affordable housing for low-
23 income families. Actions taken pursuant to this
24 paragraph may be taken in connection with not
25 more than 10 percent of the aggregate number of

1 units in subsidized or formerly subsidized projects
2 disposed of by the Secretary annually.

3 “(3) OTHER ASSISTANCE.—

4 “(A) IN GENERAL.—In accordance with
5 the authority provided under the National
6 Housing Act, reduce the selling price, apply use
7 or rent restrictions on certain units, or provide
8 other financial assistance to the owners of mul-
9 tifamily housing projects that are acquired by a
10 purchaser other than the Secretary at fore-
11 closure, or after sale by the Secretary, on terms
12 which will ensure that—

13 “(i) at least those units otherwise re-
14 quired to receive project-based section 8
15 assistance pursuant to subparagraphs (A),
16 (B), or (D) of paragraph (1) are available
17 to and affordable by low-income persons;
18 and

19 “(ii) for the remaining useful life of
20 the project, as defined by the Secretary,
21 there shall be in force such use or rent re-
22 strictions as the Secretary may prescribe.

23 “(B) DEFINITION.—A unit shall be consid-
24 ered affordable under this paragraph if—

1 “(i) for very low-income tenants, the
2 rent for such unit does not exceed 30 per-
3 cent of 50 percent of the area median in-
4 come, as determined by the Secretary, with
5 adjustments for family size; and

6 “(ii) for low-income tenants other
7 than very low-income tenants, the rent for
8 such unit does not exceed 30 percent of 80
9 percent of the area median income, as de-
10 termined by the Secretary, with adjust-
11 ments for family size.

12 “(C) VERY LOW-INCOME TENANTS.—The
13 Secretary shall provide assistance under section
14 8 of the United States Housing Act of 1937 to
15 any very low-income tenant currently residing
16 in a unit otherwise required to receive project-
17 based assistance under section 8, pursuant to
18 subparagraph (A), (B), or (D) of paragraph
19 (1), if the rents charged such tenants as a re-
20 sult of actions taken pursuant to this para-
21 graph exceed the amount payable as rent under
22 section 3(a) of the United States Housing Act
23 of 1937.

24 “(4) TRANSFER FOR USE UNDER OTHER PRO-
25 GRAMS OF THE SECRETARY.—

1 “(A) IN GENERAL.—Enter into an agree-
2 ment providing for the transfer of a multifamily
3 housing project—

4 “(i) to a public housing agency for use
5 of the project as public housing; or

6 “(ii) to an owner or another appro-
7 priate entity for use of the project under
8 section 202 of the Housing Act of 1959 or
9 under section 811 of the Cranston-Gon-
10 zalez National Affordable Housing Act.

11 “(B) REQUIREMENTS FOR AGREEMENT.—
12 The agreement described in subparagraph (A)
13 shall—

14 “(i) contain such terms, conditions,
15 and limitations as the Secretary deter-
16 mines appropriate, including requirements
17 to assure use of the project under the pub-
18 lic housing, section 202, and section 811
19 programs; and

20 “(ii) ensure that no current tenant
21 will be displaced as a result of actions
22 taken under this paragraph.

23 “(f) OTHER ASSISTANCE.—In addition to the actions
24 authorized by subsection (e), the Secretary may take any
25 of the following actions:

1 “(1) SHORT-TERM LOANS.—Provide short-term
2 loans to facilitate the sale of multifamily housing
3 projects to nonprofit organizations or to public agen-
4 cies if—

5 “(A) authority for such loans is provided
6 in advance in an appropriations Act;

7 “(B) such loans are for a term of not more
8 than 5 years;

9 “(C) the Secretary is presented with satis-
10 factory documentation, evidencing a commit-
11 ment of permanent financing to replace such
12 short-term loan, from a lender who meets
13 standards set forth by the Secretary; and

14 “(D) the terms of such loans are consist-
15 ent with prevailing practices in the marketplace
16 or the provision of such loans results in no cost
17 to the Government, as defined in section 502 of
18 the Congressional Budget Act.

19 “(2) TENANT-BASED ASSISTANCE.—In connec-
20 tion with projects referred to in subsection (e), make
21 available tenant-based assistance under section 8 of
22 the United States Housing Act of 1937 to very low-
23 income families (as defined in section 3(b)(2) of the
24 United States Housing Act of 1937) that do not
25 otherwise qualify for project-based assistance.

1 “(3) ALTERNATIVE USES.—

2 “(A) IN GENERAL.—Notwithstanding any
3 other provision of law, and subject to notice to
4 and comment from existing tenants, allow not
5 more than—

6 “(i) 5 percent of the total number of
7 units in multifamily housing projects that
8 are disposed of by the Secretary during
9 any 1-year period to be made available for
10 uses other than rental or cooperative uses,
11 including low-income homeownership op-
12 portunities, or in any particular project,
13 community space, office space for tenant
14 or housing-related service providers or se-
15 curity programs, or small business uses, if
16 such uses benefit the tenants of the
17 project; and

18 “(ii) 5 percent of the total number of
19 units in multifamily housing projects that
20 are disposed of by the Secretary during
21 any 1-year period to be used in any man-
22 ner, if the Secretary and the unit of gen-
23 eral local government or area-wide govern-
24 ing body determine that such use will fur-

1 ther fair housing, community development,
2 or neighborhood revitalization goals.

3 “(B) DISPLACEMENT PROTECTION.—The
4 Secretary shall make available tenant-based
5 rental assistance under section 8 of the United
6 States Housing Act of 1937 to any tenant dis-
7 placed as a result of actions taken by the Sec-
8 retary pursuant to subparagraph (A), and the
9 Secretary shall take such actions as the Sec-
10 retary determines necessary to ensure the suc-
11 cessful use of any tenant-based assistance.

12 “(g) AUTHORIZATION OF USE OR RENT RESTRIC-
13 TIONS IN UNSUBSIDIZED PROJECTS.—In carrying out the
14 goals specified in subsection (a), the Secretary may re-
15 quire certain units in unsubsidized projects to contain use
16 or rent restrictions providing that such units will be avail-
17 able to and affordable by very low-income persons for the
18 remaining useful life of the property, as defined by the
19 Secretary.

20 “(h) CONTRACT REQUIREMENTS.—

21 “(1) CONTRACT TERM.—

22 “(A) IN GENERAL.—Contracts for project-
23 based rental assistance under section 8 of the
24 United States Housing Act of 1937 provided

1 pursuant to this section shall be for a term of
2 not more than 15 years; and

3 “(B) CONTRACT TERM OF LESS THAN 15
4 YEARS.—Notwithstanding subparagraph (A), to
5 the extent that units receive project-based as-
6 sistance for a contract term of less than 15
7 years, the Secretary shall require that rents
8 charged to tenants for such units not exceed
9 the amount payable for rent under section 3(a)
10 of the United States Housing Act of 1937 for
11 a period of at least 15 years.

12 “(2) CONTRACT RENT.—

13 “(A) IN GENERAL.—The Secretary shall
14 set contract rents for section 8 project-based
15 rental contracts issued under this section at lev-
16 els that, in conjunction with other resources
17 available to the purchaser, provide for the nec-
18 essary costs of rehabilitation of such project
19 and do not exceed the percentage of the existing
20 housing fair market rents for the area (as de-
21 termined by the Secretary under section 8(c) of
22 the United States Housing Act of 1937) as the
23 Secretary may prescribe.

24 “(B) UP-FRONT GRANTS AND LOANS.—If
25 such an approach is determined to be more

1 cost-effective, the Secretary may utilize the
2 budget authority provided for project-based sec-
3 tion 8 contracts issued under this section to—

4 “(i) provide project-based section 8
5 rental assistance; and

6 “(ii)(I) provide up-front grants for the
7 necessary cost of rehabilitation; or

8 “(II) pay for any cost to the Govern-
9 ment, as defined in section 502 of the Con-
10 gressional Budget Act, for loans made pur-
11 suant to subsection (f)(1).

12 “(i) DISPOSITION PLAN.—

13 “(1) IN GENERAL.—Prior to the sale of a mul-
14 tifamily housing project that is owned by the Sec-
15 retary, the Secretary shall develop a disposition plan
16 for the project that specifies the minimum terms
17 and conditions of the Secretary for disposition of the
18 project, the initial sales price that is acceptable to
19 the Secretary, and the assistance that the Secretary
20 plans to make available to a prospective purchaser
21 in accordance with this section. The initial sales
22 price shall reflect the intended use of the property
23 after sale.

24 “(2) COMMUNITY AND TENANT INPUT INTO
25 DISPOSITION PLANS AND SALES.—

1 “(A) IN GENERAL.—In carrying out this
2 section, the Secretary shall develop procedures
3 to obtain appropriate and timely input into dis-
4 position plans from officials of the unit of gen-
5 eral local government affected, the community
6 in which the project is situated, and the tenants
7 of the project.

8 “(B) TENANT ORGANIZATIONS.—The Secretary
9 shall develop procedures to facilitate, where feasible
10 and appropriate, the sale of multifamily housing
11 projects to existing tenant organizations with dem-
12 onstrated capacity or to public or nonprofit entities
13 which represent or are affiliated with existing tenant
14 organizations.

15 “(C) TECHNICAL ASSISTANCE.—

16 “(i) USE OF FUNDS.—To carry out
17 the procedures developed under subpara-
18 graphs (A) and (B), the Secretary is au-
19 thorized to provide technical assistance, di-
20 rectly or indirectly, and to use amounts ap-
21 propriated for technical assistance under
22 the Emergency Low Income Housing Pres-
23 ervation Act of 1987, the Low-Income
24 Housing Preservation and Resident Home-
25 ownership Act of 1990, subtitle B of title

1 IV of the Cranston-Gonzalez National Af-
2 fordable Housing Act, or under this section
3 for the provision of technical assistance
4 under this section.

5 “(ii) SOURCE OF FUNDS.—Recipients
6 of technical assistance funding under the
7 Emergency Low Income Housing Preserva-
8 tion Act of 1987, the Low-Income Housing
9 Preservation and Resident Homeownership
10 Act of 1990, subtitle B of title IV of the
11 Cranston-Gonzalez National Affordable
12 Housing Act, or under this section shall be
13 permitted to provide technical assistance to
14 the extent of such funding under any of
15 such programs or under this section, not-
16 withstanding the source of funding.

17 “(j) RIGHT OF FIRST REFUSAL.—

18 “(1) PROCEDURE.—

19 “(A) NOTIFICATION BY SECRETARY OF
20 THE ACQUISITION OF TITLE.—Not later than
21 30 days after acquiring title to a project, the
22 Secretary shall notify the unit of general local
23 government and the State agency or agencies
24 designated by the Governor of the acquisition of
25 such title.

1 “(B) EXPRESSION OF INTEREST.—Not
2 later than 45 days after receiving notification
3 from the Secretary under subparagraph (A),
4 the unit of general local government or des-
5 ignated State agency may submit to the Sec-
6 retary a preliminary expression of interest in
7 the project. The Secretary may take such ac-
8 tions as may be necessary to require the unit of
9 general local government or designated State
10 agency to substantiate such interest.

11 “(C) TIMELY EXPRESSION OF INTER-
12 EST.—If the unit of general local government or
13 designated State agency has expressed interest
14 in the project before the expiration of the 45-
15 day period referred to in subparagraph (B), and
16 has substantiated such interest if requested, the
17 Secretary, upon approval of a disposition plan
18 for a project, shall notify the unit of general
19 local government and designated State agency
20 of the terms and conditions of the disposition
21 plan and give the unit of general local govern-
22 ment or designated State agency not more than
23 90 days after the date of such notification to
24 make an offer to purchase the project.

1 “(D) NO TIMELY EXPRESSION OF INTER-
2 EST.—If the unit of general local government or
3 designated State agency does not express inter-
4 est before the expiration of the 45-day period
5 referred to in subparagraph (B), or does not
6 substantiate an expressed interest if requested,
7 the Secretary, upon approval of a disposition
8 plan, may offer the project for sale to any inter-
9 ested person or entity.

10 “(2) ACCEPTANCE OF OFFERS.—Where the
11 Secretary has given the unit of general local govern-
12 ment or designated State agency 90 days to make
13 an offer to purchase the project, the Secretary shall
14 accept an offer that complies with the terms and
15 conditions of the disposition plan. The Secretary
16 may accept an offer that does not comply with the
17 terms and conditions of the disposition plan if the
18 Secretary determines that the offer will further the
19 goals specified in subsection (a) by actions that in-
20 clude extension of the duration of low-income afford-
21 ability restrictions or otherwise restructuring the
22 transaction in a manner that enhances the long-term
23 affordability for low-income persons. The Secretary
24 shall, in particular, have discretion to reduce the ini-
25 tial sales price in exchange for the extension of low-

1 income affordability restrictions beyond the period of
2 assistance contemplated by the attachment of assist-
3 ance pursuant to subsection (e). If the Secretary and
4 the unit of general local government or designated
5 State agency cannot reach agreement within 90
6 days, the Secretary may offer the project for sale to
7 the general public.

8 “(3) PURCHASE BY UNIT OF GENERAL LOCAL
9 GOVERNMENT OR DESIGNATED STATE AGENCY.—
10 Notwithstanding any other provision of law, a unit
11 of general local government (including a public hous-
12 ing agency) or designated State agency may pur-
13 chase a subsidized or formerly subsidized project in
14 accordance with this subsection.

15 “(4) APPLICABILITY.—This subsection shall
16 apply to projects that are acquired on or after the
17 effective date of this subsection. With respect to
18 projects acquired before such effective date, the Sec-
19 retary may apply—

20 “(A) the requirements of paragraphs (2)
21 and (3) of section 203(e) as such paragraphs
22 existed immediately before the effective date of
23 this subsection; or

24 “(B) the requirements of paragraphs (1)
25 and (2) of this subsection, if the Secretary gives

1 the unit of general local government or des-
2 ignated State agency—

3 “(i) 45 days to express interest in the
4 project; and

5 “(ii) if the unit of general local gov-
6 ernment or designated State agency ex-
7 presses interest in the project before the
8 expiration of the 45-day period, and sub-
9 stantiates such interest if requested, 90
10 days from the date of notification of the
11 terms and conditions of the disposition
12 plan to make an offer to purchase the
13 project.

14 “(k) DISPLACEMENT OF TENANTS AND RELOCATION
15 ASSISTANCE.—

16 “(1) IN GENERAL.—Whenever tenants will be
17 displaced as a result of the disposition of, or repairs
18 to, a multifamily housing project that is owned by
19 the Secretary (or for which the Secretary is mortga-
20 gee in possession), the Secretary shall identify ten-
21 ants who will be displaced, and shall notify all such
22 tenants of their pending displacement and of any re-
23 location assistance which may be available. In the
24 case of a multifamily housing project that is not
25 owned by the Secretary (and for which the Secretary

1 is not mortgagee in possession), the Secretary shall
2 require the owner of the project to carry out the re-
3 quirements of this paragraph.

4 “(2) RIGHTS OF DISPLACED TENANTS.—The
5 Secretary shall assure for any such tenant (who con-
6 tinues to meet applicable qualification standards)
7 the right—

8 “(A) to return, whenever possible, to a re-
9 paired unit;

10 “(B) to occupy a unit in another multifam-
11 ily housing project owned by the Secretary;

12 “(C) to obtain housing assistance under
13 the United States Housing Act of 1937; or

14 “(D) to receive any other available reloca-
15 tion assistance as the Secretary determines to
16 be appropriate.

17 “(I) MORTGAGE AND PROJECT SALES.—

18 “(1) IN GENERAL.—The Secretary may not ap-
19 prove the sale of any loan or mortgage held by the
20 Secretary (including any loan or mortgage owned by
21 the Government National Mortgage Association) on
22 any subsidized project or formerly subsidized
23 project, unless such sale is made as part of a trans-
24 action that will ensure that such project will con-
25 tinue to operate at least until the maturity date of

1 such loan or mortgage, in a manner that will provide
2 rental housing on terms at least as advantageous to
3 existing and future tenants as the terms required by
4 the program under which the loan or mortgage was
5 made or insured prior to the assignment of the loan
6 or mortgage on such project to the Secretary.

7 “(2) SALE OF CERTAIN PROJECTS.—The Sec-
8 retary may not approve the sale of any subsidized
9 project—

10 “(A) that is subject to a mortgage held by
11 the Secretary; or

12 “(B) if the sale transaction involves the
13 provision of any additional subsidy funds by the
14 Secretary or a recasting of the mortgage, unless
15 such sale is made as part of a transaction that
16 will ensure that such project will continue to
17 operate at least until the maturity date of the
18 loan or mortgage, in a manner that will provide
19 rental housing on terms at least as advan-
20 tageous to existing and future tenants as the
21 terms required by the program under which the
22 loan or mortgage was made or insured prior to
23 the proposed sale of the project.

24 “(3) MORTGAGE SALES TO STATE AND LOCAL
25 GOVERNMENTS.—Notwithstanding any provision of

1 law that may require competitive sales or bidding,
2 the Secretary may carry out negotiated sales of sub-
3 sidized or formerly subsidized mortgages held by the
4 Secretary, without the competitive selection of pur-
5 chasers or intermediaries, to units of general local
6 government or State agencies, or groups of investors
7 that include at least one such unit of general local
8 government or State agency, if the negotiations are
9 conducted with such agencies, except that—

10 “(A) the terms of any such sale shall in-
11 clude the agreement of the purchasing agency
12 or unit of local government or State agency to
13 act as mortgagee or owner of a beneficial inter-
14 est in such mortgages, in a manner consistent
15 with maintaining the projects that are subject
16 to such mortgages for occupancy by the general
17 tenant group intended to be served by the appli-
18 cable mortgage insurance program, including,
19 to the extent the Secretary determines appro-
20 priate, authorizing such unit of local govern-
21 ment or State agency to enforce the provisions
22 of any regulatory agreement or other program
23 requirements applicable to the related projects;
24 and

1 “(B) the sales prices for such mortgages
2 shall be, in the determination of the Secretary,
3 the best prices that may be obtained for such
4 mortgages from a unit of general local govern-
5 ment or State agency, consistent with the ex-
6 pectation and intention that the projects fi-
7 nanced will be retained for use under the appli-
8 cable mortgage insurance program for the life
9 of the initial mortgage insurance contract.

10 “(4) SALE OF MORTGAGES COVERING
11 UNSUBSIDIZED PROJECTS.—Notwithstanding any
12 other provision of law, the Secretary may sell mort-
13 gages held on unsubsidized projects on such terms
14 and conditions as the Secretary may prescribe.

15 “(m) REPORT TO CONGRESS.—Not later than June
16 1 of each year, the Secretary shall submit to the Commit-
17 tee on Banking, Housing, and Urban Affairs of the Senate
18 and the Committee on Banking, Finance and Urban Af-
19 fairs of the House of Representatives, a report describing
20 the status of multifamily housing projects owned by or
21 subject to mortgages held by the Secretary, which report
22 shall include—

23 “(1) the name, address, and size of each
24 project;

25 “(2) the nature and date of assignment;

1 “(3) the status of the mortgage;

2 “(4) the physical condition of the project;

3 “(5) an occupancy profile of the project, includ-
4 ing the income, family size, and race of current resi-
5 dents as well as the rents paid by such residents;

6 “(6) the proportion of units in a project that
7 are vacant;

8 “(7) the date on which the Secretary became
9 mortgagee in possession;

10 “(8) the date and conditions of any foreclosure
11 sale;

12 “(9) the date of acquisition by the Secretary;

13 “(10) the date and conditions of any property
14 disposition sale;

15 “(11) a description of actions undertaken pur-
16 suant to this section, including—

17 “(A) a comparison of results between ac-
18 tions taken after enactment of the Housing and
19 Community Development Act of 1993 and ac-
20 tions taken in years prior to such enactment;

21 “(B) a description of any impediments to
22 the disposition or management of multifamily
23 housing projects, together with a recommenda-
24 tion of proposed legislative or regulatory

1 changes designed to ameliorate such impedi-
2 ments;

3 “(C) a description of actions taken to re-
4 structure or commence foreclosure on delin-
5 quent multifamily mortgages held by the De-
6 partment; and

7 “(D) a description of actions taken to
8 monitor and prevent the default of multifamily
9 housing mortgages held by the Federal Housing
10 Administration;

11 “(12) a description of any of the functions per-
12 formed in connection with this section that are con-
13 tracted out to public or private entities or to States,
14 including—

15 “(A) the costs associated with such delega-
16 tion;

17 “(B) the implications of contracting out or
18 delegating such functions for current Depart-
19 ment field or regional personnel, including an-
20 ticipated personnel or work load reductions;

21 “(C) necessary oversight required by De-
22 partment personnel, including anticipated per-
23 sonnel hours devoted to such oversight;

24 “(D) a description of any authority grant-
25 ed to such public or private entities or States

1 in conjunction with the functions that have
2 been delegated or contracted out or that are not
3 otherwise available for use by Department per-
4 sonnel; and

5 “(E) the extent to which such public or
6 private entities or States include tenants of
7 multifamily housing projects in the disposition
8 planning for such projects;

9 “(13) a description of the activities carried out
10 under subsection (j) during the preceding year; and

11 “(14) a description and assessment of the rules,
12 guidelines, and practices governing the Department’s
13 management of multifamily housing projects that
14 are owned by the Secretary (or for which the Sec-
15 retary is mortgagee in possession) as well as the
16 steps that the Secretary has taken or plans to take
17 to improve the management performance of the De-
18 partment.”.

19 (c) EFFECTIVE DATE.—The Secretary shall, by no-
20 tice published in the Federal Register, which shall take
21 effect upon publication, establish such requirements as
22 may be necessary to implement the amendments made by
23 this section. The notice shall invite public comments, and
24 the Secretary shall issue final regulations based on the ini-

1 tial notice, taking into account any public comments re-
2 ceived.

3 **Subtitle B—Merger of the**
4 **Certificate and Voucher Programs**

5 **SEC. 6101. MERGER OF CERTIFICATE AND VOUCHER PRO-**
6 **GRAMS.**

7 The United States Housing Act of 1937 is amended
8 as provided in subsections (a) through (d) of this section.

9 (a) MERGER OF CERTIFICATE AND VOUCHER PRO-
10 GRAMS.—Section 8(o) is amended to read as follows:

11 “(o) CERTIFICATE PROGRAM.—(1) The Secretary
12 may provide assistance for tenant-based assistance using
13 a payment standard in accordance with this subsection.
14 The payment standard shall be used to determine the
15 monthly assistance which may be paid for any family, as
16 provided in paragraph (2) of this subsection, and shall not
17 exceed the fair market rental established under subsection
18 (c). However, the payment standard for a designated part
19 of the market area may exceed the fair market rental by
20 not more than 20 percent where the Secretary determines
21 that higher market rents in a designated part of the mar-
22 ket area justify a higher payment standard. The Secretary
23 may require an agency to submit proposed payment stand-
24 ards to the Secretary for approval.

1 “(2)(A) For a family receiving tenant-based assist-
2 ance, where the rent (including the amount allowed for
3 tenant-paid utilities) does not exceed the payment stand-
4 ard, the monthly assistance payment shall be the amount
5 by which the rent exceeds the highest of the following
6 amounts, rounded to the nearest dollar:

7 “(i) 30 percent of the family’s monthly adjusted
8 income;

9 “(ii) 10 percent of the family’s monthly income;
10 or

11 “(iii) if the family is receiving payments for
12 welfare assistance from a public agency and a part
13 of such payments, adjusted in accordance with the
14 family’s actual housing costs, is specifically des-
15 ignated by such agency to meet the family’s housing
16 costs, the portion of such payments which is so des-
17 ignated.

18 “(B) For a family receiving tenant-based assistance,
19 where the rent (including the amount allowed for tenant-
20 paid utilities) exceeds the payment standard, the monthly
21 assistance payment shall be the amount by which the ap-
22 plicable payment standard exceeds the highest of the fol-
23 lowing amounts, rounded to the nearest dollar:

24 “(i) 30 percent of the family’s monthly adjusted
25 income;

1 “(ii) 10 percent of the family’s monthly income;
2 or

3 “(iii) if the family is receiving payments for
4 welfare assistance from a public agency and a part
5 of such payments, adjusted in accordance with the
6 family’s actual housing costs, is specifically des-
7 ignated by such agency to meet the family’s housing
8 costs, the portion of such payments which is so des-
9 ignated.

10 “(C) For a family receiving project-based assistance,
11 the rent the family is required to pay shall be determined
12 in accordance with section 3(a)(1) and the amount of the
13 housing assistance payment shall be determined in accord-
14 ance with subsection (c)(3).

15 “(3) At the time a family initially receives tenant-
16 based assistance with respect to any unit, the total amount
17 a family may pay towards rent may not exceed 45 percent
18 of the family’s monthly adjusted income.

19 “(4) At the time a family initially receives assistance
20 under the certificate program, a family shall qualify as—

21 “(A) a very low-income family;

22 “(B) a family previously assisted under this
23 Act; or

24 “(C) a low-income family that meets eligibility
25 criteria specified by the Secretary.

1 “(5) Reviews of family income shall be made at least
2 annually.

3 “(6)(A) In selecting families to be assisted, pref-
4 erence shall be given to families which, at the time they
5 are seeking assistance, (i) occupy substandard housing
6 (including families that are homeless or living in a shelter
7 for homeless families), (ii) are involuntarily displaced, or
8 (iii) are paying more than 50 percent of family income
9 for rent; except that any family otherwise eligible for as-
10 sistance under this section may not be denied preference
11 for tenant-based assistance (or delayed or otherwise ad-
12 versely affected in the provision of such assistance) solely
13 because the family resides in public housing.

14 “(B) A public housing agency may provide for cir-
15 cumstances in which families who do not qualify for any
16 preference established in subparagraph (A) are provided
17 assistance under this subsection before families who do
18 qualify for such preference. However, not more than 10
19 percent in the case of tenant-based assistance and not
20 more than 30 percent in the case of project-based assist-
21 ance (or such higher percentage, in either case, deter-
22 mined by the Secretary to be necessary) of the families
23 who initially receive assistance in any 1-year period may
24 be families who do not qualify for such preference. The
25 public housing agency shall, in implementing the preced-

1 ing sentence, establish a system of preferences in writing
2 and after public hearing to respond to local housing needs
3 and priorities which may include—

4 “(i) assisting very low-income families who ei-
5 ther reside in transitional housing assisted under
6 title IV of the Stewart B. McKinney Homeless As-
7 sistance Act, or participate in a program designed to
8 provide public assistance recipients with greater ac-
9 cess to employment and educational opportunities;

10 “(ii) assisting families identified by local public
11 agencies involved in providing for the welfare of chil-
12 dren as having a lack of adequate housing that is a
13 primary factor in the imminent placement of a child
14 in foster care, or in preventing the discharge of a
15 child from foster care and reunification with his or
16 her family;

17 “(iii) assisting youth, upon discharge from fos-
18 ter care, in cases in which return to the family or
19 extended family or adoption is not available;

20 “(iv) assisting veterans who will use the assist-
21 ance for a dwelling unit designed for the handi-
22 capped, and upon discharge or eligibility for dis-
23 charge from a hospital or nursing home, have a
24 physical disability which, because of the configura-

1 tion of their homes, prevents them from access to or
2 use of their homes; and

3 “(v) achieving other objectives of national hous-
4 ing policy as affirmed by Congress.

5 “(C) Any individual or family evicted from housing
6 assisted under the Act by reason of drug-related criminal
7 activity (as defined in subsection (f)(5)) shall not be eligi-
8 ble for a preference under any provision of this subpara-
9 graph for 3 years unless the evicted tenant successfully
10 completes a rehabilitation program approved by the Sec-
11 retary (which shall include waiver for any member of a
12 family of an individual prohibited from tenancy under this
13 clause who the agency determines clearly did not partici-
14 pate in and had no knowledge of such criminal activity
15 or when circumstances leading to eviction no longer exist).

16 “(7) The Secretary shall require, for any unit, that—

17 “(A) the public housing agency inspect the unit
18 before any assistance payment may be made to de-
19 termine that the unit meets housing quality stand-
20 ards for decent, safe, and sanitary housing estab-
21 lished by the Secretary for the purpose of this sec-
22 tion; and

23 “(B) the public housing agency make annual or
24 more frequent inspections during the contract term.

1 No assistance payment may be made for a dwelling unit
2 which fails to meet such quality standards, unless any
3 such failure is promptly corrected by the owner and the
4 correction is verified by the public housing agency.

5 “(8) If a family vacates a dwelling unit, no assistance
6 payment may be made for the unit after the month during
7 which the unit was vacated.

8 “(9) A public housing agency may adjust its payment
9 standard under this subsection where necessary to assure
10 continued affordability for families receiving tenant-based
11 assistance.

12 “(10) The Secretary may set aside up to 5 percent
13 of the budget authority available under this subsection as
14 an adjustment pool. The Secretary shall use amounts in
15 the adjustment pool for adjustments pursuant to para-
16 graph (9) to ensure continued affordability where the Sec-
17 retary determines additional assistance for this purpose is
18 necessary, based on documentation submitted by a public
19 housing agency.

20 “(11)(A) The rent for units assisted under this sub-
21 section shall be reasonable in comparison with rents
22 charged for comparable units in the private unassisted
23 market.

24 “(B) A public housing agency shall, at the request
25 of a family receiving tenant-based assistance under this

1 subsection, assist such family in negotiating a reasonable
2 rent with an owner. A public housing agency shall review
3 the rent for a unit under consideration by the family (and
4 all rent increases for units under lease by the family) to
5 determine whether the rent (or rent increase) requested
6 by an owner is reasonable. If a public housing agency de-
7 termines that the rent (or rent increase) for a unit is not
8 reasonable, the agency shall disapprove a lease for such
9 unit.

10 “(C) If units assisted under this subsection are ex-
11 empt from local rent control while they are so assisted,
12 the rent for such units shall be reasonable in comparison
13 with other units in the market area that are exempt from
14 local rent control.

15 “(12)(A) A public housing agency may make assist-
16 ance payments on behalf of a family which utilizes a man-
17 ufactured home as its principal place of residence. Such
18 payments may be made for the rental of the real property
19 on which there is located a manufactured home which is
20 owned by any such family.

21 “(B)(i) For assistance pursuant to this paragraph,
22 the rent for the space on which a manufactured home is
23 located and with respect to which assistance payments are
24 to be made includes maintenance and management
25 charges and tenant-paid utilities.

1 “(ii) The public housing agency shall establish a pay-
2 ment standard for the purpose of determining the monthly
3 assistance which may be paid for any family under this
4 paragraph. The payment standard may not exceed an
5 amount approved or established by the Secretary.

6 “(iii) The monthly assistance payment for assistance
7 under this paragraph shall be determined in accordance
8 with paragraph (2).

9 “(13)(A) Where the Secretary enters into an annual
10 contributions contract with a public housing agency pursu-
11 ant to which the agency will enter into a contract for as-
12 sistance payments with respect to an existing structure
13 under this subsection, the contract for assistance pay-
14 ments may not be attached to the structure unless the
15 owner agrees to rehabilitate or newly construct the struc-
16 ture other than with assistance under this Act and other-
17 wise complies with the requirements of this section. The
18 public housing agency may approve such attachment for
19 up to 15 percent of the funding available for tenant-based
20 assistance administered by the agency under this section.

21 “(B) Notwithstanding any other provision of this sec-
22 tion, a public housing agency and an applicable State
23 agency may, on a priority basis, attach to structures not
24 more than an additional 15 percent of the assistance only
25 with respect to projects assisted under a State program

1 that permits the owner of the projects to prepay a State-
2 assisted or State-subsidized mortgage on the structure.
3 However, the attachment of assistance under this sub-
4 paragraph shall be for the purpose of—

5 “(i) providing incentives to owners to preserve
6 such projects for occupancy by low- and moderate-
7 income families (for the period that assistance under
8 this sentence is available), and

9 “(ii) to assist low-income families to afford any
10 increases in rent that may be required to induce the
11 owner to maintain occupancy in the project by low-
12 and moderate-income families.

13 “(C) Any assistance provided to low-income families
14 under subparagraph (B) shall not be considered for pur-
15 poses of the limitation under paragraph (6) regarding the
16 percentage of families that may receive assistance under
17 this section who do not qualify for preferences under that
18 paragraph.

19 “(D) In the case of a contract for assistance pay-
20 ments that is attached to a structure under this para-
21 graph, a public housing agency shall enter into a contract
22 with an owner, contingent upon the future availability of
23 appropriations for the purpose of renewing expiring con-
24 tracts for assistance payments as provided in appropria-
25 tions Acts, to extend the term of the underlying contract

1 for assistance payments for such period or periods as the
2 Secretary determines to be appropriate to achieve long-
3 term affordability of the housing. The contract shall obli-
4 gate the owner to have such extensions of the underlying
5 contract for assistance payments accepted by the owner
6 and the owner's successors in interest. To the extent as-
7 sistance is used as provided in the second sentence of sub-
8 paragraph (B), the contract for assistance may, at the op-
9 tion of the public housing agency, have an initial term not
10 exceeding 15 years.

11 “(E) The Secretary shall annually survey public
12 housing agencies to determine which public housing agen-
13 cies have, in providing assistance in such year, reached
14 the 15 percent limitations contained in subparagraphs (A)
15 and (B), and shall report to the Congress on the results
16 of the survey.

17 “(F) For project-based assistance under this para-
18 graph, assistance contracts shall establish rents, and pro-
19 vide for rent adjustments, in accordance with subsection
20 (c).

21 “(14) A family may lease a unit, other than a public
22 housing unit, from the public housing agency with assist-
23 ance under this subsection. The Secretary may establish
24 appropriate program requirements for units owned by the
25 public housing agency, including requirements for HUD

1 approval of initial rents, rent adjustments, and adminis-
2 trative fees, taking into account that the agency admin-
3 istering the assistance is also the owner of the assisted
4 unit.

5 “(15) Subsection (c) shall not apply to tenant-based
6 assistance under this subsection, except that subsections
7 (c)(9) and (c)(10) shall apply.”.

8 (b) PORTABILITY.—Section 8(r) is amended—

9 (1) in each of paragraphs (1) and (3), by strik-
10 ing “subsection (b) or”;

11 (2) in paragraph (3), by inserting at the end
12 the following new sentence: “The Secretary may re-
13 serve amounts available for assistance under sub-
14 section (o) to compensate public housing agencies
15 which issue certificates to families that move into
16 the jurisdiction of the agency under portability pro-
17 cedures.”; and

18 (3) by adding the following new paragraph at
19 the end:

20 “(5) A family may not receive a certificate from
21 an agency and move to another jurisdiction under
22 the tenant-based assistance program, if the family
23 has moved out of its assisted unit in violation of its
24 lease.”.

1 (c) HOMEOWNERSHIP OPTION.—Section 8(y) is
2 amended—

3 (1) in paragraph (1)(A), by inserting before the
4 semicolon “or owns or is acquiring shares in a coop-
5 erative”;

6 (2) in paragraph (1)(B)(i), by inserting before
7 the semicolon “and demonstrates to the public hous-
8 ing agency that it has sufficient resources for home-
9 ownership”; and

10 (3) by amending paragraph (2)(A) to read as
11 follows:

12 “(A) DETERMINATION OF AMOUNT OF AS-
13 SISTANCE.—

14 “(i) Where the monthly homeowner-
15 ship expenses, as determined in accordance
16 with requirements established by the Sec-
17 retary, do not exceed the payment stand-
18 ard, the monthly assistance payment shall
19 be the amount by which the homeowner-
20 ship expenses exceed the highest of the fol-
21 lowing amounts, rounded to the nearest
22 dollar:

23 “(I) 30 percent of the family’s
24 monthly adjusted income;

1 “(II) 10 percent of the family’s
2 monthly income; or

3 “(III) if the family is receiving
4 payments for welfare assistance from
5 a public agency and a part of such
6 payments, adjusted in accordance with
7 the family’s actual housing costs, is
8 specifically designated by such agency
9 to meet the family’s housing costs, the
10 portion of such payments which is so
11 designated.

12 “(ii) Where the monthly homeowner-
13 ship expenses, as determined in accordance
14 with requirements established by the Sec-
15 retary, exceed the payment standard, the
16 monthly assistance payment shall be the
17 amount by which the applicable payment
18 standard exceeds the highest of the follow-
19 ing amounts, rounded to the nearest dollar:

20 “(I) 30 percent of the family’s
21 monthly adjusted income;

22 “(II) 10 percent of the family’s
23 monthly income; or

24 “(III) if the family is receiving
25 payments for welfare assistance from

1 a public agency and a part of such
2 payments, adjusted in accordance with
3 the family's actual housing costs, is
4 specifically designated by such agency
5 to meet the family's housing costs, the
6 portion of such payments which is so
7 designated.”.

8 (d) TECHNICAL AND CONFORMING AMENDMENTS TO
9 THE 1937 ACT; DELETION OF OBSOLETE PROVISIONS.—

10 (1) The second and third sentences of section
11 8(a) are hereby repealed.

12 (2) Section 8(b) is amended by—

13 (A) striking “RENTAL CERTIFICATES AND
14 OTHER EXISTING HOUSING PROGRAMS.—” and
15 inserting “CERTIFICATES AND OTHER EXIST-
16 ING HOUSING PROGRAMS.—(1)”; and

17 (B) striking the second sentence.

18 (3) Section 8(c)(3) is amended by striking the
19 subparagraph designation “(A)” and striking all of
20 subparagraph (B).

21 (4) The first sentence of section 8(c)(4) is
22 amended by striking “or by a family that qualifies
23 to receive” and all that follows through “1990”.

24 (5) Sections 8(c) (5) and (7) are hereby re-
25 pealed.

1 (6) Section 8(c)(8) is amended by inserting
2 after “section” the following: “(other than a con-
3 tract under section 8(o)(13))”.

4 (7) Section 8(d)(1)(A) is amended—

5 (A) by inserting after the subparagraph
6 designation “(A)” the following: “except for as-
7 sistance under subsection (o),”;

8 (B) in clause (i) by striking “(I)”;

9 (C) in clause (i), by striking “and (II) 90
10 percent of such families in the case of assist-
11 ance not attached to a structure”; and

12 (D) in clause (i), by striking “except” and
13 all that follows through the semicolon at the
14 end.

15 (8) Section 8(d)(2) is amended by striking the
16 third sentence of subparagraph (A) and all that fol-
17 lows through the end of paragraph (2).

18 (9) Section 8(f) is amended by—

19 (A) in paragraph (6), striking “(d)(2)”
20 and inserting “(o)(13)”; and

21 (B) in paragraph (7), striking “(b) or”
22 and inserting before the period the following:
23 “and that provides for the eligible family to se-
24 lect suitable housing and to move to other suit-
25 able housing”.

1 (10) Section 8(j) is hereby repealed.

2 (11) Section 8(n) is hereby repealed.

3 (12) The first sentence of section 8(q)(1) and
4 sections 8(q)(2)(A)(i) and 8(q)(2)(B) are each
5 amended by striking “subsections (b) and (o)” and
6 inserting “this section”.

7 (13) Section 18(b)(3) is amended—

8 (A) in subparagraph (A)(v), by striking
9 “(excluding vouchers under section 8(o))” each
10 place it appears;

11 (B) in subparagraph (B), by striking
12 “8(d)(2)(A)” and inserting “8(o)(13)”;

13 (C) in subparagraph (B)(ii), by striking
14 “(excluding vouchers under section 8(o))”; and

15 (D) in subparagraph (C)(i), by striking
16 “and vouchers”.

17 (14) Section 21(b)(3) is amended—

18 (A) in the first sentence, by striking “cer-
19 tificate under section 8(b)(1) or a housing
20 voucher under section 8(o)” and inserting “ten-
21 ant-based assistance under section 8”; and

22 (B) by striking the second sentence.

23 (15) Section 23(b)(3)(A) is amended by strik-
24 ing “Certificate and voucher assistance under sec-

1 tion 8 (b) and (o)” and inserting “Tenant-based as-
2 sistance under section 8”.

3 (e) OTHER TECHNICAL AND CONFORMING AMEND-
4 MENTS.—

5 (1) Section 931 of the Cranston-Gonzalez Na-
6 tional Affordable Housing Act is amended by strik-
7 ing “assistance under the certificate and voucher
8 programs under sections 8 (b) and (o)” and insert-
9 ing “tenant-based assistance under section 8”.

10 (2) Section 861(b)(1)(D) of the Cranston-Gon-
11 zalez National Affordable Housing Act is amended
12 by striking “certificates or vouchers” and inserting
13 “assistance”.

14 (3) Section 183(c)(2) of the Housing and Com-
15 munity Development Act of 1987 is amended by
16 striking “section 8(o)” and inserting “section 8”.

17 (4) Section 223(a) of the Housing and Commu-
18 nity Development Act of 1987 is amended by strik-
19 ing “sections 8(b) and 8(o)” and inserting “section
20 8”.

21 (5) The second sentence of section 533(a) of
22 the Housing Act of 1949 is amended by striking
23 “assistance payments as provided by section 8(o)”
24 and inserting “tenant-based assistance as provided
25 under section 8”.

1 (f) IMPLEMENTATION.—The amendments made by
2 this section shall take effect upon the date specified in
3 a regulation or notice published by the Secretary in the
4 Federal Register. The Secretary may provide for the con-
5 version of assistance under the certificate and voucher
6 programs, as they existed before the effective date of the
7 amendments made by this section, to the certificate pro-
8 gram established under this section. However, the Sec-
9 retary may continue to apply the provisions of the United
10 States Housing Act of 1937 and other statutes amended
11 by this section, as they existed immediately before such
12 effective date, to assistance obligated by the Secretary be-
13 fore such effective date for the certificate or voucher pro-
14 gram, where necessary for simplification of program ad-
15 ministration, avoidance of hardship, or other good cause.

16 **Subtitle C—Streamline HUD**

17 **SEC. 6201. HUD STREAMLINING.**

18 The Secretary of Housing and Urban Development
19 shall carry out the recommendation of the Report of the
20 National Performance Review, issued on September 7,
21 1993, that the Department streamline its headquarters,
22 regional, and field office structure and consolidate and re-
23 duce its size, without regard to the requirements of section
24 7(p) of the Department of Housing and Urban Develop-
25 ment Act.

1 **Subtitle D—Refinance Section 235**
2 **Mortgages**

3 **SEC. 6301. SECTION 235 MORTGAGE REFINANCING.**

4 Section 235(r) of the National Housing Act is
5 amended—

6 (1) in paragraph (2)(C), by inserting after “re-
7 financed” the following: “, plus the costs incurred in
8 connection with the refinancing as described in para-
9 graph (4)(B) to the extent that the amount for those
10 costs is not otherwise included in the interest rate
11 as permitted by subparagraph (E) or paid by the
12 Secretary as authorized by paragraph (4)(B)”;

13 (2) in paragraph (4)—

14 (A) by inserting after “otherwise)” the fol-
15 lowing: “and the mortgagee with respect to the
16 amount described in paragraph (A)”;

17 (B) in subparagraph (A), by inserting after
18 “mortgagor” the following: “and the mortga-
19 gee”;

20 (3) by revising paragraph (5) to read as follows:

21 “(5) The Secretary shall use amounts of budget
22 authority recaptured from assistance payments con-
23 tracts relating to mortgages that are being refi-
24 nanced for assistance payments contracts with re-
25 spect to mortgages insured under this subsection.

1 The Secretary may also make such recaptured
2 amounts available for incentives under paragraph
3 (4)(A) and the costs incurred in connection with the
4 refinancing under paragraph (4)(B). For purposes
5 of subsection (c)(3)(A), the amount of recaptured
6 budget authority that the Secretary commits for as-
7 sistance payments contracts relating to mortgages
8 insured under this subsection and for amounts paid
9 under paragraph (4) shall not be construed as ‘un-
10 used.’”.

11 **Subtitle E—Section 8 Rents for**
12 **New Construction and Rehabili-**
13 **tation Projects**

14 **SEC. 6401. SECTION 8 RENTS FOR NEW CONSTRUCTION AND**
15 **REHABILITATION PROJECTS.**

16 Notwithstanding any other provision of law, the max-
17 imum monthly contract rents for new construction and
18 substantial rehabilitation projects under section 8 of the
19 United States Housing Act of 1937 shall not be adjusted
20 as provided under section 8(c)(2)(A) for 1 year after the
21 date of enactment of this Act.

1 **TITLE VII—DEPARTMENT OF**
2 **THE INTERIOR**
3 **Subtitle A—Improve the Federal**
4 **Helium Program**

5 **SEC. 7001. AMENDMENTS TO HELIUM ACT AMENDMENTS OF**
6 **1960.**

7 (a) Section 4 of the Helium Act Amendments of 1960
8 (74 Stat. 920, 50 U.S.C. 167b) is amended to insert after
9 “lands acquired, leased, or reserved;” the following: “re-
10 duce costs and increase operational efficiencies, especially
11 in operations that do not produce revenue; establish and
12 adjust fees charged private industry for storage, trans-
13 mission, and withdrawal of privately-owned helium from
14 Government storage facilities to compensate fully for all
15 costs incurred;”.

16 (b) Section 6 of the Helium Act Amendments of 1960
17 (74 Stat. 921, 50 U.S.C. 167d) is amended—

18 (1) by amending subsection (b) to read:

19 “(b) The Secretary is authorized to sell helium for
20 Federal, medical, scientific, and commercial uses in such
21 quantities and under such terms and conditions as the
22 Secretary determines. Sales shall be made in quantities
23 and a manner to avoid undue disruption of the usual mar-
24 kets of producers, processors, and consumers of helium

1 and to protect the United States against avoidable loss.”;

2 and

3 (2) by amending subsection (c) to read:

4 “(c) Sales of helium by the Secretary shall be at
5 prices, as established by the Secretary, that are adequate
6 to cover all costs incurred in carrying out the provisions
7 of this Act. Helium shall be sold at prices comparable to
8 helium sold by private industry. An annual review of price
9 comparability shall be made and adjustments shall be
10 made accordingly.”.

11 **SEC. 7002. LONG-TERM COMPREHENSIVE PLAN.**

12 The Secretary of the Interior shall prepare and de-
13 velop a long-term, comprehensive plan to (1) cancel the
14 outstanding debt owed to the Treasury by the Department
15 of the Interior related to the Federal helium program; and
16 (2) improve Federal helium program operations over a
17 multi-year period. The plan should analyze various options
18 to accomplish (1) and (2) above, with emphasis on ways
19 to minimize adverse impacts on Federal employment, Fed-
20 eral helium purchasers, and U.S. private sector helium
21 markets. The plan, with the Secretary’s preferred options,
22 shall be presented to the President within 4 months of
23 enactment of this Act. The President may adopt the plan,
24 in whole or in part, and is authorized to cancel the out-

1 standing debt upon a finding that such debt cancellation
2 is in the national interest.

3 **Subtitle B—Improve Minerals Man-**
4 **agement Service Royalty Collec-**
5 **tion**

6 **SEC. 7101. IMPROVEMENT OF MINERALS MANAGEMENT**
7 **SERVICE ROYALTY COLLECTION.**

8 (a) The Secretary of the Interior shall, by fiscal year
9 1995, direct the Minerals Management Service, Royalty
10 Management Program, to develop and implement (1) an
11 automated business information system to provide to its
12 auditors a lease history that includes reference, royalty,
13 production, financial, compliance history, pricing and valu-
14 ation, and other information; (2) the optimum methods
15 to identify and resolve anomalies and to verify that royal-
16 ties are paid correctly; (3) a more efficient and cost-effec-
17 tive royalty collection process by instituting new compli-
18 ance and enforcement measures, including assessments
19 and penalties for erroneous reporting and underreporting;
20 and (4) such other actions as may be necessary to reduce
21 royalty underpayment and increase revenue to the U.S.
22 Treasury by an estimated total of \$28 million by fiscal
23 year 1999.

24 (b) The Federal Oil and Gas Royalty Management
25 Act of 1982 (Public Law No. 97-451), 30 U.S.C. 1701

1 et seq.) is amended by adding a new subsection 111(h)
2 as follows:

3 “PENALTY ASSESSMENT FOR SUBSTANTIAL
4 UNDERREPORTING OF ROYALTY”

5 “SEC. 111. (h)(1) If there is any underreporting of
6 royalty owed on production from any lease issued or ad-
7 ministered by the Secretary for the production of oil, gas,
8 coal, any other mineral, or geothermal steam, from any
9 Federal or Indian lands or the Outer Continental Shelf,
10 for any production month, by any person who is respon-
11 sible for paying royalty, the Secretary may assess a pen-
12 alty of 10 percent of the amount of that underreporting.

13 “(2) If there is a substantial underreporting of roy-
14 alty owed on production from any lease issued or adminis-
15 tered by the Secretary for the production of oil, gas, coal,
16 any other mineral, or geothermal steam, from any Federal
17 or Indian lands or the Outer Continental Shelf, for any
18 production month, by any person who is responsible for
19 paying royalty, the Secretary may assess a penalty of 20
20 percent of the amount of that substantial underreporting.

21 “(3) For purposes of this section, the term
22 ‘underreporting’ means the difference between the royalty
23 on the value of the production which should have been re-
24 ported and the royalty on the value of the production
25 which was reported, if the value of the production which
26 should have been reported is greater than the value of the

1 production which was reported. An underreporting con-
2 stitutes a ‘substantial underreporting’ if such difference
3 exceeds 10 percent of the royalty on the value of the pro-
4 duction which should have been reported.

5 “(4) The Secretary shall not impose the assessment
6 provided in paragraphs (1) or (2) if the person corrects
7 the underreporting before the date the person receives no-
8 tice from the Secretary that an underreporting may have
9 occurred, or before 90 days after the date of enactment
10 of this section, whichever is later.

11 “(5) The Secretary shall waive any portion of an as-
12 sessment provided in paragraphs (1) or (2) attributable
13 to that portion of the underreporting for which the person
14 demonstrates that—

15 “(i) the person had written authorization from
16 the Secretary to report royalty on the value of the
17 production on the basis on which it was reported, or

18 “(ii) the person had substantial authority for
19 reporting royalty on the value of the production on
20 the basis on which it was reported, or

21 “(iii) the person previously had notified the
22 Secretary, in such manner as the Secretary may by
23 rule prescribe, of relevant reasons or facts affecting
24 the royalty treatment of specific production which
25 led to the underreporting, or

1 “(iv) the person meets any other exception
2 which the Secretary may, by rule, establish.

3 “(6) All penalties collected under this subsection shall
4 be deposited to the same accounts in the Treasury or paid
5 to the same recipients in the same manner as the royalty
6 with respect to which such penalty is paid.”.

7 **Subtitle C—Phase Out the Mineral**
8 **Institute Program**

9 **SEC. 7201. PHASE OUT OF MINERAL INSTITUTE PROGRAM.**

10 The Secretary of the Interior, beginning in fiscal year
11 1995, shall take action to phase out the Mining and Min-
12 eral Resources Research Institute Act of 1984, Public Law
13 98–409, as amended (98 Stat. 1536 through 1541 and
14 102 Stat. 2339 through 2341, 30 U.S.C. 1221 through
15 1230). There are hereby authorized to be appropriated
16 under the Act the following amounts: fiscal year 1995—
17 \$6.5 million; fiscal year 1996—\$5 million; fiscal year
18 1997—\$3 million; and fiscal year 1998—\$1.5 million. No
19 further appropriations for this Act are authorized after
20 September 30, 1998.

1 **TITLE IX—DEPARTMENT OF**
2 **LABOR**
3 **Subtitle A—Deterrence of Fraud**
4 **and Abuse in the FECA Program**

5 **SEC. 9001. DETERRENCE OF FRAUD AND ABUSE IN FECA**
6 **PROGRAM.**

7 (a) Section 8102 of title 5, United States Code, is
8 amended to redesignate subsection (b) as subsection (c),
9 and to add the following new subsection (b):

10 “(b) An individual convicted of a violation of 18
11 U.S.C. 1920, as amended, or of any other fraud related
12 to the application for or receipt of benefits under sub-
13 chapter I or III of chapter 81 of title 5, shall forfeit, as
14 of the date of the conviction, all entitlement to any pro-
15 spective benefits provided by subchapter I or III for any
16 injury occurring on or before the date of the conviction.
17 Such a forfeiture of benefits shall be in addition to any
18 action the Secretary may take under section 8106 or 8129
19 of title 5, United States Code.”.

20 (b) Section 8116 of title 5, United States Code, is
21 amended by adding the following new subsection (e):

22 “(e) Notwithstanding any other provision of this title,
23 no benefits under sections 8105 or 8106 of this subchapter
24 shall be paid or provided to any individual during any pe-
25 riod during which such individual is confined in a jail,

1 prison, or other penal institution or correctional facility,
2 pursuant to that individual's conviction of an offense that
3 constituted a felony under applicable law, except where
4 such individual has one or more dependents within the
5 meaning of section 8110 of this subchapter, in which case
6 the Secretary may, during the period of incarceration, pay
7 to such dependents a percentage of the benefits that would
8 have been payable to such individual computed according
9 to the percentages set forth in section 8133(a) (1)–(5) of
10 this subchapter.”.

11 (c) Section 8116 of title 5, United States Code, is
12 further amended by adding the following new subsection
13 (f):

14 “(f) Notwithstanding the provisions of section 552a
15 of this title, or any other provision of Federal or State
16 law, any agency of the United States Government or of
17 any State (or political subdivision thereof) shall make
18 available to the Secretary, upon written request, the
19 names and Social Security account numbers of individuals
20 who are confined in a jail, prison or other penal institution
21 or correctional facility under the jurisdiction of such agen-
22 cy, pursuant to such individuals' conviction of an offense
23 that constituted a felony under applicable law, which the
24 Secretary may require to carry out the provisions of this
25 subsection.”.

1 (d) Section 1920 of title 18, United States Code, is
2 amended to read as follows: “Whoever knowingly and will-
3 fully falsifies, conceals, or covers up a material fact, or
4 makes a false, fictitious, or fraudulent statement or rep-
5 resentation, or makes or uses a false statement or report
6 knowing the same to contain any false, fictitious or fraud-
7 ulent statement or entry in connection with the application
8 for or receipt of compensation or other benefit or payment
9 under subchapter I or III of chapter 81 of title 5, United
10 States Code, shall be punished by a fine of not more than
11 \$250,000, or by imprisonment for not more than five
12 years, or both.”.

13 (e) Except as otherwise provided in this section, the
14 amendments made by this section shall be effective on the
15 date of enactment and shall apply to actions taken on or
16 after the date of enactment both with respect to claims
17 filed before the day of enactment and with respect to
18 claims filed after such date.

19 (f) The amendments made by subsections (a), (b),
20 and (c) of this section shall be effective on the date of
21 enactment and shall apply to any person convicted or im-
22 prisoned on or after the date of enactment.

23 (g) The amendment made by subsection (d) of this
24 section shall be effective on the date of enactment and
25 shall apply to any claim, statement, representation, report,

1 or other written document made or submitted in connec-
2 tion with a claim filed under subchapter I or III of chapter
3 81 of title 5, United States Code.

4 **Subtitle B—Enhancement of Reem-**
5 **ployment Programs for Federal**
6 **Employees Disabled in the Per-**
7 **formance of Duty**

8 **SEC. 9101. ENHANCEMENT OF REEMPLOYMENT PROGRAMS**
9 **FOR FEDERAL EMPLOYEES DISABLED IN THE**
10 **PERFORMANCE OF DUTY.**

11 (a) Section 8104 of title 5, United States Code, is
12 amended—

13 (1) by striking the comma after “employment”
14 and by striking “other than employment undertaken
15 pursuant to such rehabilitation” from subsection (b);
16 and

17 (2) by adding the following new subsection (c):

18 “(c) The Secretary of Labor, as part of the vocational
19 rehabilitation effort, may assist permanently disabled indi-
20 viduals in seeking and/or obtaining employment. The Sec-
21 retary may reimburse an employer (including a Federal
22 employer), who was not the employer at the time of injury
23 and who agrees to employ a disabled beneficiary, for por-
24 tions of the salary paid by such employer to the reem-

1 ployed, disabled beneficiary. Any such sums shall be paid
2 from the Employees' Compensation Fund.''.

3 (b) The Secretary of Labor is authorized to expand
4 the Federal Employees' Compensation Act Periodic Roll
5 Management Project to all offices of the Office of Work-
6 ers' Compensation Program of the Department of Labor.

7 (c) The provisions of, and amendments made by, sub-
8 sections (a) and (b) of this section shall be effective on
9 the date of enactment.

10 **Subtitle C—Wage Determinations—**
11 **McNamara-O'Hara Service Con-**
12 **tract Act and Davis-Bacon Act**

13 **SEC. 9201. WAGE DETERMINATIONS.**

14 (a) The McNamara-O'Hara Service Contract Act, as
15 amended (41 U.S.C. 351 et seq.) is amended by adding
16 at the end the following new section:

17 "SEC. 11. To more effectively implement wage deter-
18 mination procedures, the Secretary of Labor is authorized
19 to develop and implement an electronic data interchange
20 system to request and obtain wage determinations re-
21 quired under the Act.'".

22 (b) The Davis-Bacon Act, as amended (41 U.S.C.
23 276a et seq.) is amended by adding at the end the follow-
24 ing new section:

1 “SEC. 8. To more effectively implement wage deter-
2 mination procedures, the Secretary of Labor is authorized
3 to develop and implement an electronic data interchange
4 system to request and obtain wage determinations re-
5 quired under the Act.”.

6 (c) The amendments made by subsections (a) and (b)
7 of this section shall be effective on the date of enactment.

8 **Subtitle D—Elimination of Filing**
9 **Requirement for Plan Descrip-**
10 **tions, Summary Plan Descrip-**
11 **tions, and Descriptions of Mate-**
12 **rial Modifications to a Plan**

13 **SEC. 9301. ELIMINATION OF FILING REQUIREMENTS.**

14 (a) Section 101(b) of the Employee Retirement In-
15 come Security Act of 1974 (ERISA) (29 U.S.C. 1021(b))
16 is amended by striking paragraphs (1), (2) and (3) and
17 by redesignating paragraphs (4) and (5) as paragraphs
18 (1) and (2), respectively.

19 (b) Section 102 of ERISA (29 U.S.C. 1022) is
20 amended by striking paragraph (a)(2) and redesignating
21 paragraph (a)(1) as subsection (a).

22 (c) Section 104(a)(1) of ERISA (29 U.S.C.
23 1024(a)(1)) is amended to read as follows:

24 “SEC. 104. (a)(1) The administrator of any employee
25 benefit plan subject to this part shall file with the Sec-

1 reitary the annual report for a plan year within 210 days
2 after the close of such year (or within such time as may
3 be required by regulations promulgated by the Secretary
4 in order to reduce duplicative filing). The Secretary shall
5 make copies of such annual reports available for inspection
6 in the public document room of the Department of Labor.
7 The administrator shall also furnish to the Secretary,
8 upon request, any documents relating to the employee ben-
9 efit plan including but not limited to the summary plan
10 description, description of material modifications to the
11 plan, bargaining agreement, trust agreement, contract, or
12 other instrument under which the plan is established or
13 operated.”.

14 (d) Section 104(b) of ERISA (29 U.S.C. 1024(b))
15 is amended by adding at the end the following new para-
16 graph:

17 “(5) The Secretary shall, upon written request
18 of any participant or beneficiary of a plan for a copy
19 of any documents described in paragraph (4), make
20 a written request to the plan administrator for cop-
21 ies of such documents. The plan administrator shall
22 comply with such request from the Secretary. Upon
23 obtaining such copies from the plan administrator,
24 the Secretary shall provide them to the requesting
25 participant or beneficiary. In making a request

1 under this paragraph to the plan administrator, the
2 Secretary shall not disclose to the plan administrator
3 the identity of the participant or beneficiary. The
4 administrator may make a reasonable charge to
5 cover the cost of furnishing such complete copies
6 consistent with any regulations issued by the Sec-
7 retary pursuant to paragraph (4). The Secretary
8 may require the participant or beneficiary to reim-
9 burse the Secretary for such charges before the par-
10 ticipant receives the requested copies.”.

11 (e) Section 106(a) of ERISA (29 U.S.C. 1026(a)) is
12 amended by striking “descriptions,”.

13 (f) Section 107 of ERISA (29 U.S.C. 1027) is
14 amended by striking “description or”.

15 (g) Section 108 of ERISA (29 U.S.C. 1028) is
16 amended by striking “(B) after publishing or filing the
17 plan description, annual reports,” and inserting “(B) after
18 publishing the plan description, or after publishing or fil-
19 ing the annual reports,”.

20 (h) Section 109(b) of ERISA (29 U.S.C. 1029(b))
21 is amended to read as follows:

22 “(b) The financial statement and opinion required to
23 be prepared by an independent qualified public accountant
24 pursuant to section 103(a)(3)(A) and the actuarial state-
25 ment required to be prepared by an enrolled actuary pur-

1 suant to section 103(a)(4)(A) shall not be required to be
2 submitted on forms.”.

3 (i) Section 502(c) of ERISA is amended by adding
4 at the end the following new paragraph:

5 “(4) The Secretary may assess a civil penalty
6 against any plan administrator of up to \$100 per
7 day from the date of such plan administrator’s fail-
8 ure or refusal to comply with a request for docu-
9 ments which such administrator is required to fur-
10 nish to the Secretary (unless such failure or refusal
11 results from matters reasonably beyond the control
12 of the administrator) pursuant to section 104(b)(5)
13 by mailing the material requested to the address
14 provided by the Secretary within 30 days after such
15 request.”.

16 (j) EFFECTIVE DATE.—The provisions of this section
17 shall take effect on the date of enactment of this Act.

18 **TITLE X—DEPARTMENT OF**
19 **STATE/UNITED STATES IN-**
20 **FORMATION AGENCY**

21 **SEC. 10001. REDUCTION OF MISSION OPERATING COSTS.**

22 The Secretary of State shall take action to reduce
23 costs of providing marine guard and other security at dip-
24 lomatic missions overseas by a total of \$5,700,000 by the
25 end of fiscal year 1999.

1 **SEC. 10002. IMPROVEMENT OF EFFICIENCY OF USIA PUB-**
2 **LIC DIPLOMACY ACTIVITIES.**

3 The Director of the United States Information Agen-
4 cy (USIA) shall take action to improve the efficiency of
5 USIA's public diplomacy activities and save a total of
6 \$15,000,000 by the end of fiscal year 1999.

7 **TITLE XI—DEPARTMENT OF**
8 **TRANSPORTATION**
9 **Subtitle A—Authority to Charge**
10 **Tuition for Attendance at the**
11 **U.S. Merchant Marine Academy**

12 **SEC. 11001. TUITION FOR U.S. MERCHANT MARINE ACAD-**
13 **EMY.**

14 Section 1303(d) of the Merchant Marine Act, 1936
15 (46 App. U.S.C. 1295b(d)), is amended to read as follows:

16 “(d)(1) Beginning with the class of individuals first
17 entering the Academy in the 1995–1996 academic year,
18 the Secretary shall impose a system of tuition and fees
19 on individuals attending the Academy that shall, in total,
20 equal an amount that is up to one-half the total operating
21 costs of the Academy during the preceding fiscal year. The
22 tuition and fees paid by the Academy's total cadet enroll-
23 ment shall be retained by the Secretary to assist in meet-
24 ing the Academy's operating expenses.

25 “(2) Beginning with the class of individuals first en-
26 tering the Academy in the 1995–1996 academic year, the

1 Secretary is authorized to impose reasonable fees on any
2 cadet at the Academy for all required uniforms and text-
3 books. The Secretary shall provide to any individual first
4 entering the Academy before the 1995–1996 academic
5 year all required uniforms and textbooks.

6 “(3) The Secretary shall provide to any cadet at the
7 Academy allowances for transportation (including reim-
8 bursement of traveling expenses) while traveling under or-
9 ders as a cadet of the Academy.”.

10 **Subtitle B—Reform of the Essential** 11 **Air Service Program**

12 **SEC. 11101. REFORM OF ESSENTIAL AIR SERVICE PRO-** 13 **GRAM.**

14 Section 419 of the Federal Aviation Act of 1958 (49
15 App. U.S.C. 1389) is amended by—

16 (1) revising paragraph (a)(2) to read as follows:

17 “(2) RESTRICTIONS ON QUALIFICATIONS AS AN
18 ELIGIBLE POINT.—To qualify as an eligible point in
19 the 48 contiguous states, Hawaii, and Puerto Rico
20 for purposes of fiscal year 1995 and thereafter, a
21 point described in paragraph (1) must not require a
22 rate of subsidy per passenger in excess of \$200 and
23 may not be located fewer than 70 highway miles
24 from the nearest hub airport or small hub airport;”
25 and

1 (2) revising paragraph (l)(2) to read as follows:

2 “(2) AMOUNTS AVAILABLE.—There shall be
3 available to the Secretary from the Airport and Air-
4 way Trust Fund to incur obligations under this sec-
5 tion—

6 “(A) \$33,423,077 for fiscal year 1994; and

7 “(B) \$25,600,000 per fiscal year for each
8 of fiscal years 1995, 1996, 1997, 1998, and
9 1999.

10 Such amounts shall remain available until expended.

11 Unobligated balances that remain available as of
12 September 30, 1994, are rescinded.”.

13 **Subtitle C—Repeal of Authoriza-**
14 **tions for the Airway Science**
15 **Program, Collegiate Training**
16 **Initiative, and Air Carrier Main-**
17 **tenance Technician Training**
18 **Facility Grant Program**

19 **SEC. 11201. AIRWAY SCIENCE PROGRAM.**

20 All authority for—

21 (1) the Secretary of Transportation to enter
22 into grant agreements with universities or colleges
23 having an airway science curriculum recognized by
24 the Federal Aviation Administration, to conduct

1 demonstration projects in the development, advance-
2 ment, or expansion of airway science programs; and

3 (2) the Federal Aviation Administration to
4 enter into competitive grant agreements with institu-
5 tions of higher education having airway science cur-
6 ricula, and all authorizations to appropriate for such
7 purposes, as enacted under the head, “Federal Avia-
8 tion Administration, Facilities and Equipment”, in
9 the Department of Transportation and Related
10 Agencies Appropriations Acts for fiscal years ending
11 before October 1, 1993;

12 is repealed.

13 **SEC. 11202. COLLEGIATE TRAINING INITIATIVE.**

14 Section 362 of the Department of Transportation and
15 Related Agencies Appropriations Act, 1993 (Public Law
16 102–388), is repealed, except that the Administrator of
17 the Federal Aviation Administration may continue to con-
18 vert appointment of persons who have been appointed pur-
19 suant to such section prior to the effective date of this
20 Act from the excepted service to a career conditional or
21 career appointment in the competitive civil service, pursu-
22 ant to subsection (c) of such section.

1 **SEC. 11203. AIR CARRIER MAINTENANCE TECHNICIAN**
2 **TRAINING FACILITY GRANT PROGRAM.**

3 Section 119 of Public Law 102–581 (49 U.S.C. app.
4 1354 note) is repealed.

5 **TITLE XII—DEPARTMENT OF**
6 **VETERANS AFFAIRS**
7 **Subtitle A—Remove Certain Limi-**
8 **tations and Restrictions Con-**
9 **tained in Veterans Law**

10 **SEC. 12001. REMOVAL OF CERTAIN LIMITATIONS AND RE-**
11 **STRICTIONS.**

12 (a) ELIMINATE HOSPITAL AND NURSING HOME BED
13 CAPACITY REQUIREMENTS.—

14 (1) Paragraph (1) of subsection (a) of section
15 8110 of title 38, United States Code, is amended—

16 (A) by striking “at not more than 125,000
17 and not less than 100,000”; and

18 (B) by striking the third and fourth sen-
19 tences.

20 (2) Subsection (a) of section 8111 of such title
21 is amended to read as follows:

22 “(a) The Secretary and the Secretary of the Army,
23 the Secretary of the Air Force, and the Secretary of the
24 Navy may enter into agreements and contracts for the mu-
25 tual use or exchange of use of hospital and domiciliary
26 facilities, and such supplies, equipment, material and

1 other resources as may be needed to operate such facilities
2 properly, except that the Secretary may not enter into an
3 agreement that would in any way subordinate or transfer
4 the operation of the Department to any other agency of
5 the Government.”.

6 (b) ELIMINATE THE PERSONNEL LEVEL REQUIRE-
7 MENT FOR THE OFFICE OF INSPECTOR GENERAL.—Sec-
8 tion 312(b) of title 38, United States Code, is repealed.

9 (c) ELIMINATE REQUIREMENT TO REPORT TO CON-
10 GRESS AGENCY REORGANIZATIONS.—Sections 510(b)
11 through 510(f) of title 38, United States Code, are re-
12 pealed.

13 (d) ELIMINATE REQUIREMENT FOR CERTAIN SERV-
14 ICES IN THE VETERANS HEALTH ADMINISTRATION.—
15 Section 7305 of title 38, United States Code, is amended
16 to read “The Veterans Health Administration shall in-
17 clude such professional and auxiliary services as the Sec-
18 retary may find necessary to carry out the functions of
19 the Administration.”.

20 (e) ELIMINATE CERTAIN REQUIREMENTS ON THE
21 UNDER SECRETARY FOR HEALTH—

22 (1) Section 7306(a) of title 38, United States
23 Code, is amended to read “(a) The Office of the
24 Chief Medical Director shall consist of such person-

1 nel as may be deemed necessary for the purposes of
2 this chapter.”.

3 (2) Section 7306(b) of title 38, United States
4 Code, is repealed.

5 (3) Section 7306(c) of title 38, United States
6 Code, is amended by changing the second sentence
7 to read “Such appointments shall be made upon the
8 recommendation of the Chief Medical Director.”.

9 (4) Sections 7306(c), (d), and (e) of title 38,
10 United States Code, are redesignated as sections
11 7306(b), (c), and (d), respectively.

12 **Subtitle B—Closure of Supply De-**
13 **pots and Transfer of Revolving**
14 **Supply Fund Money**

15 **SEC. 12101. CLOSURE OF SUPPLY DEPOTS AND TRANSFER**
16 **OF FUNDS.**

17 Notwithstanding the provisions of section 510(b) and
18 8121 of title 38, United States Code, the Secretary of Vet-
19 erans Affairs shall phase out and close the Department
20 of Veterans Affairs’ Supply Depots, located at Somerville,
21 New Jersey; Hines, Illinois; and Bell, California over two
22 fiscal years, beginning in fiscal year 1994 and ending in
23 fiscal year 1995, and shall transfer from the Department
24 of Veterans Affairs Revolving Supply Fund to the General

1 Fund of the Treasury, \$45 million by September 30,
2 1994, and \$44 million by September 30, 1995.

3 **Subtitle C—Provision of Informa-**
4 **tion From the Medicare and**
5 **Medicaid Coverage Data Bank**
6 **to the Department of Veterans**
7 **Affairs**

8 **SEC. 12201. PROVISION OF DATA BANK INFORMATION TO**
9 **DEPARTMENT OF VETERANS AFFAIRS.**

10 (a) ADDITIONAL PURPOSE OF DATA BANK.—

11 (1) The heading to section 1144 of the Social
12 Security Act is amended by striking “**MEDICARE**
13 **AND MEDICAID**” and inserting “**HEALTH CARE**”.

14 (2) Subsection (a) of that section is amended—

15 (A) in the matter preceding paragraph (1),
16 by striking “Medicare and Medicaid” and in-
17 sserting “Health Care”;

18 (B) by striking “and” at the end of para-
19 graph (1);

20 (C) by substituting “, and” for the period
21 at the end of paragraph (2); and

22 (D) by adding at the end the following:

23 “(3) assist in the identification of, and the col-
24 lection from, third parties responsible for payment
25 for health care items and services furnished to veter-

1 ans under chapter 17 of title 38, United States
2 Code.”.

3 (b) DISCLOSURE OF DATA BANK INFORMATION TO
4 SECRETARY OF VETERANS AFFAIRS.—Subsection
5 (b)(2)(B) of that section is amended by inserting “to the
6 Secretary of Veterans Affairs and” after “Data Bank”.

7 **Subtitle D—Veterans’ Appeals**
8 **Improvement Act of 1993**

9 **SEC. 12301. SHORT TITLE; REFERENCES TO TITLE 38, UNIT-**
10 **ED STATES CODE.**

11 (a) SHORT TITLE.—This subtitle may be cited as the
12 “Veterans’ Appeals Improvement Act of 1993”.

13 (b) REFERENCES.—Except as otherwise expressly
14 provided, whenever in this subtitle an amendment is ex-
15 pressed in terms of an amendment to a section or other
16 provision, the reference shall be considered to be made to
17 a section or other provision of title 38, United States
18 Code.

19 **SEC. 12302. COMPOSITION OF THE BOARD OF VETERANS’**
20 **APPEALS.**

21 (a) BOARD MEMBERS AND PERSONNEL.—Section
22 7101(a) is amended to read as follows:

23 “(a)(1) There is in the Department a Board of Veter-
24 ans’ Appeals (hereafter in this chapter referred to as the
25 ‘Board’). The Board is under the administrative control

1 and supervision of a Chairman directly responsible to the
2 Secretary.

3 “(2) The members of the Board shall be the Chair-
4 man, a Vice Chairman, such number of Deputy Vice
5 Chairmen as the Chairman may designate under sub-
6 section (b)(4), and such number of other members as may
7 be found necessary to conduct hearings and consider and
8 dispose of matters properly before the Board in a timely
9 manner. The Board shall have such other professional, ad-
10 ministrative, clerical, and stenographical personnel as are
11 necessary to conduct hearings and consider and dispose
12 of matters properly before the Board in a timely man-
13 ner.”.

14 (b) APPOINTMENT AND REMOVAL OF BOARD MEM-
15 BERS.—Section 7101(b) is amended—

16 (1) in paragraph (2)(A) by striking “other
17 members of the Board (including the Vice Chair-
18 man)” and inserting “Board members other than
19 the Chairman”;

20 (2) in paragraph (2)(B) by striking “para-
21 graph” and inserting “subparagraph”; and

22 (3) by striking paragraph (4) and inserting the
23 following:

24 “(4) The Secretary shall designate one Board
25 member as Vice Chairman based upon recommenda-

1 tions of the Chairman. The Chairman may designate
2 one or more Board members as Deputy Vice Chair-
3 men. The Vice Chairman and any Deputy Vice
4 Chairman shall perform such functions as the Chair-
5 man may specify. The Vice Chairman shall serve as
6 Vice Chairman at the pleasure of the Secretary. Any
7 Deputy Vice Chairman shall serve as Deputy Vice
8 Chairman at the pleasure of the Chairman.”.

9 (c) ACTING BOARD MEMBERS.—SECTION 7101(C) IS
10 AMENDED BY—

11 (1) striking paragraph (1) and inserting the fol-
12 lowing:

13 “(1) The Chairman may from time to time des-
14 ignate one or more employees of the Department to
15 serve as acting Board members.”;

16 (2) striking paragraph (2) in its entirety; and

17 (3) redesignating paragraph (3) as paragraph
18 (2) and in that paragraph by—

19 (A) striking “temporary Board members
20 designated under this subsection and the num-
21 ber of”; and

22 (B) striking “section 7102(a)(2)(A)(ii) of
23 this title” and inserting in lieu thereof “para-
24 graph (1)”.

1 (d) CHAIRMAN'S ANNUAL REPORT.—Section
2 7101(d)(2) is amended—

3 (1) in subparagraph (D) by striking “year;
4 and” and inserting “year;”;

5 (2) in subparagraph (E) by striking “year.”
6 and inserting “year; and”; and

7 (3) by adding at the end of paragraph (2) the
8 following new subparagraph:

9 “(F) the names of those employees of the De-
10 partment designated under subsection (c)(1) to serve
11 as acting Board members during that year and the
12 number of cases each such acting Board member
13 participated in during that year.”.

14 (e) CONFORMING AMENDMENTS.—

15 (1) Section 7101(d)(3)(B) is amended by strik-
16 ing “section 7103(d)” and inserting “section
17 7101(b)”.

18 (2) Section 7101(e) is amended by striking “a
19 temporary or” and inserting “an”.

20 **SEC. 12303. ASSIGNMENT OF MATTERS BEFORE THE**
21 **BOARD.**

22 Section 7102 is amended to read as follows:

23 **“§ 7102. Assignment of matters before the Board**

24 “The Chairman may determine any matter before the
25 Board, or rule on any motion in connection therewith, or

1 may assign any such matter or motion to any other Board
2 member or a panel of members for determination. Any
3 such assignment by the Chairman may not be reviewed
4 by any other official or by any court, whether by an action
5 in the nature of mandamus or otherwise.”.

6 **SEC. 12304. DETERMINATIONS BY THE BOARD.**

7 (a) IN GENERAL.—Section 7103(a) is amended to
8 read as follows:

9 “(a) When the Chairman retains a matter or submits
10 it to another Board member or a panel of members for
11 determination in accordance with section 7102 of this
12 title, or to an expanded panel of Board members in ac-
13 cordance with subsection (b) of this section, the Chairman,
14 other member, or panel of members may:

15 “(1) Issue an order dismissing any appeal, in
16 whole or in part, which fails to allege specific error
17 of fact or law in the determination being appealed
18 or in which the determination being appealed has be-
19 come moot. Each order of dismissal shall include a
20 written statement of the Board’s findings and con-
21 clusions, and the reasons or bases for those findings
22 and conclusions, in support of the dismissal.

23 “(2) Issue an order remanding the case, in
24 whole or in part, to the agency of original jurisdic-
25 tion for such additional development as the Chair-

1 man, other member, or panel of members may con-
2 sider necessary for proper disposition of the case.

3 “(3) Render a written decision with respect to
4 any issues not dismissed or remanded, which deci-
5 sion shall constitute the Board’s final disposition of
6 the issues so decided. Such decisions shall be based
7 on the entire record in the proceeding, upon consid-
8 eration of all evidence and material of record, and
9 upon applicable provisions of law and regulation.
10 The Board shall be bound in its decisions, including
11 allowances made under the provisions of subsection
12 (d) of this section, by the regulations of the Depart-
13 ment, the instructions of the Secretary, and the
14 precedent opinions of the chief legal officer of the
15 Department. Each decision of a Board member or a
16 panel of members shall include—

17 “(A) a written statement of the Board’s
18 findings and conclusions, and the reasons or
19 bases for those findings and conclusions, on all
20 material issues of fact and law presented on the
21 record; and

22 “(B) an order granting appropriate relief
23 or denying relief.

1 Decisions by a panel of Board members, except as other-
2 wise provided in subsection (b), shall be made by a major-
3 ity of the members of the panel.”.

4 (b) RECONSIDERATION.—Section 7103(b) is amend-
5 ed to read as follows:

6 “(b) The decision of a Board member or a panel of
7 members is final, unless the Chairman orders reconsider-
8 ation of the case, and a claim disallowed by the Board
9 may not thereafter be reopened or allowed except as pro-
10 vided in section 5108 of this title and subsection (d) of
11 this section. If the Chairman orders reconsideration in a
12 case, the case shall be considered upon reconsideration by
13 a panel of members other than the Chairman if one mem-
14 ber originally decided the case or by an expanded panel
15 of members other than the Chairman if a panel originally
16 decided the case. When a panel considers a case after a
17 motion for reconsideration has been granted, the decision
18 of a majority of the panel members shall constitute the
19 final decision of the Board, except as provided in sub-
20 section (d). If the expanded panel cannot reach a majority
21 decision, the Chairman may either assign additional mem-
22 bers other than the Chairman to the panel or vote with
23 the members of the expanded panel so as to create a ma-
24 jority decision. Either the expanded panel majority or the
25 majority made with the vote of the Chairman shall con-

1 stitute the final decision of the Board, except as provided
2 in subsection (d).”.

3 (c) ADMINISTRATIVE ALLOWANCE; NOTICE OF DE-
4 TERMINATION.—Section 7103 is further amended by add-
5 ing at the end of the following:

6 “(d) Whenever a Board member other than the
7 Chairman or Vice Chairman is of the opinion that a prior,
8 otherwise final denial of a claim should be revised or
9 amended to allow the claim in whole or in part, based on
10 a difference of opinion as to how the evidence should be
11 evaluated rather than on any error in the prior decision,
12 the Board member shall recommend such allowance to the
13 Chairman or Vice Chairman. The Chairman or Vice
14 Chairman, whether upon the recommendation of any other
15 Board member or upon the Chairman’s or Vice Chair-
16 man’s own motion, if of the opinion that a prior, otherwise
17 final denial of a claim should be revised or amended to
18 allow the claim in whole or in part, based on a difference
19 of opinion as to how the evidence should be evaluated rath-
20 er than on any error in the prior decision, shall approve
21 the award of any benefit, or any increase therein, on the
22 basis of such difference of opinion. The discretionary exer-
23 cise of the authority provided to the Chairman and Vice
24 Chairman under this subsection shall not be reviewed by

1 any other official or by any court, whether by an action
2 in the nature of mandamus or otherwise.

3 “(e) After reaching a determination under any of the
4 provisions of this section, the Board shall promptly mail
5 a copy of its written decision to the appellant and the ap-
6 pellant’s authorized representative (if any) at the last
7 known address of the appellant and at the last known ad-
8 dress of such representative (if any), respectively.”.

9 **SEC. 12305. JURISDICTION OF THE BOARD.**

10 Section 7104 is amended by—

11 (a) striking the subsection designation “(a)”;

12 (b) striking “211(a)” and inserting “511(a)”;

13 and

14 (c) striking all after “made by the Board.”.

15 **SEC. 12306. APPELLATE PROCEDURE.**

16 Section 7105(d) is amended by striking paragraph
17 (5).

18 **SEC. 12307. MEDICAL OPINIONS.**

19 Section 7109 is amended to read as follows:

20 **“§ 7109. Medical opinions**

21 “(a) A Board member or a panel of members before
22 whom a matter which involves a medical question is pend-
23 ing may, in the discretion of the member or panel, request
24 an opinion on that medical question from—

1 “(1) an employee of the Board who is licensed
2 to practice medicine in any State;

3 “(2) an employee of the Veterans Health Ad-
4 ministration who is licensed to practice medicine in
5 any State and who has been designated by the
6 Under Secretary for Health to provide such an opin-
7 ion; or

8 “(3) an employee of any Federal department or
9 agency who is licensed to practice medicine in any
10 State and who has been designated, in accordance
11 with arrangements made by the Secretary with the
12 head of any such Federal department or agency, to
13 provide such an opinion.

14 “(b) When, in the judgment of a Board member or
15 a panel of members assigned a matter for determination
16 in accordance with section 7102 of this title, the medical
17 complexity or controversy involved in that matter warrants
18 expert medical opinion in addition to, or in lieu of, that
19 available within the Department or within another Federal
20 department or agency, the Board may secure an advisory
21 medical opinion from one or more independent medical ex-
22 perts who are not employees of the Department or of an-
23 other Federal department or agency. The Secretary shall
24 make necessary arrangements with recognized medical
25 schools, universities, or clinics to furnish such advisory

1 medical opinions at the request of the Chairman. Any such
2 arrangement shall provide that the actual selection of the
3 expert or experts to give the advisory opinion in an individ-
4 ual case shall be made by an appropriate official of such
5 institution. For purposes of this section, an employee of
6 a medical school, university, or clinic shall not be consid-
7 ered an employee of the Department or another Federal
8 department or agency just because the medical school, uni-
9 versity, or clinic receives grants from, or provides contract
10 services to, the Department or another Federal depart-
11 ment or agency.

12 “(c) Any opinion provided under this section shall be
13 in writing and made a part of the record. The Board shall
14 notify a claimant that an advisory medical opinion has
15 been requested under this section with respect to the
16 claimant’s case and shall mail to the claimant and the
17 claimant’s authorized representative (if any) at the last
18 known address of the claimant and at the last known ad-
19 dress of such representative (if any) a copy of such opinion
20 when the Board receives it. An opportunity for response
21 by or on behalf of the claimant shall be provided following
22 the mailing of the copy (or copies) of such advisory medi-
23 cal opinion.”.

24 **SEC. 12308. HEARINGS.**

25 Section 7110 is amended to read as follows:

1 **“§ 7110. Hearings**

2 “(a) The Board shall decide any appeal only after af-
3 fording the appellant an opportunity for a hearing.

4 “(b) A hearing docket shall be maintained and formal
5 recorded hearings shall be held by such member or mem-
6 bers of the Board as the Chairman may designate. Such
7 member or members designated by the Chairman to con-
8 duct the hearing will participate in making the final deter-
9 mination in the claim.

10 “(c) An appellant may request a hearing before the
11 Board at either its principal location or a regional office
12 of the Department. Any hearing held at a regional office
13 of the Department shall be scheduled for hearing in the
14 order in which the requests for hearing in that area are
15 received by the Department at the place specified by the
16 Department for the filing of requests for such hearings.

17 “(d) At the request of the Chairman, the Secretary
18 may provide suitable facilities and equipment to the Board
19 or other components of the Department to enable an ap-
20 pellant located at a facility within the area served by a
21 regional office to participate, through voice transmission,
22 or picture and voice transmission, by electronic or other
23 means, in a hearing with a Board member or members
24 sitting at the Board’s principal location. When such facili-
25 ties and equipment are available, the Chairman may, at
26 his or her discretion, afford the appellant an opportunity

1 to participate in a hearing before the Board through the
2 use of such facilities and equipment in lieu of a hearing
3 held by personally appearing before a Board member or
4 members as provided in subsection (c).”.

5 **SEC. 12309. TABLE OF CONTENTS.**

6 The table of contents at the beginning of chapter 71
7 is amended by—

8 (1) striking “7102. Assignment of members of
9 Board.” and inserting “7102. Assignment of appel-
10 late matters.”;

11 (2) striking “7109. Independent medical opin-
12 ions.” and inserting “7109. Medical opinions.”; and

13 (3) striking “7110. Traveling sections.” and in-
14 serting “7110. Hearings.”.

15 **SEC. 12310. EFFECTIVE DATES OF AWARDS BASED ON DIF-**
16 **ERENCE OF OPINION.**

17 Section 5110 is amended by adding at the end the
18 following new subsection:

19 “(o) The effective date of the award of any benefit,
20 or any increase therein, pursuant to section 7103(d) of
21 this title on the basis of a difference of opinion shall be—

22 “(1) if the award resulted from review initiated
23 by an application to reopen the claim for the benefit
24 in question under the provision of section 5108 of
25 this title, fixed in accordance with the facts found

1 but shall not be earlier than the date the Depart-
2 ment of Veterans Affairs received such application;
3 or

4 “(2) if the award resulted from review of the
5 final determination undertaken by the Department
6 of Veterans Affairs solely on its own initiative, the
7 date the Chairman or Vice Chairman of the Board
8 of Veterans’ Appeals approved the award.”.

9 **TITLE XIII—HUMAN RESOURCE**
10 **MANAGEMENT**

11 **Subtitle A—Federal Workforce**
12 **Restructuring Act of 1993**

13 **SEC. 13001. SHORT TITLE.**

14 This subtitle may be cited as the “Federal Workforce
15 Restructuring Act of 1993”.

16 **SEC. 13002. AMENDMENTS TO CHAPTER 41 OF TITLE 5,**
17 **UNITED STATES CODE.**

18 (a) Chapter 41 of title 5, United States Code, is
19 amended—

20 (1) in section 4101(4) by striking “fields” and
21 all that follows through the semicolon and inserting
22 “fields which will improve individual and organiza-
23 tional performance and assist in achieving the agen-
24 cy’s mission and performance goals;”;

25 (2) in section 4103—

1 (A) in subsection (a) by striking “In” and
2 all that follows through “proficiency” and in-
3 sserting “In order to assist in achieving an agen-
4 cy’s mission and performance goals by improv-
5 ing employee and organizational performance”;
6 and

7 (B) in subsection (b)—

8 (i) in paragraph (1) by striking “de-
9 termines” and all that follows through the
10 period and inserting “determines that such
11 training would be in the interests of the
12 Government.”;

13 (ii) by repealing paragraph (2) and
14 redesignating paragraph (3) as paragraph
15 (2); and

16 (iii) in subparagraph (C) of paragraph
17 (2) (as so redesignated) by striking “re-
18 taining” and all that follows through the
19 period and inserting “such training.”;

20 (3) in section 4105—

21 (A) by striking “(a) at the beginning; and

22 (B) by repealing subsections (b) and (c);

23 (4) by repealing section 4106;

24 (5) in section 4107—

1 (A) by amending the catchline to read as
2 follows:

3 **“§ 4107. Restriction on degree training”;**

4 (B) by repealing subsections (a) and (b)
5 and redesignating subsections (c) and (d) as
6 subsections (a) and (b), respectively;

7 (C) by amending subsection (a) (as so re-
8 designated)—

9 (i) by striking “subsection (d)” and
10 inserting “subsection (b)”; and

11 (ii) by striking “by, in, or through a
12 non-Government facility”; and

13 (D) by amending paragraph (1) of sub-
14 section (b) (as so redesignated) by striking
15 “subsection (c)” and inserting “subsection (a)”;
16

(6) in section 4108(a) by striking “by, in, or
17 through a non-Government facility under this chap-
18 ter” and inserting “for more than a minimum period
19 prescribed by the head of the agency”;

20 (7) in section 4113(b) by striking everything
21 following the first sentence;

22 (8) by repealing section 4114; and

23 (9) in section 4118—

24 (A) in subsection (a)(7) by striking “by,
25 in, and through non-Government facilities”;

1 (B) by repealing subsection (b); and
2 (C) by redesignating subsections (c) and
3 (d) as subsections (b) and (c), respectively.

4 (b) The analysis of chapter 41 of title 5, United
5 States Code, is amended—

6 (1) by striking the items relating to sections
7 4106 and 4114; and

8 (2) by amending the item relating to section
9 4107 to read as follows:

“4107. Restriction on degree training.”

10 (c) The amendments made by this section are effec-
11 tive on the date of enactment of this Act.

12 **SEC. 13003. VOLUNTARY SEPARATION INCENTIVES.**

13 (a) For the purpose of this section—

14 (1) “agency” means an Executive agency, as
15 defined in section 105 of title 5, United States Code,
16 but does not include the Department of Defense, the
17 Central Intelligence Agency, or the General Account-
18 ing Office; and

19 (2) “employee” means an employee, as defined
20 in section 2105 of title 5, United States Code, of an
21 agency, serving under an appointment without time
22 limitation, who has been currently employed for a
23 continuous period of at least 12 months, including
24 an individual employed by a county committee estab-

1 lished under section 590h(b) of title 16, United
2 States Code, but does not include—

3 (A) a reemployed annuitant under sub-
4 chapter III of chapter 83 or chapter 84 of title
5 5, United States Code, or another retirement
6 system for employees of the Government; or

7 (B) an employee having a disability on the
8 basis of which such employee is or would be eli-
9 gible for disability retirement under the applica-
10 ble retirement system referred to in subpara-
11 graph (A).

12 (b)(1) In order to assist in the restructuring of the
13 Federal workforce while minimizing involuntary separa-
14 tions, the head of an agency may pay, or authorize the
15 payment of, a voluntary separation incentive to employees
16 in any component of the agency, employees in any occupa-
17 tion or geographic location, or any combination thereof,
18 who agree, during a continuous 90-day period designated
19 by the agency head for the agency or a component thereof,
20 beginning no earlier than the date of enactment of this
21 Act and ending no later than September 30, 1994, to sep-
22 arate from service with the agency, whether by retirement
23 or resignation.

24 (2) In order to receive a voluntary separation incen-
25 tive, an employee shall separate from service no later than

1 the last day of the 90-day period designated by the agency
2 head under paragraph (1), unless the agency head deter-
3 mines that, in order to ensure the performance of the
4 agency's mission, the employee must agree to continue in
5 service until a later date, but not later than 2 years after
6 such last day of the 90-day period.

7 (c) A voluntary separation incentive—

8 (1) shall be paid in a lump sum after the em-
9 ployee's separation;

10 (2) shall be equal to the lesser of—

11 (A) an amount equal to the amount the
12 employee would be entitled to receive under sec-
13 tion 5595(c) of title 5, United States Code, if
14 the employee were entitled to payment under
15 such section; or

16 (B) \$25,000;

17 (3) shall not be a basis for payment, and shall
18 not be included in the computation, of any other
19 type of Government benefit;

20 (4) shall not be taken into account in determin-
21 ing the amount of any severance pay to which an
22 employee may be entitled under section 5595 of title
23 5, United States Code, based on any other separa-
24 tion; and

1 (5) shall be paid from appropriations or funds
2 available for the payment of the basic pay of the em-
3 ployee.

4 (d) An employee who has received a voluntary separa-
5 tion incentive under this section and accepts employment
6 with the Government of the United States within 2 years
7 of the date of the separation on which payment of the in-
8 centive is based shall be required to repay the entire
9 amount of the incentive to the agency that paid the incen-
10 tive. If the employment is with an Executive agency (as
11 defined in section 105 of title 5, United States Code), the
12 Director of the Office of Personnel Management may, at
13 the request of the head of the agency, waive the repayment
14 if the employment is in a position for which there is excep-
15 tional difficulty in recruiting a qualified employee. If the
16 employment is with an entity in the legislative branch, the
17 head of the entity or the appointing official may waive the
18 repayment if the employment is in a position for which
19 there is exceptional difficulty in recruiting a qualified em-
20 ployee. If the employment is with the judicial branch, the
21 Director of the Administrative Office of the United States
22 Courts may waive the repayment if the employment is in
23 a position for which there is exceptional difficulty in re-
24 cruiting a qualified employee.

1 (e) The Director of the Office of Personnel Manage-
2 ment may prescribe any regulations necessary for the ad-
3 ministration of this Act.

4 (f) The Director of the Administrative Office of the
5 United States Courts may, by regulation, establish a pro-
6 gram consistent with the program established by sub-
7 sections (a) through (d) of this section for employees of
8 the judicial branch.

9 (g) It is the sense of Congress that—

10 (1) employment in the Executive Branch should
11 be reduced by not less than one full-time equivalent
12 position for each two employees who are paid vol-
13 untary separation incentives under this Act; and

14 (2) each agency should adjust its employment
15 levels to achieve this result.

16 **SEC. 13004. REPAYMENT OF SEPARATION PAY.**

17 (a) Section 5597 of title 5, United States Code, is
18 amended by adding at the end the following new sub-
19 section:

20 “(g) An employee who receives separation pay under
21 this section on the basis of a separation occurring on or
22 after the date of enactment of the Federal Workforce Re-
23 structuring Act of 1993 and accepts employment with the
24 Government of the United States within 2 years of the
25 date of the separation on which payment of the separation

1 pay is based shall be required to repay the entire amount
2 of the separation pay to the defense agency that paid the
3 separation pay. If the employment is with an Executive
4 agency (as defined in section 105 of title 5, United States
5 Code), the Director of the Office of Personnel Manage-
6 ment may, at the request of the head of the agency, waive
7 the repayment if the employment is in a position for which
8 there is exceptional difficulty in recruiting a qualified em-
9 ployee. If the employment is with an entity in the legisla-
10 tive branch, the head of the entity or the appointing offi-
11 cial may waive the repayment if the employment is in a
12 position for which there is exceptional difficulty in recruit-
13 ing a qualified employee. If the employment is with the
14 judicial branch, the Director of the Administrative Office
15 of the United States Courts may waive the repayment if
16 the employment is in a position for which there is excep-
17 tional difficulty in recruiting a qualified employee.”.

18 (b) Section 2(b) of the Central Intelligence Agency
19 Voluntary Separation Pay Act (Public Law 103–36; 107
20 Stat. 104) is amended by adding at the end the following:
21 “An employee who receives separation pay under this sec-
22 tion on the basis of a separation occurring on or after the
23 date of enactment of the Federal Workforce Restructuring
24 Act of 1993 and accepts employment with the Government
25 of the United States within 2 years of the date of the sepa-

1 ration on which payment of the separation pay is based
2 shall be required to repay the entire amount of the separa-
3 tion pay to the Central Intelligence Agency. If the employ-
4 ment is with an Executive agency (as defined in section
5 105 of title 5, United States Code), the Director of the
6 office of Personnel Management may, at the request of
7 the head of the agency, waive the repayment if the employ-
8 ment is in a position for which there is exceptional dif-
9 ficulty in recruiting a qualified employee. If the employ-
10 ment is with an entity in the legislative branch, the head
11 of the entity or the appointing official may waive the re-
12 payment if the employment is in a position for which there
13 is exceptional difficulty in recruiting a qualified employee.
14 If the employment is with the judicial branch, the Director
15 of the Administrative Office of the United States Courts
16 may waive the repayment if the employment is in a posi-
17 tion for which there is exceptional difficulty in recruiting
18 a qualified employee.”.

19 **SEC. 13005. ADDITIONAL AGENCY PAYMENTS TO FUND.**

20 (a) Section 8334 of title 5, United States Code, is
21 amended by adding at the end the following new sub-
22 section:

23 “(1) In addition to any other payments re-
24 quired by this subchapter, an agency shall remit to
25 the Office for deposit in the Treasury of the United

1 States to the credit of the Fund an amount equal to
2 9 percent of the final rate of basic pay of each em-
3 ployee of the agency who retires under section
4 8336(d).”.

5 (b) The amendment made by this section shall apply
6 with respect to retirements occurring on or after the date
7 of enactment of this Act.

8 **Subtitle B—SES Annual Leave**
9 **Accumulation**

10 **SEC. 1301. SES ANNUAL LEAVE ACCUMULATION.**

11 (a) Effective on the last day of the last applicable
12 pay period beginning in calendar year 1993, subsection (f)
13 of section 6304 of title 5, United States Code, is repealed.

14 (b) Notwithstanding the amendment made by sub-
15 section (a), in the case of an employee who, on the effec-
16 tive date of subsection (a), is subject to subsection (f) of
17 section 6304 of title 5, United States Code, and who has
18 to such employee’s credit annual leave in excess of the
19 maximum accumulation otherwise permitted by subsection
20 (a) or (b) of section 6304, such excess annual leave shall
21 remain to the credit of the employee and be subject to
22 reduction, in the same manner as provided in subsection
23 (c) of section 6304.

1 **TITLE XIV—REINVENTING**
2 **SUPPORT SERVICES**

3 **SEC. 14001. SHORT TITLE.**

4 This title may be cited as the “Government Informa-
5 tion Dissemination and Printing Improvement Act of
6 1993”.

7 **SEC. 14002. PURPOSE.**

8 The purpose of this title is to enhance public access
9 to public information, through a diversity of sources and
10 in a variety of forms and formats, by improving the print-
11 ing and dissemination practices of the Federal Govern-
12 ment.

13 **SEC. 14003. DEFINITIONS.**

14 As used herein—

15 (1) “information dissemination product” means
16 any book, paper, map, machine-readable material,
17 audiovisual production, or other documentary mate-
18 rial, regardless of physical form or characteristic,
19 disseminated by an agency to the public; and

20 (2) “public information” means any informa-
21 tion, regardless of form or format, that an agency
22 discloses, disseminates, or makes available to the
23 public pursuant to law, rule, regulation, policy, or
24 practice, and any part of that information.

1 **SEC. 14004. EXECUTIVE BRANCH PRINTING POLICY.**

2 (a) The President shall establish policy for the acqui-
3 sition of printing by Executive branch agencies and pro-
4 mulgate government-wide regulations as appropriate.

5 (b) To the extent practicable and appropriate, the
6 policies promulgated for the acquisition of printing by Ex-
7 ecutive branch agencies shall be consistent with the prin-
8 ciples contained in the Federal Acquisition Regulation,
9 promulgated pursuant to 41 U.S.C. 405a.

10 (c) The policies promulgated pursuant to this section
11 shall ensure that the Government Printing Office has the
12 opportunity to compete on an equal basis for Executive
13 branch agency printing acquisitions.

14 **SEC. 14005. TRANSITION TO EXECUTIVE BRANCH PRINTING.**

15 (a) The Government Printing Office shall remain the
16 mandatory source for Executive branch agencies' printing
17 for 2 years after the effective date of this Act.

18 (b) Notwithstanding subsection (a), Executive agen-
19 cies are authorized to obtain printing services costing
20 under \$2500 from commercial sources, other printing
21 sources operated by Executive branch agencies, or the
22 Government Printing Office during this period.

23 (c) Subsection (a) does to apply to (1) printing for
24 the Central Intelligence Agency, the Defense Intelligence
25 Agency, and the National Security Agency, or (2) printing

1 from other sources that are specifically authorized by law
2 at the time of enactment of this Act.

3 **SEC. 14006. AUTHORITY AND FUNCTIONS OF THE DIREC-**
4 **TOR OF THE OFFICE OF MANAGEMENT AND**
5 **BUDGET.**

6 The Director of the Office of Management and Budg-
7 et (the Director) shall develop policies and practices for
8 agency dissemination of public information to ensure that
9 agencies—

10 (1) make information dissemination products
11 available on timely, equitable and cost effective
12 terms;

13 (2) encourage a diversity of public and private
14 information dissemination products;

15 (3) avoid establishing, or permitting others to
16 establish, exclusive, restricted, or other distribution
17 arrangements that interfere with the availability of
18 information dissemination products on a timely and
19 equitable basis; and

20 (4) set user charges for information dissemina-
21 tion products no higher than sufficient to recover
22 the cost of dissemination, except where required by
23 statute or specifically authorized by the Director.

24 **SEC. 14007. FEDERAL AGENCY RESPONSIBILITIES.**

25 The head of each Executive branch agency shall—

1 (1) ensure that the public has timely and equi-
2 table access to the agency's public information;

3 (2) disseminate public information in an effi-
4 cient, cost effective, and economical manner;

5 (3) provide notice to the Superintendent of
6 Documents and otherwise comply with the require-
7 ments of section 1710, title 44, United States Code;

8 (4) establish fees and other dissemination ar-
9 rangements in a manner consistent with the policies
10 and practices developed by the Director under Sec-
11 tion 14006 of this Act;

12 (5) consider whether information dissemination
13 products available from other Federal or nonfederal
14 sources are equivalent to any agency information
15 dissemination product and reasonably fulfill the dis-
16 semination responsibilities of the agency; and

17 (6) regularly solicit and consider public input
18 on the agency's information dissemination program.

19 **SEC. 14008. DEPOSITORY LIBRARY PROGRAM.**

20 (a) Within 1 year of the date of enactment of this
21 Act, the Director shall, in consultation with the Secretary
22 of Commerce, the Superintendent of Documents, the Li-
23 brarian of Congress the Archivist of the United States,
24 and the public, propose such amendments to Chapter 19
25 of title 44, United States Code, as may be necessary and

1 appropriate to ensure the distribution of government in-
2 formation dissemination products to the depository librar-
3 ies.

4 (b) The policies promulgated pursuant to section
5 14005 of this Act shall reaffirm agency responsibilities to
6 cooperate with the Superintendent of Documents with re-
7 gard to the distribution of government publications to the
8 depository libraries.

9 (c) Agency information dissemination programs shall
10 include provisions to maximize the distribution of informa-
11 tion dissemination products to the depository libraries.

12 **SEC. 14009. ESTABLISHMENT AND OPERATION OF GOVERN-**
13 **MENT INFORMATION LOCATOR SERVICE.**

14 Section 3511 of title 44, United States Code, is
15 amended to read as follows:

16 “(a) In order to assist agencies and the public in re-
17 ducing the burden of agency information collection re-
18 quests by minimizing duplication, the Director shall main-
19 tain a publicly accessible comprehensive inventory of all
20 approved Federal agency information collection requests.

21 “(b) In order to assist agencies and the public in lo-
22 cating information and to promote information sharing
23 and equitable access by the public, the Director shall—

24 “(1) cause to be established and maintained a
25 distributed agency-based electronic Government In-

1 formation Locator Service supported by agency in-
2 ventory systems which identify significant public in-
3 formation holdings consistent with the requirements
4 of Section 4101 of title 44, United States Code;

5 “(2) require each agency having significant in-
6 formation dissemination products to establish and
7 maintain a comprehensive inventory of such prod-
8 ucts, and shall prescribe the minimum contents of
9 such inventories, subject to any technical standards
10 developed pursuant to paragraph (3); and

11 “(3) establish an interagency committee, in co-
12 operation with the Secretary of Commerce, the Ar-
13 chivist of the United States, the Administrator of
14 General Services, the Public Printer, and the Librar-
15 ian of Congress, to develop such technical standards
16 for agency inventory systems as may be necessary
17 and appropriate.”.

18 **SEC. 14010. TECHNICAL AND CONFORMING AMENDMENTS.**

19 (a) Section 103 of title 44, United States Code, is
20 amended by striking “Government,” and inserting “Con-
21 gressional and Judicial branch publications”.

22 (b) Section 312 of title 44, United States Code, is
23 amended by striking “Government” and inserting “Con-
24 gress or the Judiciary (other than the Supreme Court)”
25 in the first sentence of the section.

1 (c) Section 313 of title 44, United States Code, is
2 amended by inserting “for the use of Congress or the Ju-
3 diciary (other than the Supreme Court)” after “other-
4 wise” in the first paragraph thereof.

5 (d) Section 501 of title 44, United States Code, is
6 amended to read as follows: “Government printing, bind-
7 ing, and blank-book work for Congress and the Judiciary
8 (other than the Supreme Court) shall be done at the Gov-
9 ernment Printing Office, except classes of work the Public
10 Printer considers appropriate to be done elsewhere.”.

11 (e) Sections 503, 504, 508, 509, 510, 512, 513, and
12 514 of title 44, United States Code, are repealed.

13 (f) Chapter 11 of title 44, United States Code, is re-
14 pealed in its entirety.

15 (g) Section 1502 of title 44, United States Code, is
16 amended by striking “and, together with the Public Print-
17 er,” after “custody” in the first section.

18 (h) Section 1503 of title 44, United States Code, is
19 amended by striking the sixth sentence, which reads, “The
20 Office shall transmit immediately to the Government
21 Printing Office for printing, as provided by this chapter,
22 one duplicate original or certified copy of each document
23 required or authorized to be published by section 1505 of
24 this title.”.

1 (i) Section 1504 of title 44, United States Code, is
2 repealed.

3 (j) Section 1506 of title 44, United States Code, is
4 amended by striking “Public Printer or Acting Printer”.

5 (k) Section 1701 of title 44, United States Code, is
6 repealed.

7 (l) Section 207 of Public Law 102–392, Legislative
8 Branch Appropriations Act, 1993, is repealed.

9 **TITLE XV—STREAMLINING**
10 **MANAGEMENT CONTROL**

11 **SEC. 15001. AUTHORITY TO INCREASE EFFICIENCY IN RE-**
12 **PORTING TO CONGRESS.**

13 (a) PURPOSE.—The purpose of this title is to improve
14 the efficiency of Executive branch performance in imple-
15 menting statutory requirements for reports to Congress
16 and its committees. Examples of improvements in effi-
17 ciency intended by this subtitle are the elimination or con-
18 solidation of duplicative or obsolete reporting requirements
19 and adjustments to deadlines that will provide for more
20 efficient workload distribution or improve the quality of
21 reports.

22 (b) AUTHORITY OF THE DIRECTOR.—The Director of
23 the Office of Management and Budget may publish annu-
24 ally in the President’s Budget his recommendations for
25 consolidation, elimination, or adjustments in frequency

1 and due dates of statutorily required periodic reports to
2 the Congress or its committees. For each recommendation,
3 the Director shall provide an individualized statement of
4 the reasons that support the recommendation. In addition,
5 for each report for which a recommendation is made, the
6 Director shall state with specificity the exact consolida-
7 tion, elimination, or adjustment in frequency or due date
8 that is recommended. If the Director's recommendations
9 are approved by law, they shall take effect.

10 (c) The Director's recommendations shall be consist-
11 ent with the purpose stated in subsection (a).

12 (d) Prior to the publication of the recommendations
13 authorized in subsection (b), the Director or his designee
14 shall consult with the appropriate congressional commit-
15 tees concerning the recommendations.

16 **TITLE XVI—FINANCIAL** 17 **MANAGEMENT**

18 **SEC. 16001. SHORT TITLE.**

19 This title may be cited as the “Federal Financial
20 Management Act of 1993”.

21 **Subtitle A—Electronic Payments**

22 **SEC. 16101. ELECTRONIC PAYMENTS.**

23 (a) Section 3332 of title 31, United States Code, is
24 amended to read as follows:

“3332. Required direct deposit.

1 “(a)(1) Notwithstanding any other provision of law,
2 all Federal wage, salary, and retirement payments shall
3 be paid to recipients of such payments by electronic funds
4 transfer, unless another method has been determined by
5 the Secretary of the Treasury to be appropriate.

6 “(2) Each recipient of Federal wage, salary, or retire-
7 ment payments shall designate one or more financial insti-
8 tutions or other authorized payment agents and provide
9 the payment certifying or authorizing agency information
10 necessary for the recipient to receive electronic funds
11 transfer payments through each institution so designated.

12 “(b)(1) The head of each agency shall waive the re-
13 quirements of subsection (a) of this section for a recipient
14 of Federal wage, salary, or retirement payments author-
15 ized or certified by the agency upon written request by
16 such recipient.

17 “(2) Federal wage, salary, or retirement payments
18 shall be paid to any recipient granted a waiver under para-
19 graph (1) of this subsection by any method determined
20 appropriate by the Secretary of the Treasury.

21 “(c)(1) The Secretary of the Treasury may waive the
22 requirements of subsection (a) of this section for any
23 group of recipients upon request by the head of an agency
24 under standards prescribed by the Secretary of the Treas-
25 ury.

1 “(2) Federal wage, salary, or retirement payments
2 shall be paid to any member of a group granted a waiver
3 under paragraph (1) of this subsection by any method de-
4 termined appropriate by the Secretary of the Treasury.

5 “(d) This section shall apply only to recipients of
6 Federal wage or salary payments who begin to receive
7 such payments on or after January 1, 1995, and recipients
8 of Federal retirement payments who begin to receive such
9 payments on or after January 1, 1995.

10 “(e) The crediting of the amount of a payment to
11 the appropriate account on the books of a financial institu-
12 tion or other authorized payment agent designated by a
13 payment recipient under this section shall constitute a full
14 acquittance to the United States for the amount of the
15 payment.”.

16 (b) The table of sections for chapter 33 of title 31,
17 United States Code, is amended by amending the item for
18 section 3332 to read:
 “3332. Required direct deposit.”.

19 **Subtitle B—Franchise Funds and**
20 **Innovation Funds**

21 **SEC. 16201. FRANCHISE FUNDS AND INNOVATION FUNDS.**

22 (a) Title 31, United States Code, is amended by add-
23 ing, after section 1537, a section 1538, as follows:

1 **“§ 1538. Franchise funds**

2 “(a) There is hereby authorized to be established a
3 franchise fund in any executive agency which does not
4 have such a fund which shall be available, without further
5 appropriation action by the Congress, for expenses and
6 equipment necessary for the maintenance and operations
7 of such administrative services as the head of the agency,
8 with the approval of the Office of Management and Budg-
9 et, determines may be performed more advantageously on
10 a centralized basis.

11 “(b)(1) The fund shall consist of the fair and reason-
12 able value of inventories, equipment, and other assets and
13 inventories on order pertaining to the services to be pro-
14 vided by the fund as are transferred by the head of the
15 agency to the fund less related liabilities and unpaid obli-
16 gations together with any appropriations made for the
17 purpose of providing capital.

18 “(2) For the first fiscal year a fund is in operation
19 and each fiscal year thereafter, an amount not to exceed
20 4 percent of the total income of the fund may be retained
21 in the fund, to remain available until expended, to be used
22 only for the acquisition of capital equipment and for the
23 improvement and implementation of agency financial man-
24 agement and related support systems.

25 “(3) For the first three fiscal years a fund is in oper-
26 ation, up to 50 percent of the unobligated balances of

1 funds provided in annual appropriations available at the
2 end of the fiscal year to the agency for salaries and ex-
3 penses may be transferred into the fund no later than the
4 end of the succeeding fiscal year.

5 “(c) The fund shall be reimbursed or credited with
6 payments, including advance payments, from applicable
7 appropriations and funds of the agency, other Federal
8 agencies, and other sources authorized by law for supplies,
9 materials, and services at rates which will recover the ex-
10 penses of operations including accrued leave, depreciation
11 of fund plant and equipment, and an amount necessary
12 to maintain a reasonable operating reserve, as determined
13 by the head of the agency.

14 “(d)(1) In the third fiscal year after the fund is es-
15 tablished, and each year thereafter, any Federal entity
16 seeking to obtain any service financed through the fund
17 that is not inherently governmental in nature must not
18 be precluded from obtaining such service from one or more
19 other sources, either governmental or non-governmental,
20 in addition to the source finance through the funds.

21 “(2) If, after the end of the third fiscal year after
22 a fund is established, any Federal entity seeking to obtain
23 any service financed through the fund that is not inher-
24 ently governmental in nature is precluded from obtaining
25 such service from one or more other sources, either gov-

1 ernmental or non-governmental, in addition to the source
2 financed through the fund, the fund shall be cancelled.”.

3 (b) The table of sections for subchapter III of chapter
4 15 of title 31, United States Code, is amended by adding,
5 after the item for section 1537, the following new item:
6 “Section 1538. Franchise Funds.”.

7 (c) Title 31, United States Code, is amended by add-
8 ing, after section 1538, a section 1539, as follows:

9 **“§ 1539. Innovation funds**

10 “(a) There is hereby authorized to be established an
11 innovation fund in any executive agency which does not
12 have such a fund, which shall be available without further
13 appropriation action by the Congress.

14 “(b) The purpose of the fund is to provide a self-
15 sustaining source of financing for agencies to invest in
16 projects designed to produce measurable improvements in
17 agency efficiency and significant taxpayer savings.
18 Amounts available in the fund may be borrowed by the
19 agency for such projects, subject to subsection (e).

20 “(c) Each agency that establishes an innovation fund
21 will develop an investment project selection process, in-
22 cluding specific investment criteria such as return on in-
23 vestment, payback period, extent of matching or in-kind
24 support (including such support from other Federal agen-
25 cies), technical merit, and budget justification.

1 “(d) For the first three fiscal years a fund is in oper-
2 ation, up to 50 percent of the unobligated balances of
3 funds provided in annual appropriations available at the
4 end of the fiscal year to the agency (other than appropria-
5 tions for salaries and expenses) may be transferred to and
6 merged with the innovation fund to be available to make
7 loans to agency components for projects designed to en-
8 hance productivity and generate cost savings, provided
9 that such transfers occur no later than the end of the suc-
10 ceeding fiscal year.

11 “(e)(1) Any amounts borrowed from the fund by an
12 agency component to finance a project selected under the
13 process described in subsection (c) shall be repaid to the
14 fund at the times specified in the repayment schedule
15 agreed upon at the time the loan is made.

16 “(2) Interest on loans made by the fund shall be paid
17 to the fund at the rate on marketable Treasury securities
18 of similar maturity at the time the loan is made.

19 “(3) Repayments shall be made from the accounts
20 anticipated to receive the greatest long-term benefit from
21 the project at the time the loan is made.

22 “(4) Repayments to the fund shall take priority over
23 any other obligation of payments of an account designated
24 to make repayments under paragraph (3) of this sub-
25 section.”.

1 (d) The table of sections for subchapter III of chapter
2 15 of title 31, United States Code, is amended by adding,
3 after the item for section 1538, the following new item:
“Section 1539. Innovation Funds.”.

4 **Subtitle C—Simplifying the**
5 **Management Reporting Process**

6 **SEC. 16301. SIMPLIFICATION OF MANAGEMENT REPORTING**
7 **PROCESS.**

8 (a) To improve the efficiency of Executive branch
9 performance in implementing statutory requirements for
10 general management and financial management reports to
11 the Congress and its committees, the Director of the Of-
12 fice of Management and Budget may publish annually in
13 the President’s Budget his recommendations for consoli-
14 dation, elimination, or adjustments in frequency and due
15 dates of statutorily required periodic reports of agencies
16 to the Office of Management and Budget or the President
17 and of agencies or the Office of Management and Budget
18 to the Congress under any laws for which the Office of
19 Management and Budget has general management or fi-
20 nancial management responsibility. For each rec-
21 ommendation, the Director shall provide an individualized
22 statement of the reasons that support the recommenda-
23 tion. In addition, for each report for which a recommenda-
24 tion is made, the Director shall state with specificity the
25 exact consolidation, elimination, or adjustment in fre-

1 quency or due date that is recommended. If the Director's
2 recommendations are approved by law, they shall take ef-
3 fect.

4 (b) The Director's recommendations shall be consist-
5 ent with the purpose stated in subsection (a).

6 (c) Prior to the publication of the recommendations
7 authorized in subsection (a), the Director or his designee
8 shall consult with the appropriate congressional commit-
9 tees, including the House Committee on Government Op-
10 erations and the Senate Committee on Governmental Af-
11 fairs, concerning the recommendations.

12 **Subtitle D—Annual Financial** 13 **Reports**

14 **SEC. 16401. ANNUAL FINANCIAL REPORTS.**

15 (a) Section 3515 of title 31, United States Code, is
16 amended to read as follows:

17 **“§ 3515. Financial statements of agencies**

18 “(a) Not later than March 1 of 1997 and each year
19 thereafter, the head of each executive agency identified in
20 section 901(b) of this title shall prepare and submit to
21 the Director of the Office of Management and Budget an
22 audited financial statement for the preceding fiscal year,
23 covering all accounts and associated activities of each of-
24 fice, bureau, and activity of the agency.

1 “(b) Each audited financial statement of an executive
2 agency under this section shall reflect—

3 “(1) the overall financial position of the offices,
4 bureaus, and activities covered by the statement, in-
5 cluding assets and liabilities thereof; and

6 “(2) results of operations of those offices, bu-
7 reaus, and activities.

8 “(c) The Director of the Office of Management and
9 Budget shall prescribe the form and content of the finan-
10 cial statements of executive agencies under this section,
11 consistent with applicable accounting principles, stand-
12 ards, and requirements.

13 “(d) The Director of the Office of Management and
14 Budget may waive the application of all or part of sub-
15 section (a).

16 “(e) Not later than March 1 of 1996, the head of
17 each Executive agency identified in section 901(b) of this
18 title and designated by the Director of the Office of Man-
19 agement and Budget shall prepare and submit to the Di-
20 rector of the Office of Management and Budget an audited
21 financial statement for the preceding fiscal year, covering
22 all accounts and associated activities of each office, bu-
23 reau, and activity of the agency.

24 “(f) Not later than March 31 of 1994, 1995, and,
25 for Executive agencies not designated by the Director of

1 the Office of Management and Budget under subsection
2 (e), 1996, the head of each Executive agency identified
3 in section 901(b) of this title shall prepare and submit
4 to the Director of the Office of Management and Budget
5 a financial statement for the preceding fiscal year, cover-
6 ing—

7 “(1) each revolving fund and trust fund of the
8 agency; and

9 “(2) to the extent practicable, the accounts of
10 each office, bureau, and activity of the agency which
11 performed substantial commercial functions during
12 the preceding fiscal year.

13 “(g) for purposes of subsection (f), the term ‘commer-
14 cial functions’ includes buying and leasing of real estate,
15 providing insurance, making loans and loan guarantees,
16 and other credit programs and any activity involving the
17 provision of a service or thing for which a fee, royalty,
18 rent, or other charge is imposed by an agency for services
19 and things of value it provides.”.

20 (b) Subsection 3521(f) of title 31, United States
21 Code, is amended to read as follows:

22 “(f)(1) For each audited financial statement required
23 under subsections (a) and (e) of section 3515 of this title,
24 the person who audits the statement for purpose of sub-
25 section (e) of this section shall submit a report on the

1 audit to the head of the agency. A report under this sub-
2 section shall be prepared in accordance with generally ac-
3 cepted government auditing standards.

4 “(2) Not later than June 30 following the fiscal year
5 for which a financial statement is submitted under sub-
6 section (f) of section 3515 of this title, the person who
7 audits the statement for purpose of subsection (e) of this
8 section shall submit a report on the audit to the head of
9 the agency. A report under this subsection shall be pre-
10 pared in accordance with generally accepted government
11 auditing standards.”.

12 **Subtitle E—Strengthening Debt** 13 **Collection Programs**

14 **SEC. 16501. AUTHORIZATION OF APPROPRIATIONS FOR EN-** 15 **HANCING DEBT COLLECTION.**

16 (a) Title 31, United States Code, is amended by add-
17 ing, after section 3720A, a section 3720B, as follows:

18 **“§ 3720B. Authorization of appropriations for enhanc-** 19 **ing debt collection**

20 “(a) To the extent and in the amounts provided in
21 advance in appropriations acts—

22 “(1) an amount not to exceed 1 percent of the
23 delinquent debts collected for a program in one fiscal
24 year is authorized to be credited in the following fis-
25 cal year to a special fund for such program;

1 “(2) an amount not to exceed 10 percent of any
2 sustained annual increase in delinquent debt collec-
3 tions, as defined by the Director of the Office of
4 Management and Budget, is authorized to be cred-
5 ited to a special fund for such program; and

6 “(3) from amounts credited under paragraphs
7 (1) and (2), such sums as may be necessary are au-
8 thorized to be appropriated for the improvement of
9 that program’s debt collection activities, including,
10 but not limited to, account and loan servicing, delin-
11 quent debt collection and asset disposition.

12 “(b) Debt is defined as delinquent under standards
13 prescribed or to be prescribed by the Secretary of the
14 Treasury.

15 “(c) For direct loan and loan guarantee programs
16 subject to Title V of the Congressional Budget Act of
17 1974, amounts credited in accordance with section (a)
18 shall be considered administrative costs and shall not be
19 included in the estimated payments to the Government for
20 the purpose of calculating the cost of such programs.”.

21 (b) The table of sections for subchapter II of chapter
22 37 of title 31, United States Code, is amended by adding,
23 after the item for section 3720A, the following new item:
 “Section 3720B. Authorization of appropriations for enhancing debt collection.”.

1 **SEC. 16502. CONTRACTS FOR COLLECTION SERVICES.**

2 (a) Subsection 3701(d) of Title 31, United States
3 Code, is amended—

4 (1) by striking “and 3716–3719” and inserting
5 in lieu thereof “, 3716, and 3717”; and

6 (2) by striking “, the Social Security Act (42
7 U.S.C. 301 et seq.),”.

8 (b) Section 3701 of title 31, United States Code, is
9 amended by adding at the end the following:

10 “(e) Section 3718 of this title does not apply to a
11 claim or debt under, or to an amount payable under, the
12 Social Security Act (42 U.S.C. 301 et seq.) owed by a
13 person receiving benefits under that Act or to a claim or
14 debt under, or to an amount payable under, title 26 of
15 the United States Code.”.

16 **SEC. 16503. NOTIFICATION TO AGENCIES OF DEBTORS’**
17 **MAILING ADDRESSES.**

18 Section 3720A of title 31, United States Code is
19 amended by striking “the individual’s home address.” at
20 the end of subsection (c) and inserting the following: “the
21 person’s mailing address. Provision of this information is
22 authorized by section 6103(m)(2) of the Internal Revenue
23 Code (26 U.S.C. 6103(m)(2)).”.

1 **Subtitle F—Improving Department**
2 **of Justice Debt Collection**

3 **SEC. 16601. DEBT COLLECTION FUND.**

4 (a) Section 3011 of title 28, United States Code, is
5 amended to read as follows:

6 **“§ 3011. Establishment of debt collection fund; assess-**
7 **ment of surcharge on debt**

8 “(a) AUTHORIZATION OF APPROPRIATIONS.—

9 “(1) ESTABLISHMENT OF DEBT COLLECTION
10 FUND.—

11 (A) There is hereby established in the
12 Treasury a Debt Collection Fund (hereafter re-
13 ferred to as “the Fund”), which shall be avail-
14 able to the Attorney General to the extent and
15 in such amounts as are provided in advance in
16 appropriations Acts solely for the purposes
17 specified in paragraph (2).

18 “(B) If at the end of any fiscal year, unap-
19 propriated balances in the Fund exceed
20 \$15,000,000, the excess balances shall be trans-
21 ferred to the general fund of the Treasury.

22 “(2) The Attorney General may use amounts
23 appropriated to the Fund to reimburse any appro-
24 priation or fund of the Department of Justice or any
25 other executive agency for expenses incurred in con-

1 ducting or providing support to debt collection litiga-
2 tion, enforcing judgments, and related activities per-
3 taining to the collection of any debt or monies owed
4 to the United States Government.

5 “(3) Reimbursement received pursuant to para-
6 graph (2) shall be used solely for the purposes speci-
7 fied in that paragraph under authorities available to
8 the receiving appropriation or fund.

9 “(b) SURCHARGE.—

10 “(1) ASSESSMENT OF SURCHARGE ON DEBT.—

11 “(A) In any action in which the United
12 States prevails on its claim for a debt, and sub-
13 ject to paragraph (b)(1)(B) and (b)(2), the
14 court shall award the United States, and the
15 Department of Justice shall collect and deposit,
16 a surcharge of 10 percent of the total amount
17 of any judgment or settlement which is ap-
18 proved by the court.

19 “(B) Paragraph (b)(1)(A) shall not apply
20 if—

21 “(i) the United States receives an at-
22 torney’s fee in connection with the enforce-
23 ment of the claim;

1 “(ii) the law upon which the action or
2 claim is based provides any other amount
3 to cover such costs; or

4 “(iii) the judgment or settlement is
5 for a claim under title 26, United States
6 Code.

7 “(C) Notwithstanding 31 U.S.C. 3302 or
8 any other statute affecting the crediting of col-
9 lections, and pursuant to section (b)(2), for fis-
10 cal year 1994 and thereafter, surcharges col-
11 lected pursuant to this section shall be depos-
12 ited in, and collect to, the Fund.

13 “(2) AUTHORITY TO AWARD AND CREDIT OF
14 SURCHARGES.—The authority of the court to award
15 surcharges and of the Department of Justice to col-
16 lect and deposit such surcharges pursuant to para-
17 graph (b)(1) shall be available only to the extent
18 provided in advance in appropriations Acts.”.

19 (b) The table of sections for chapter 176 of Title 28,
20 United States Code, is amended by amending the item for
21 Section 3011 to read: “3011. Establishment of debt collec-
22 tion fund; assessment of surcharge on debt.”.

23 **SEC. 16602. CONTRACTS FOR COLLECTION SERVICES.**

24 Subparagraph 3718(B)(1)(A) of title 31, United
25 States Code, is amended by striking the following: “If the

1 Attorney General makes a contract for legal services to
2 be furnished in any judicial district of the United States
3 under the first sentence of this paragraph, the Attorney
4 General shall use his best efforts to obtain, from among
5 attorneys regularly engaged in the private practice of law
6 in such district, at least four such contracts with private
7 individuals or firms in such district.”.

8 **Subtitle G—Adjusting Civil**
9 **Monetary Penalties for Inflation**

10 **SEC. 16701. ADJUSTING CIVIL MONETARY PENALTIES FOR**
11 **INFLATION.**

12 The Federal Civil Penalties Inflation Adjustment Act
13 of 1990 is amended by—

14 (1) amending section 4 to read as follows: “The
15 head of each agency shall—

16 “(1) by regulation, no later than September 30,
17 1994, and at least once every 4 years thereafter, ad-
18 just each civil monetary penalty provided by law
19 within the jurisdiction of the Federal agency, except
20 for any penalty under title 26, United States Code,
21 by the inflation adjustment described under section
22 5 and publish each such adjustment in the Federal
23 Register; and

1 “(2) provide a report to the Secretary of the
2 Treasury by November 15 of each year on all pen-
3 alties adjusted during the preceding fiscal year.”;

4 (2) amending subsection 5(a) by striking “The
5 adjustment described under paragraphs (4) and
6 (5)(A) of section 4” and inserting “The inflation ad-
7 justment”; and

8 (3) adding, after section 6, a section 7, as fol-
9 lows: “Section 7. Any increase to a civil monetary
10 penalty resulting from this Act shall apply only to
11 violations which occur after the date any such in-
12 crease takes effect.”.

13 **TITLE XVII—YEAR-END** 14 **SPENDING**

15 **SEC. 17001. YEAR-END SPENDING.**

16 Section 1301 of title 31, United States Code, is
17 amended by adding the following new subsection at the
18 end:

19 “(e) Not to exceed 50 percent of unobligated balances
20 remaining available at the end of one fiscal year from ap-
21 propriations made available for salaries and expenses
22 made for that year shall remain available through Septem-
23 ber 30 of the following fiscal year for each account for
24 the same purposes. Not to exceed 2 percent of the funds
25 so carried over may be used to pay cash awards to employ-

1 ees, as authorized by law, and not to exceed 3 percent
2 of the funds may be used for employee training pro-
3 grams.”.

○

HR 3400 IH—2

HR 3400 IH—3

HR 3400 IH—4

HR 3400 IH—5

HR 3400 IH—6

HR 3400 IH—7

HR 3400 IH—8

HR 3400 IH—9

HR 3400 IH—10