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VETO MESSAGE ON H.R. 1591

MESSAGE

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

NOTIFICATION OF THE VETO OF H.R. 1591, THE U.S. TROOP READINESS, VETERANS' CARE, KATRINA RECOVERY, AND IRAQ ACCOUNTABILITY APPROPRIATIONS ACT, 2007

MAY 2, 2007.—Message and accompanying bill referred to the Committee on Appropriations and ordered to be printed

U.S. GOVERNMENT PRINTING OFFICE

★ 59–012 WASHINGTON : 2007

To the House of Representatives:

I am returning herewith without my approval H.R. 1591, the "U.S. Troop Readiness, Veterans' Care, Katrina Recovery, and Iraq Accountability Appropriations Act, 2007."

This legislation is objectionable because it would set an arbitrary date for beginning the withdrawal of American troops without regard to conditions on the ground; it would micromanage the commanders in the field by restricting their ability to direct the fight in Iraq; and it contains billions of dollars of spending and other provisions completely unrelated to the war.

Precipitous withdrawal from Iraq is not a plan to bring peace to the region or to make our people safer here at home. The mandated withdrawal in this bill could embolden our enemies—and confirm their belief that America will not stand behind its commitments. It could lead to a safe haven in Iraq for terrorism that could be used to attack America and freedom-loving people around the world, and is likely to unleash chaos in Iraq that could spread across the region. Ultimately, a precipitous withdrawal could increase the probability that American troops would have to one day return to Iraq—to confront an even more dangerous enemy.

The micromanagement in this legislation is unacceptable because it would create a series of requirements that do not provide the flexibility needed to conduct the war. It would constrict how and where our Armed Forces could engage the enemy and defend the national interest, and would provide confusing guidance on which of our enemies the military could engage. The result would be a marked advantage for our enemies and greater danger for our troops, as well as an unprecedented interference with the judgments of those who are charged with commanding the military.

Beyond its direction of the operation of the war, the legislation is also unacceptable for including billions of dollars in spending and other provisions that are unrelated to the war, are not an emergency, or are not justified. The Congress should not use an emergency war supplemental to add billions in spending to avoid its own rules for budget discipline and the normal budget process. War supplemental funding bills should remain focused on the war and the needs of our men and women in uniform who are risking their lives to defend our freedoms and preserve our Nation's security.

Finally, this legislation is unconstitutional because it purports to direct the conduct of the operations of the war in a way that infringes upon the powers vested in the Presidency by the Constitution, including as Commander in Chief of the Armed Forces. For these reasons, I must veto this bill.

GEORGE W. BUSH.

THE WHITE HOUSE, *May 1, 2007.*

One Hundred Tenth Congress of the United States of America

AT THE FIRST SESSION

Begun and held at the City of Washington on Thursday, the fourth day of January, two thousand and seven

An Act

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

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 2007, and for other purposes, namely:

TITLE I

GLOBAL WAR ON TERROR SUPPLEMENTAL APPROPRIATIONS

CHAPTER 1

DEPARTMENT OF AGRICULTURE

FOREIGN AGRICULTURAL SERVICE

PUBLIC LAW 480 TITLE II GRANTS

For an additional amount for "Public Law 480 Title II Grants", during the current fiscal year, not otherwise recoverable, and unrecovered prior years' costs, including interest thereon, under the Agricultural Trade Development and Assistance Act of 1954, for commodities supplied in connection with dispositions abroad under title II of said Act, $460,000,000, to remain available until expended.

GENERAL PROVISION—THIS CHAPTER

SEC. 1101. There is hereby appropriated $40,000,000 to reimburse the Commodity Credit Corporation for the release of eligible commodities under section 302(f)(2)(A) of the Bill Emerson Humanitarian Trust Act (7 U.S.C. 1736f–1): *Provided,* That any such funds made available to reimburse the Commodity Credit Corporation shall only be used to replenish the Bill Emerson Humanitarian Trust.

CHAPTER 2

DEPARTMENT OF JUSTICE

LEGAL ACTIVITIES

SALARIES AND EXPENSES, GENERAL LEGAL ACTIVITIES

For an additional amount for "Salaries and Expenses, General Legal Activities", $1,648,000, to remain available until September 30, 2008.

SALARIES AND EXPENSES, UNITED STATES ATTORNEYS

For an additional amount for "Salaries and Expenses, United States Attorneys", $5,000,000, to remain available until September 30, 2008.

UNITED STATES MARSHALS SERVICE

SALARIES AND EXPENSES

For an additional amount for "Salaries and Expenses", $6,450,000, to remain available until September 30, 2008.

NATIONAL SECURITY DIVISION

SALARIES AND EXPENSES

For an additional amount for "Salaries and Expenses", $1,736,000, to remain available until September 30, 2008.

FEDERAL BUREAU OF INVESTIGATION

SALARIES AND EXPENSES

For an additional amount for "Salaries and Expenses", $268,000,000, of which $258,000,000 is to remain available until September 30, 2008 and $10,000,000 is to remain available until expended to implement corrective actions in response to the findings and recommendations in the Department of Justice Office of Inspector General report entitled, "A Review of the Federal Bureau of Investigation's Use of National Security Letters", of which $500,000 shall be transferred to and merged with "Department of Justice, Office of the Inspector General".

DRUG ENFORCEMENT ADMINISTRATION

SALARIES AND EXPENSES

For an additional amount for "Salaries and Expenses", $12,166,000, to remain available until September 30, 2008.

BUREAU OF ALCOHOL, TOBACCO, FIREARMS AND EXPLOSIVES

SALARIES AND EXPENSES

For an additional amount for "Salaries and Expenses", $4,000,000, to remain available until September 30, 2008.

FEDERAL PRISON SYSTEM

SALARIES AND EXPENSES

For an additional amount for "Salaries and Expenses", $17,000,000, to remain available until September 30, 2008.

CHAPTER 3

DEPARTMENT OF DEFENSE—MILITARY

MILITARY PERSONNEL

MILITARY PERSONNEL, ARMY

For an additional amount for "Military Personnel, Army", $8,853,350,000.

MILITARY PERSONNEL, NAVY

For an additional amount for "Military Personnel, Navy", $1,100,410,000.

MILITARY PERSONNEL, MARINE CORPS

For an additional amount for "Military Personnel, Marine Corps", $1,495,827,000.

MILITARY PERSONNEL, AIR FORCE

For an additional amount for "Military Personnel, Air Force", $1,218,587,000.

RESERVE PERSONNEL, ARMY

For an additional amount for "Reserve Personnel, Army", $147,244,000.

RESERVE PERSONNEL, NAVY

For an additional amount for "Reserve Personnel, Navy", $86,023,000.

RESERVE PERSONNEL, MARINE CORPS

For an additional amount for "Reserve Personnel, Marine Corps", $5,660,000.

RESERVE PERSONNEL, AIR FORCE

For an additional amount for "Reserve Personnel, Air Force", $11,573,000.

NATIONAL GUARD PERSONNEL, ARMY

For an additional amount for "National Guard Personnel, Army", $545,286,000.

NATIONAL GUARD PERSONNEL, AIR FORCE

For an additional amount for "National Guard Personnel, Air Force", $44,033,000.

OPERATION AND MAINTENANCE

OPERATION AND MAINTENANCE, ARMY

For an additional amount for "Operation and Maintenance, Army", $20,373,379,000.

OPERATION AND MAINTENANCE, NAVY

(INCLUDING TRANSFER OF FUNDS)

For an additional amount for "Operation and Maintenance, Navy", $4,676,670,000, of which up to $120,293,000 shall be transferred to Coast Guard, "Operating Expenses", for reimbursement for activities which support activities requested by the Navy.

OPERATION AND MAINTENANCE, MARINE CORPS

For an additional amount for "Operation and Maintenance, Marine Corps", $1,146,594,000.

OPERATION AND MAINTENANCE, AIR FORCE

For an additional amount for "Operation and Maintenance, Air Force", $6,650,881,000.

OPERATION AND MAINTENANCE, DEFENSE-WIDE

For an additional amount for "Operation and Maintenance, Defense-Wide", $2,714,487,000, of which—

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

(2) not to exceed $200,000,000, to remain available until expended, may be used for payments to reimburse Pakistan, Jordan, and other key cooperating nations, for logistical, military, and other support provided to United States military operations, notwithstanding any other provision of law: *Provided,* That such payments may be made in such amounts as the Secretary of Defense, with the concurrence of the Secretary of State, and in consultation with the Director of the Office of Management and Budget, may determine, in his discretion, based on documentation determined by the Secretary of Defense to adequately account for the support provided, and such determination is final and conclusive upon the accounting officers of the United States, and 15 days following notification to the appropriate congressional committees: *Provided further,* That the Secretary of Defense shall provide quarterly reports to the congressional defense committees on the use of funds provided in this paragraph.

OPERATION AND MAINTENANCE, ARMY RESERVE

For an additional amount for "Operation and Maintenance, Army Reserve", $74,049,000.

OPERATION AND MAINTENANCE, NAVY RESERVE

For an additional amount for "Operation and Maintenance, Navy Reserve", $111,066,000.

OPERATION AND MAINTENANCE, MARINE CORPS RESERVE

For an additional amount for "Operation and Maintenance, Marine Corps Reserve", $13,591,000.

OPERATION AND MAINTENANCE, AIR FORCE RESERVE

For an additional amount for "Operation and Maintenance, Air Force Reserve", $10,160,000.

OPERATION AND MAINTENANCE, ARMY NATIONAL GUARD

For an additional amount for "Operation and Maintenance, Army National Guard", $83,569,000.

OPERATION AND MAINTENANCE, AIR NATIONAL GUARD

For an additional amount for "Operation and Maintenance, Air National Guard", $38,429,000.

AFGHANISTAN SECURITY FORCES FUND

For an additional amount for "Afghanistan Security Forces Fund", $5,906,400,000, to remain available until September 30, 2008.

IRAQ SECURITY FORCES FUND

For an additional amount for "Iraq Security Forces Fund", $3,842,300,000, to remain available until September 30, 2008.

IRAQ FREEDOM FUND

(INCLUDING TRANSFER OF FUNDS)

For an additional amount for "Iraq Freedom Fund", $355,600,000, to remain available for transfer until September 30, 2008: *Provided,* That up to $50,000,000 may be obligated and expended for purposes of the Task Force to Improve Business and Stability Operations in Iraq.

JOINT IMPROVISED EXPLOSIVE DEVICE DEFEAT FUND

For an additional amount for "Joint Improvised Explosive Device Defeat Fund", $2,432,800,000, to remain available until September 30, 2009.

STRATEGIC RESERVE READINESS FUND

(INCLUDING TRANSFER OF FUNDS)

In addition to amounts provided in this or any other Act, for training, operations, repair of equipment, purchases of equipment, and other expenses related to improving the readiness of non-deployed United States military forces, $2,000,000,000, to remain available until September 30, 2009; of which $1,000,000,000 shall be transferred to "National Guard and Reserve Equipment" for the purchase of equipment for the Army National Guard; and of which $1,000,000,000 shall be transferred by the Secretary of Defense only to appropriations for military personnel, operation and maintenance, procurement, and defense working capital funds to accomplish the purposes provided herein: *Provided,* That the funds transferred shall be merged with and shall be available for the same purposes and for the same time period as the appropriation to which transferred: *Provided further,* That the Secretary of Defense shall, not fewer than thirty days prior to making transfers under this authority, notify the congressional defense committees in writing of the details of any such transfers made pursuant to this authority: *Provided further,* That funds shall be transferred to the appropriation accounts not later than 120 days after the enactment of this Act: *Provided further,* That the transfer authority provided in this paragraph is in addition to any other transfer authority available to the Department of Defense: *Provided further,* That upon a determination that all or part of the funds transferred from this appropriation are not necessary for the purposes provided herein, such amounts may be transferred back to this appropriation.

PROCUREMENT

AIRCRAFT PROCUREMENT, ARMY

For an additional amount for "Aircraft Procurement, Army", $619,750,000, to remain available until September 30, 2009.

MISSILE PROCUREMENT, ARMY

For an additional amount for "Missile Procurement, Army", $111,473,000, to remain available until September 30, 2009.

PROCUREMENT OF WEAPONS AND TRACKED COMBAT VEHICLES, ARMY

For an additional amount for "Procurement of Weapons and Tracked Combat Vehicles, Army", $3,404,315,000, to remain available until September 30, 2009.

PROCUREMENT OF AMMUNITION, ARMY

For an additional amount for "Procurement of Ammunition, Army", $681,500,000, to remain available until September 30, 2009.

OTHER PROCUREMENT, ARMY

For an additional amount for "Other Procurement, Army", $11,076,137,000, to remain available until September 30, 2009.

AIRCRAFT PROCUREMENT, NAVY

For an additional amount for "Aircraft Procurement, Navy", $1,090,287,000, to remain available until September 30, 2009.

WEAPONS PROCUREMENT, NAVY

For an additional amount for "Weapons Procurement, Navy", $163,813,000, to remain available until September 30, 2009.

PROCUREMENT OF AMMUNITION, NAVY AND MARINE CORPS

For an additional amount for "Procurement of Ammunition, Navy and Marine Corps", $159,833,000, to remain available until September 30, 2009.

OTHER PROCUREMENT, NAVY

For an additional amount for "Other Procurement, Navy", $748,749,000, to remain available until September 30, 2009.

PROCUREMENT, MARINE CORPS

For an additional amount for "Procurement, Marine Corps", $2,252,749,000, to remain available until September 30, 2009.

AIRCRAFT PROCUREMENT, AIR FORCE

For an additional amount for "Aircraft Procurement, Air Force", $2,106,468,000, to remain available until September 30, 2009.

MISSILE PROCUREMENT, AIR FORCE

For an additional amount for "Missile Procurement, Air Force", $94,900,000, to remain available until September 30, 2009.

PROCUREMENT OF AMMUNITION, AIR FORCE

For an additional amount for "Procurement of Ammunition, Air Force", $6,000,000, to remain available until September 30, 2009.

OTHER PROCUREMENT, AIR FORCE

For an additional amount for "Other Procurement, Air Force", $2,096,200,000, to remain available until September 30, 2009.

PROCUREMENT, DEFENSE-WIDE

For an additional amount for "Procurement, Defense-Wide", $980,050,000, to remain available until September 30, 2009.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, ARMY

For an additional amount for "Research, Development, Test and Evaluation, Army", $100,006,000, to remain available until September 30, 2008.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, NAVY

For an additional amount for "Research, Development, Test and Evaluation, Navy", $298,722,000, to remain available until September 30, 2008.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, AIR FORCE

For an additional amount for "Research, Development, Test and Evaluation, Air Force", $187,176,000, to remain available until September 30, 2008.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, DEFENSE-WIDE

For an additional amount for "Research, Development, Test and Evaluation, Defense-Wide", $512,804,000, to remain available until September 30, 2008.

REVOLVING AND MANAGEMENT FUNDS

DEFENSE WORKING CAPITAL FUNDS

For an additional amount for "Defense Working Capital Funds", $1,315,526,000.

NATIONAL DEFENSE SEALIFT FUND

For an additional amount for "National Defense Sealift Fund", $5,000,000.

OTHER DEPARTMENT OF DEFENSE PROGRAMS

DEFENSE HEALTH PROGRAM

For an additional amount for "Defense Health Program", $3,251,853,000; of which $2,802,153,000 shall be for operation and maintenance, including $600,000,000 which shall be available for the treatment of Traumatic Brain Injury and Post Traumatic Stress Disorder and remain available until September 30, 2008; of which $118,000,000 shall be for procurement, to remain available until September 30, 2009; and of which $331,700,000 shall be for research, development, test and evaluation, to remain available until September 30, 2008: *Provided,* That if the Secretary of Defense determines that funds made available herein for the treatment of Traumatic Brain Injury and Post Traumatic Stress Disorder are in excess to the requirements of the Department of Defense he may transfer amounts in excess of that requirement to the Department of Veterans Affairs to be available only for the same purpose.

DRUG INTERDICTION AND COUNTER-DRUG ACTIVITIES, DEFENSE

For an additional amount for "Drug Interdiction and Counter-Drug Activities, Defense", $254,665,000, to remain available until expended.

RELATED AGENCIES

INTELLIGENCE COMMUNITY MANAGEMENT ACCOUNT

For an additional amount for "Intelligence Community Management Account", $71,726,000.

GENERAL PROVISIONS—THIS CHAPTER

SEC. 1301. Appropriations provided in this chapter are available for obligation until September 30, 2007, unless otherwise provided in this chapter.

(TRANSFER OF FUNDS)

SEC. 1302. Upon his determination that such action is necessary in the national interest, the Secretary of Defense may transfer between appropriations up to $3,500,000,000 of the funds made available to the Department of Defense in this chapter: *Provided,* That the Secretary shall notify the Congress promptly of each transfer made pursuant to the authority in this section: *Provided further,* That the authority provided in this section is in addition to any other transfer authority available to the Department of Defense and is subject to the same terms and conditions as the authority provided in section 8005 of the Department of Defense Appropriations Act, 2007 (Public Law 109–289; 120 Stat. 1257), except for the fourth proviso: *Provided further,* That funds previously transferred to the "Joint Improvised Explosive Device Defeat Fund" and the "Iraq Security Forces Fund" under the authority of section 8005 of Public Law 109–289 and transferred back to their source appropriations accounts shall not be taken into account for purposes of the limitation on the amount of funds that may be transferred under section 8005.

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

SEC. 1304. None of the funds provided in this chapter may be used to finance programs or activities denied by Congress in fiscal years 2006 or 2007 appropriations to the Department of Defense or to initiate a procurement or research, development, test and evaluation new start program without prior written notification to the congressional defense committees.

(TRANSFER OF FUNDS)

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

SEC. 1306. (a) AUTHORITY TO PROVIDE SUPPORT.—Of the amount appropriated by this chapter under the heading, "Drug Interdiction and Counter-Drug Activities, Defense", not to exceed $60,000,000 may be used for support for counter-drug activities of the Governments of Afghanistan and Pakistan: *Provided,* That such support shall be in addition to support provided for the counter-drug activities of such Governments under any other provision of the law.

(b) TYPES OF SUPPORT.—

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

(2) The Secretary of Defense may transfer vehicles, aircraft, and detection, interception, monitoring and testing equipment to said Governments for counter-drug activities.

SEC. 1307. (a) From funds made available for operation and maintenance in this chapter to the Department of Defense, not to exceed $456,400,000 may be used, notwithstanding any other provision of law, to fund the Commanders' Emergency Response Program, for the purpose of enabling military commanders in Iraq and Afghanistan to respond to urgent humanitarian relief and reconstruction requirements within their areas of responsibility by carrying out programs that will immediately assist the Iraqi and Afghan people.

(b) QUARTERLY REPORTS.—Not later than 15 days after the end of each fiscal year quarter, the Secretary of Defense shall submit to the congressional defense committees a report regarding the source of funds and the allocation and use of funds during that quarter that were made available pursuant to the authority provided in this section or under any other provision of law for the purposes of the programs under subsection (a).

SEC. 1308. Section 9010 of division A of Public Law 109–289 is amended by striking "2007" each place it appears and inserting "2008".

SEC. 1309. During fiscal year 2007, supervision and administration costs associated with projects carried out with funds appropriated to "Afghanistan Security Forces Fund" or "Iraq Security Forces Fund" in this chapter may be obligated at the time a construction contract is awarded: *Provided,* That for the purpose of this section, supervision and administration costs include all in-house Government costs.

SEC. 1310. Section 1005(c)(2) of the National Defense Authorization Act, Fiscal Year 2007 (Public Law 109–364) is amended by striking "$310,277,000" and inserting "$376,446,000".

SEC. 1311. None of the funds appropriated or otherwise made available by this or any other Act shall be obligated or expended by the United States Government for a purpose as follows:

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

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

SEC. 1312. None of the funds made available in this Act may be used in contravention of the following laws enacted or regulations promulgated to implement the United Nations Convention Against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment (done at New York on December 10, 1984)—

(1) section 2340A of title 18, United States Code;

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

(3) sections 1002 and 1003 of the Department of Defense, Emergency Supplemental Appropriations to Address Hurricanes in the Gulf of Mexico, and Pandemic Influenza Act, 2006 (Public Law 109–148).

SEC. 1313. (a) REPORT BY SECRETARY OF DEFENSE.—Not later than 30 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the congressional defense committees a report that contains individual transition readiness assessments by unit of Iraq and Afghan security forces. The Secretary of Defense shall submit to the congressional defense committees updates of the report required by this subsection every 90 days after the date of the submission of the report until October 1, 2008. The report and updates of the report required by this subsection shall be submitted in classified form.

(b) REPORT BY OMB.—

(1) The Director of the Office of Management and Budget, in consultation with the Secretary of Defense; the Commander, Multi-National Security Transition Command—Iraq; and the Commander, Combined Security Transition Command—Afghanistan, shall submit to the congressional defense committees not later than 120 days after the date of the enactment of this Act and every 90 days thereafter a report on the proposed use of all funds under each of the headings "Iraq Security Forces Fund" and "Afghanistan Security Forces Fund" on a project-by-project basis, for which the obligation of funds is anticipated during the three-month period from such date, including estimates by the commanders referred to in this paragraph of the costs required to complete each such project.

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

(A) The use of all funds on a project-by-project basis for which funds appropriated under the headings referred to in paragraph (1) were obligated prior to the submission of the report, including estimates by the commanders referred to in paragraph (1) of the costs to complete each project.

(B) The use of all funds on a project-by-project basis for which funds were appropriated under the headings referred to in paragraph (1) in prior appropriations Acts, or for which funds were made available by transfer, reprogramming, or allocation from other headings in prior appropriations Acts, including estimates by the commanders referred to in paragraph (1) of the costs to complete each project.

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

(c) NOTIFICATION.—The Secretary of Defense shall notify the congressional defense committees of any proposed new projects or transfers of funds between sub-activity groups in excess of $15,000,000 using funds appropriated by this Act under the headings "Iraq Security Forces Fund" and "Afghanistan Security Forces Fund".

SEC. 1314. None of the funds appropriated or otherwise made available by this chapter may be obligated or expended to provide award fees to any defense contractor contrary to the provisions of section 814 of the National Defense Authorization Act, Fiscal Year 2007 (Public Law 109–364).

SEC. 1315. Not more than 85 percent of the funds appropriated in this chapter for operation and maintenance shall be available for obligation unless and until the Secretary of Defense submits to the congressional defense committees a report detailing the use of Department of Defense funded service contracts conducted in the theater of operations in support of United States military and reconstruction activities in Iraq and Afghanistan: *Provided,* That the report shall provide detailed information specifying the number of contracts and contract costs used to provide services in fiscal year 2006, with sub-allocations by major service categories: *Provided further,* That the report also shall include estimates of the number of contracts to be executed in fiscal year 2007: *Provided further,* That the report shall include the number of contractor personnel in Iraq and Afghanistan funded by the Department of Defense: *Provided further,* That the report shall be submitted to the congressional defense committees not later than August 1, 2007.

SEC. 1316. Section 1477 of title 10, United States Code, is amended—

(1) in subsection (a), by striking "A death gratuity" and inserting "Subject to subsection (d), a death gratuity";

(2) by redesignating subsection (d) as subsection (e) and, in such subsection, by striking "If an eligible survivor dies before he" and inserting "If a person entitled to all or a portion of a death gratuity under subsection (a) or (d) dies before the person"; and

(3) by inserting after subsection (c) the following new subsection (d):

"(d) During the period beginning on the date of the enactment of this subsection and ending on September 30, 2007, a person covered by section 1475 or 1476 of this title may designate another person to receive not more than 50 percent of the amount payable under section 1478 of this title. The designation shall indicate the percentage of the amount, to be specified only in 10 percent increments up to the maximum of 50 percent, that the designated person may receive. The balance of the amount of the death gratuity shall be paid to or for the living survivors of the person concerned in accordance with paragraphs (1) through (5) of subsection (a).".

SEC. 1317. Section 9007 of Public Law 109–289 is amended by striking "20" and inserting "287".

SEC. 1318. INSPECTION OF MILITARY MEDICAL TREATMENT FACILITIES, MILITARY QUARTERS HOUSING MEDICAL HOLD PERSONNEL, AND MILITARY QUARTERS HOUSING MEDICAL HOLDOVER PERSONNEL. (a) PERIODIC INSPECTION REQUIRED.—

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

(A) Each military medical treatment facility.

(B) Each military quarters housing medical hold personnel.

(C) Each military quarters housing medical holdover personnel.

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

(b) ACCEPTABLE STANDARDS.—For purposes of this section, acceptable standards for the operation and maintenance of military medical treatment facilities, military quarters housing medical hold personnel, or military quarters housing medical holdover personnel are each of the following:

(1) Generally accepted standards for the accreditation of medical facilities, or for facilities used to quarter individuals with medical conditions that may require medical supervision, as applicable, in the United States.

(2) Where appropriate, standards under the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.).

(c) ADDITIONAL INSPECTIONS ON IDENTIFIED DEFICIENCIES.—

(1) IN GENERAL.—In the event a deficiency is identified pursuant to subsection (a) at a facility or quarters described in paragraph (1) of that subsection—

(A) the commander of such facility or quarters, as applicable, shall submit to the Secretary a detailed plan to correct the deficiency; and

(B) the Secretary shall reinspect such facility or quarters, as applicable, not less often than once every 180 days until the deficiency is corrected.

(2) CONSTRUCTION WITH OTHER INSPECTIONS.—An inspection of a facility or quarters under this subsection is in addition to any inspection of such facility or quarters under subsection (a).

(d) REPORTS ON INSPECTIONS.—A complete copy of the report on each inspection conducted under subsections (a) and (c) shall be submitted in unclassified form to the applicable military medical command and to the congressional defense committees.

(e) REPORT ON STANDARDS.—In the event no standards for the maintenance and operation of military medical treatment facilities, military quarters housing medical hold personnel, or military quarters housing medical holdover personnel exist as of the date of the enactment of this Act, or such standards as do exist do not meet acceptable standards for the maintenance and operation of such facilities or quarters, as the case may be, the Secretary shall, not later than 30 days after that date, submit to the congressional defense committees a report setting forth the plan of the Secretary to ensure—

(1) the adoption by the Department of standards for the maintenance and operation of military medical facilities, military quarters housing medical hold personnel, or military quarters housing medical holdover personnel, as applicable, that meet—

(A) acceptable standards for the maintenance and operation of such facilities or quarters, as the case may be; and

(B) where appropriate, standards under the Americans with Disabilities Act of 1990; and

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

SEC. 1319. From funds made available for the "Iraq Security Forces Fund" for fiscal year 2007, up to $155,500,000 may be used, notwithstanding any other provision of law, to provide assistance, with the concurrence of the Secretary of State, to the Government of Iraq to support the disarmament, demobilization, and reintegration of militias and illegal armed groups.

SEC. 1320. INDEPENDENT ASSESSMENT OF CAPABILITIES OF IRAQI SECURITY FORCES. (a) IN GENERAL.—Of the amount appropriated or otherwise made available for the Department of Defense, $750,000 is provided to commission an independent, private-sector entity, which operates as a 501(c)(3) with recognized credentials and expertise in military affairs, to prepare an independent report assessing the following:

(1) The readiness of the Iraqi Security Forces (ISF) to assume responsibility for maintaining the territorial integrity of Iraq, denying international terrorists a safe haven, and bringing greater security to Iraq's 18 provinces in the next 12–18 months, and bringing an end to sectarian violence to achieve national reconciliation.

(2) The training; equipping; command, control and intelligence capabilities; and logistics capacity of the ISF.

(3) The likelihood that, given the ISF's record of preparedness to date, following years of training and equipping by U.S. forces, the continued support of U.S. troops will contribute to the readiness of the ISF to fulfill the missions outlined in subparagraph (1).

(b) REPORT.—Not later than 120 days after passage of this Act, the designated private sector entity shall provide an unclassified report, with a classified annex, containing its findings, to the House and Senate Committees on Armed Services, Appropriations, Foreign Relations, and Intelligence.

SEC. 1321. AWARD OF MEDAL OF HONOR TO WOODROW W. KEEBLE FOR VALOR DURING KOREAN WAR. (a) WAIVER OF TIME LIMITATIONS.—Notwithstanding any applicable time limitation under section 3744 of title 10, United States Code, or any other time limitation with respect to the award of certain medals to individuals who served in the Armed Forces, the President may award to Woodrow W. Keeble the Medal of Honor under section 3741 of that title for the acts of valor described in subsection (b).

(b) ACTS OF VALOR.—The acts of valor referred to in subsection (a) are the acts of Woodrow W. Keeble, then-acting platoon leader, carried out on October 20, 1951, during the Korean War.

(TRANSFER OF FUNDS)

SEC. 1322. Of the amount appropriated under the heading "Other Procurement, Army", in title III of division A of Public Law 109–148, $6,250,000 shall be transferred to "Military Construction, Army".

(TRANSFER OF FUNDS)

SEC. 1323. Notwithstanding any other provision of law, not to exceed $110,000,000 may be transferred to the "Economic Support Fund", Department of State, for use in programs in Pakistan from amounts appropriated by this Act as follows:

"Military Personnel, Army", $70,000,000.
"National Guard Personnel, Army", $13,183,000.
"Defense Health Program", $26,817,000.

CHAPTER 4

DEPARTMENT OF ENERGY

ATOMIC ENERGY DEFENSE ACTIVITIES

NATIONAL NUCLEAR SECURITY ADMINISTRATION

DEFENSE NUCLEAR NONPROLIFERATION

For an additional amount for "Defense Nuclear Nonproliferation", $150,000,000, to remain available until expended.

GENERAL PROVISION—THIS CHAPTER

(TRANSFER OF FUNDS)

SEC. 1401. The Administrator of the National Nuclear Security Administration is authorized to transfer up to $1,000,000 from Defense Nuclear Nonproliferation to the Office of the Administrator during fiscal year 2007 supporting nuclear nonproliferation activities.

CHAPTER 5

DEPARTMENT OF HOMELAND SECURITY

ANALYSIS AND OPERATIONS

For an additional amount for "Analysis and Operations", $15,000,000, to remain available until September 30, 2008, to be used for support of the State and Local Fusion Center program.

UNITED STATES CUSTOMS AND BORDER PROTECTION

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

For an additional amount for "Salaries and Expenses", $115,000,000, to remain available until September 30, 2008, to be used to increase the number of officers, intelligence analysts and support staff responsible for container security inspections,

and for other efforts to improve supply chain security: *Provided,* That up to $5,000,000 shall be transferred to Federal Law Enforcement Training Center "Salaries and Expenses", for basic training costs.

AIR AND MARINE INTERDICTION, OPERATIONS, MAINTENANCE, AND PROCUREMENT

For an additional amount for "Air and Marine Interdiction, Operations, Maintenance, and Procurement", for air and marine operations on the Northern Border, including the final Northern Border air wing, $120,000,000, to remain available until September 30, 2008.

UNITED STATES IMMIGRATION AND CUSTOMS ENFORCEMENT

SALARIES AND EXPENSES

For an additional amount for "Salaries and Expenses", $10,000,000, to remain available until September 30, 2008.

TRANSPORTATION SECURITY ADMINISTRATION

AVIATION SECURITY

For an additional amount for "Aviation Security", $970,000,000; of which $815,000,000 shall be for procurement and installation of checked baggage explosives detection systems, to remain available until expended; of which $45,000,000 shall be for expansion of checkpoint explosives detection pilot systems, to remain available until expended; and of which $110,000,000 shall be for air cargo security, to remain available until September 30, 2009.

FEDERAL AIR MARSHALS

For an additional amount for "Federal Air Marshals", $8,000,000, to remain available until September 30, 2008.

NATIONAL PROTECTION AND PROGRAMS

INFRASTRUCTURE PROTECTION AND INFORMATION SECURITY

For an additional amount for "Infrastructure Protection and Information Security", $37,000,000, to remain available until September 30, 2008.

OFFICE OF HEALTH AFFAIRS

For an additional amount for "Office of Health Affairs" for nuclear event public health assessment and planning and other activities, $15,000,000, to remain available until September 30, 2008.

FEDERAL EMERGENCY MANAGEMENT AGENCY

MANAGEMENT AND ADMINISTRATION

For expenses for management and administration of the Federal Emergency Management Agency, $25,000,000, to remain available until September 30, 2008: *Provided,* That none of such funds

made available under this heading may be obligated until the Committees on Appropriations of the Senate and the House of Representatives receive and approve a plan for expenditure: *Provided further,* That unobligated amounts in the "Administrative and Regional Operations" and "Readiness, Mitigation, Response, and Recovery" accounts shall be transferred to "Management and Administration" and may be used for any purpose authorized for such amounts and subject to limitation on the use of such amounts.

STATE AND LOCAL PROGRAMS

For an additional amount for "State and Local Programs", $552,500,000; of which $190,000,000 shall be for port security grants pursuant to section 70107(l) of title 46, United States Code; of which $325,000,000 shall be for intercity rail passenger transportation, freight rail, and transit security grants; of which $35,000,000 shall be for regional grants and regional technical assistance to high risk urban areas for catastrophic event planning and preparedness; and of which $2,500,000 shall be for technical assistance: *Provided,* That none of the funds made available under this heading may be obligated for such regional grants and regional technical assistance until the Committees on Appropriations of the Senate and the House of Representatives receive and approve a plan for expenditure: *Provided further,* That funds for such regional grants and regional technical assistance shall remain available until September 30, 2008.

EMERGENCY MANAGEMENT PERFORMANCE GRANTS

For an additional amount for "Emergency Management Performance Grants", $100,000,000.

UNITED STATES CITIZENSHIP AND IMMIGRATION SERVICES

For an additional amount for expenses of "United States Citizenship and Immigration Services" to address backlogs of security checks associated with pending applications and petitions, $10,000,000, to remain available until September 30, 2008: *Provided,* That none of the funds made available under this heading shall be available for obligation until the Secretary of Homeland Security, in consultation with the United States Attorney General, submits to the Committees on Appropriations of the Senate and the House of Representatives a plan to eliminate the backlog of security checks that establishes information sharing protocols to ensure United States Citizenship and Immigration Services has the information it needs to carry out its mission.

SCIENCE AND TECHNOLOGY

RESEARCH, DEVELOPMENT, ACQUISITION, AND OPERATIONS

For an additional amount for "Research, Development, Acquisition, and Operations" for air cargo security research, $10,000,000, to remain available until expended.

DOMESTIC NUCLEAR DETECTION OFFICE

RESEARCH, DEVELOPMENT, AND OPERATIONS

For an additional amount for "Research, Development, and Operations" for non-container, rail, aviation and intermodal radiation detection activities, $39,000,000, to remain available until expended.

SYSTEMS ACQUISITION

For an additional amount for "Systems Acquisition", $223,500,000, to remain available until expended: *Provided,* That none of the funds appropriated under this heading shall be obligated for full scale procurement of Advanced Spectroscopic Portal Monitors until the Secretary of Homeland Security has certified through a report to the Committees on Appropriations of the Senate and the House of Representatives that a significant increase in operational effectiveness will be achieved.

GENERAL PROVISIONS—THIS CHAPTER

SEC. 1501. (a) AMENDMENTS.—Section 550 of the Department of Homeland Security Appropriations Act, 2007 (6 U.S.C. 121 note) is amended by—

(1) in subsection (c), by striking "consistent with similar" and inserting "identical to the protections given";

(2) in subsection (c), by striking ", site security plans, and other information submitted to or obtained by the Secretary under this section, and related vulnerability or security information, shall be treated as if the information were classified material" and inserting "and site security plans shall be treated as sensitive security information (as that term is used in section 1520.5 of title 49, Code of Federal Regulations, or any subsequent regulations relating to the same matter)"; and

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

"(h) This section shall not preclude or deny any right of any State or political subdivision thereof to adopt or enforce any regulation, requirement, or standard of performance with respect to chemical facility security that is more stringent than a regulation, requirement, or standard of performance issued under this section, or otherwise impair any right or jurisdiction of any State with respect to chemical facilities within that State.".

(b) REGULATORY CLARIFICATION.—Not later than 60 days after the date of the enactment of this Act, the Secretary of Homeland Security shall update the regulations administered by the Secretary that govern sensitive security information, including 49 CFR 1520, to ensure the protection of all information required to be protected under section 550(c) of the Department of Homeland Security Appropriations Act, 2007 (6 U.S.C. 121 note), as amended by paragraph (a).

SEC. 1502. None of the funds provided in this Act, or Public Law 109–295, shall be available to carry out section 872 of Public Law 107–296.

SEC. 1503. LINKING OF AWARD FEES UNDER DEPARTMENT OF HOMELAND SECURITY CONTRACTS TO SUCCESSFUL ACQUISITION OUTCOMES. The Secretary of Homeland Security shall require that all contracts of the Department of Homeland Security that provide

award fees link such fees to successful acquisition outcomes (which outcomes shall be specified in terms of cost, schedule, and performance).

CHAPTER 6

LEGISLATIVE BRANCH

HOUSE OF REPRESENTATIVES

SALARIES AND EXPENSES

For an additional amount for "Salaries and Expenses", $6,437,000, as follows:

ALLOWANCES AND EXPENSES

For an additional amount for allowances and expenses as authorized by House resolution or law, $6,437,000 for business continuity and disaster recovery, to remain available until expended.

GOVERNMENT ACCOUNTABILITY OFFICE

SALARIES AND EXPENSES

For an additional amount for "Salaries and Expenses" of the Government Accountability Office, $374,000, to remain available until September 30, 2008.

CHAPTER 7

DEPARTMENT OF DEFENSE

MILITARY CONSTRUCTION, ARMY

For an additional amount for "Military Construction, Army", $1,255,890,000, to remain available until September 30, 2008: *Provided,* That notwithstanding any other provision of law, such funds may be obligated and expended to carry out planning and design and military construction projects not otherwise authorized by law: *Provided further,* That of the funds provided under this heading, not to exceed $173,700,000 shall be available for study, planning, design, and architect and engineer services: *Provided further,* That of the funds made available under this heading, $369,690,000 shall not be obligated or expended until the Secretary of Defense submits a detailed report explaining how military road construction is coordinated with NATO and coalition nations: *Provided further,* That of the funds made available under this heading, $401,700,000 shall not be obligated or expended until the Secretary of Defense submits a detailed stationing plan to support Army end-strength growth to the Committees on Appropriations of the House of Representatives and Senate: *Provided further,* That of the funds provided under this heading, $274,800,000 shall not be obligated or expended until the Secretary of Defense certifies that none of the funds are to be used for the purpose of providing facilities for the permanent basing of United States military personnel in Iraq.

MILITARY CONSTRUCTION, NAVY AND MARINE CORPS

For an additional amount for "Military Construction, Navy and Marine Corps", $370,990,000, to remain available until September 30, 2008: *Provided,* That notwithstanding any other provision of law, such funds may be obligated and expended to carry out planning and design and military construction projects not otherwise authorized by law: *Provided further,* That of the funds provided under this heading, not to exceed $49,600,000 shall be available for study, planning, design, and architect and engineer services: *Provided further,* That of the funds made available under this heading, $324,270,000 shall not be obligated or expended until the Secretary of Defense submits a detailed stationing plan to support Marine Corps end-strength growth to the Committees on Appropriations of the House of Representatives and Senate.

MILITARY CONSTRUCTION, AIR FORCE

For an additional amount for "Military Construction, Air Force", $43,300,000, to remain available until September 30, 2008: *Provided,* That notwithstanding any other provision of law, such funds may be obligated and expended to carry out planning and design and military construction projects not otherwise authorized by law: *Provided further,* That of the funds provided under this heading, not to exceed $3,000,000 shall be available for study, planning, design, and architect and engineer services.

DEPARTMENT OF DEFENSE BASE CLOSURE ACCOUNT 2005

For deposit into the Department of Defense Base Closure Account 2005, established by section 2906A(a)(1) of the Defense Base Closure and Realignment Act of 1990 (10 U.S.C. 2687 note), $3,136,802,000, to remain available until expended: *Provided,* That within 30 days of the enactment of this Act, the Secretary of Defense shall submit a detailed spending plan to the Committees on Appropriations of the House of Representatives and Senate.

GENERAL PROVISIONS—THIS CHAPTER

SEC. 1701. Notwithstanding any other provision of law, none of the funds in this or any other Act may be used to close Walter Reed Army Medical Center until equivalent medical facilities at the Walter Reed National Military Medical Center at Naval Medical Center, Bethesda, Maryland, and/or the Fort Belvoir, Virginia, Community Hospital have been constructed and equipped: *Provided,* That to ensure that the quality of care provided by the Military Health System is not diminished during this transition, the Walter Reed Army Medical Center shall be adequately funded, to include necessary renovation and maintenance of existing facilities, to maintain the maximum level of inpatient and outpatient services.

SEC. 1702. Notwithstanding any other provision of law, none of the funds in this or any other Act shall be used to reorganize or relocate the functions of the Armed Forces Institute of Pathology (AFIP) until the Secretary of Defense has submitted, not later than December 31, 2007, a detailed plan and timetable for the proposed reorganization and relocation to the Committees on Appropriations and Armed Services of the Senate and House of Representatives. The plan shall take into consideration the recommendations

of a study being prepared by the Government Accountability Office (GAO), provided that such study is available not later than 45 days before the date specified in this section, on the impact of dispersing selected functions of AFIP among several locations, and the possibility of consolidating those functions at one location. The plan shall include an analysis of the options for the location and operation of the Program Management Office for second opinion consults that are consistent with the recommendations of the Base Realignment and Closure Commission, together with the rationale for the option selected by the Secretary.

CHAPTER 8

DEPARTMENT OF STATE AND RELATED AGENCY

DEPARTMENT OF STATE

ADMINISTRATION OF FOREIGN AFFAIRS

DIPLOMATIC AND CONSULAR PROGRAMS

(INCLUDING TRANSFER OF FUNDS)

For an additional amount for "Diplomatic and Consular Programs", $870,658,000, to remain available until September 30, 2008, of which $96,500,000 for World Wide Security Upgrades is available until expended: *Provided,* That of the funds appropriated under this heading, not more than $20,000,000 shall be made available for public diplomacy programs: *Provided further,* That prior to the obligation of funds pursuant to the previous proviso, the Secretary of State shall submit a report to the Committees on Appropriations describing a comprehensive public diplomacy strategy, with goals and expected results, for fiscal years 2007 and 2008: *Provided further,* That of the amount available under this heading, $258,000 shall be transferred to, and merged with, funds available in fiscal year 2007 for expenses for the United States Commission on International Religious Freedom: *Provided further,* That 20 percent of the amount available for Iraq operations shall not be obligated until the Committees on Appropriations receive and approve a detailed plan for expenditure, prepared by the Secretary of State, and submitted within 60 days after the date of enactment of this Act: *Provided further,* That within 15 days of enactment of this Act, the Office of Management and Budget shall apportion $15,000,000 from amounts appropriated or otherwise made available by chapter 8 of title II of division B of Public Law 109–148 under the heading "Emergencies in the Diplomatic and Consular Service" for emergency evacuations: *Provided further,* That of the amount made available under this heading for Iraq, not to exceed $20,000,000 may be transferred to, and merged with, funds in the "Emergencies in the Diplomatic and Consular Service" appropriations account, to be available only for terrorism rewards.

OFFICE OF THE INSPECTOR GENERAL

(INCLUDING TRANSFER OF FUNDS)

For an additional amount for "Office of Inspector General", $36,500,000, to remain available until December 31, 2008: *Provided,*

That $35,000,000 shall be transferred to the Special Inspector General for Iraq Reconstruction for reconstruction oversight.

EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

For an additional amount for "Educational and Cultural Exchange Programs", $20,000,000, to remain available until expended.

INTERNATIONAL ORGANIZATIONS

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

For an additional amount for "Contributions to International Organizations", $50,000,000, to remain available until September 30, 2008.

CONTRIBUTIONS FOR INTERNATIONAL PEACEKEEPING ACTIVITIES

For an additional amount for "Contributions for International Peacekeeping Activities", $288,000,000, to remain available until September 30, 2008.

RELATED AGENCY

BROADCASTING BOARD OF GOVERNORS

INTERNATIONAL BROADCASTING OPERATIONS

For an additional amount for "International Broadcasting Operations" for activities related to broadcasting to the Middle East, $10,000,000, to remain available until September 30, 2008.

BILATERAL ECONOMIC ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT

CHILD SURVIVAL AND HEALTH PROGRAMS FUND

(INCLUDING TRANSFER OF FUNDS)

For an additional amount for "Child Survival and Health Programs Fund", $161,000,000, to remain available until September 30, 2008: *Provided,* That notwithstanding any other provision of law, if the President determines and reports to the Committees on Appropriations that the human-to-human transmission of the avian influenza virus is efficient and sustained, and is spreading internationally, funds made available under the heading "Millennium Challenge Corporation" and "Global HIV/AIDS Initiative" in prior Acts making appropriations for foreign operations, export financing, and related programs may be transferred to, and merged with, funds made available under this heading to combat avian influenza: *Provided further,* That funds made available pursuant to the authority of the previous proviso shall be subject to the regular notification procedures of the Committees on Appropriations.

INTERNATIONAL DISASTER AND FAMINE ASSISTANCE

For an additional amount for "International Disaster and Famine Assistance", $165,000,000, to remain available until expended.

OPERATING EXPENSES OF THE UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT

For an additional amount for "Operating Expenses of the United States Agency for International Development", $8,700,000, to remain available until September 30, 2008.

OPERATING EXPENSES OF THE UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT OFFICE OF INSPECTOR GENERAL

For an additional amount for "Operating Expenses of the United States Agency for International Development Office of Inspector General", $3,500,000, to remain available until September 30, 2008.

OTHER BILATERAL ECONOMIC ASSISTANCE

ECONOMIC SUPPORT FUND

For an additional amount for "Economic Support Fund", $2,649,300,000, to remain available until September 30, 2008: *Provided,* That of the funds appropriated under this heading, $57,400,000 shall be made available to nongovernmental organizations in Iraq for economic and social development programs and activities in areas of conflict: *Provided further,* That the responsibility for policy decisions and justifications for the use of funds appropriated by the previous proviso shall be the responsibility of the United States Chief of Mission in Iraq: *Provided further,* That none of the funds appropriated under this heading in this Act or in prior Acts making appropriations for foreign operations, export financing, and related programs may be made available for the Political Participation Fund and the National Institutions Fund: *Provided further,* That of the funds made available under the heading "Economic Support Fund" in Public Law 109–234 for Iraq to promote democracy, rule of law and reconciliation, $2,000,000 should be made available for the United States Institute of Peace for programs and activities in Afghanistan to remain available until September 30, 2008.

ASSISTANCE FOR EASTERN EUROPE AND THE BALTIC STATES

For an additional amount for "Assistance for Eastern Europe and the Baltic States", $229,000,000, to remain available until September 30, 2008, for assistance for Kosovo.

DEPARTMENT OF STATE

DEMOCRACY FUND

For an additional amount for "Democracy Fund", $260,000,000, to remain available until September 30, 2008: *Provided,* That of the funds appropriated under this heading, not less than $190,000,000 shall be made available for the Human Rights and Democracy Fund of the Bureau of Democracy, Human Rights, and Labor, Department of State, and not less than $60,000,000 shall

be made available for the United States Agency for International Development, for democracy, human rights and rule of law programs in Iraq: *Provided further,* That not later than 60 days after enactment of this Act, the Secretary of State shall submit a report to the Committees on Appropriations describing a comprehensive, long-term strategy, with goals and expected results, for strengthening and advancing democracy in Iraq.

INTERNATIONAL NARCOTICS CONTROL AND LAW ENFORCEMENT

(INCLUDING RESCISSION OF FUNDS)

For an additional amount for "International Narcotics Control and Law Enforcement", $257,000,000, to remain available until September 30, 2008.

Of the amounts made available for procurement of a maritime patrol aircraft for the Colombian Navy under this heading in Public Law 109–234, $13,000,000 are rescinded.

MIGRATION AND REFUGEE ASSISTANCE

For an additional amount for "Migration and Refugee Assistance", $130,500,000, to remain available until September 30, 2008, of which not less than $5,000,000 shall be made available to rescue Iraqi scholars.

UNITED STATES EMERGENCY REFUGEE AND MIGRATION ASSISTANCE FUND

For an additional amount for "United States Emergency Refugee and Migration Assistance Fund", $55,000,000, to remain available until expended.

NONPROLIFERATION, ANTI-TERRORISM, DEMINING AND RELATED PROGRAMS

For an additional amount for "Nonproliferation, Anti-Terrorism, Demining and Related Programs", $57,500,000, to remain available until September 30, 2008.

DEPARTMENT OF THE TREASURY

INTERNATIONAL AFFAIRS TECHNICAL ASSISTANCE

For an additional amount for "International Affairs Technical Assistance", $2,750,000, to remain available until September 30, 2008.

MILITARY ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

FOREIGN MILITARY FINANCING PROGRAM

For an additional amount for "Foreign Military Financing Program", $265,000,000, to remain available until September 30, 2008.

PEACEKEEPING OPERATIONS

For an additional amount for "Peacekeeping Operations", $230,000,000, to remain available until September 30, 2008: *Provided,* That of the funds appropriated under this heading, not less than $40,000,000 shall be made available, notwithstanding section 660 of the Foreign Assistance Act of 1961, for assistance for Liberia for security sector reform: *Provided further,* That not later than 30 days after enactment of this Act and every 30 days thereafter until September 30, 2008, the Secretary of State shall submit a report to the Committees on Appropriations detailing the obligation and expenditure of funds made available under this heading in this Act and in prior Acts making appropriations for foreign operations, export financing, and related programs.

GENERAL PROVISIONS—THIS CHAPTER

AUTHORIZATION OF FUNDS

SEC. 1801. Funds appropriated by this title may be obligated and expended notwithstanding section 10 of Public Law 91–672 (22 U.S.C. 2412), section 15 of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2680), section 313 of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995 (22 U.S.C. 6212), and section 504(a)(1) of the National Security Act of 1947 (50 U.S.C. 414(a)(1)).

EXTENSION OF OVERSIGHT AUTHORITY

SEC. 1802. Section 3001(o)(1)(B) of the Emergency Supplemental Appropriations Act for Defense and for the Reconstruction of Iraq and Afghanistan, 2004 (Public Law 108–106; 117 Stat. 1238; 5 U.S.C. App., note to section 8G of Public Law 95–452), as amended by section 1054(b) of the John Warner National Defense Authorization Act for Fiscal Year 2007 (Public Law 109–364; 120 Stat. 2397) and section 2 of the Iraq Reconstruction Accountability Act of 2006 (Public Law 109–440), is amended by inserting "or fiscal year 2007" after "fiscal year 2006".

LEBANON

SEC. 1803. (a) LIMITATION ON ECONOMIC SUPPORT FUND ASSISTANCE FOR LEBANON.—None of the funds made available in this Act under the heading "Economic Support Fund" for cash transfer assistance for the Government of Lebanon may be made available for obligation until the Secretary of State reports to the Committees on Appropriations on Lebanon's economic reform plan and on the specific conditions and verifiable benchmarks that have been agreed upon by the United States and the Government of Lebanon pursuant to the Memorandum of Understanding on cash transfer assistance for Lebanon.

(b) LIMITATION ON FOREIGN MILITARY FINANCING PROGRAM AND INTERNATIONAL NARCOTICS CONTROL AND LAW ENFORCEMENT ASSISTANCE FOR LEBANON.— None of the funds made available in this Act under the heading "Foreign Military Financing Program" or "International Narcotics Control and Law Enforcement" for military or police assistance to Lebanon may be made available for obligation until the Secretary of State submits to the Committees on Appropriations a report on procedures established to determine

eligibility of members and units of the armed forces and police forces of Lebanon to participate in United States training and assistance programs and on the end use monitoring of all equipment provided under such programs to the Lebanese armed forces and police forces.

(c) CERTIFICATION REQUIRED.—Prior to the initial obligation of funds made available in this Act for assistance for Lebanon under the headings "Foreign Military Financing Program" and "Nonproliferation, Anti-Terrorism, Demining and Related Programs", the Secretary of State shall certify to the Committees on Appropriations that all practicable efforts have been made to ensure that such assistance is not provided to or through any individual, or private or government entity, that advocates, plans, sponsors, engages in, or has engaged in, terrorist activity.

(d) REPORT REQUIRED.—Not later than 45 days after the date of the enactment of this Act, the Secretary of State shall submit to the Committees on Appropriations a report on the Government of Lebanon's actions to implement section 14 of United Nations Security Council Resolution 1701 (August 11, 2006).

(e) SPECIAL AUTHORITY.—This section shall be effective notwithstanding section 534(a) of Public Law 109–102, which is made applicable to funds appropriated for fiscal year 2007 by the Continuing Appropriations Resolution, 2007 (division B of Public Law 109–289, as amended by Public Law 110–5).

DEBT RESTRUCTURING

SEC. 1804. Amounts appropriated for fiscal year 2007 for "Bilateral Economic Assistance—Department of the Treasury—Debt Restructuring" may be used to assist Liberia in retiring its debt arrearages to the International Monetary Fund, the International Bank for Reconstruction and Development, and the African Development Bank.

GOVERNMENT ACCOUNTABILITY OFFICE

SEC. 1805. To facilitate effective oversight of programs and activities in Iraq by the Government Accountability Office (GAO), the Department of State shall provide GAO staff members the country clearances, life support, and logistical and security support necessary for GAO personnel to establish a presence in Iraq for periods of not less than 45 days.

HUMAN RIGHTS AND DEMOCRACY FUND

SEC. 1806. The Assistant Secretary of State for Democracy, Human Rights, and Labor shall be responsible for all policy, funding, and programming decisions regarding funds made available under this Act and prior Acts making appropriations for foreign operations, export financing and related programs for the Human Rights and Democracy Fund of the Bureau of Democracy, Human Rights, and Labor.

INSPECTOR GENERAL OVERSIGHT OF IRAQ AND AFGHANISTAN

SEC. 1807. (a) IN GENERAL.—Subject to paragraph (2), the Inspector General of the Department of State and the Broadcasting Board of Governors (referred to in this section as the "Inspector General") may use personal services contracts to engage citizens

of the United States to facilitate and support the Office of the Inspector General's oversight of programs and operations related to Iraq and Afghanistan. Individuals engaged by contract to perform such services shall not, by virtue of such contract, be considered to be employees of the United States Government for purposes of any law administered by the Office of Personnel Management. The Secretary of State may determine the applicability to such individuals of any law administered by the Secretary concerning the performance of such services by such individuals.

(b) CONDITIONS.—The authority under paragraph (1) is subject to the following conditions:

(1) The Inspector General determines that existing personnel resources are insufficient.

(2) The contract length for a personal services contractor, including options, may not exceed 1 year, unless the Inspector General makes a finding that exceptional circumstances justify an extension of up to 1 additional year.

(3) Not more than 10 individuals may be employed at any time as personal services contractors under the program.

(c) TERMINATION OF AUTHORITY.—The authority to award personal services contracts under this section shall terminate on December 31, 2007. A contract entered into prior to the termination date under this paragraph may remain in effect until not later than December 31, 2009.

(d) OTHER AUTHORITIES NOT AFFECTED.—The authority under this section is in addition to any other authority of the Inspector General to hire personal services contractors.

FUNDING TABLES

SEC. 1808. (a) Funds provided in this Act for the following accounts shall be made available for programs and countries in the amounts contained in the respective tables included in the report accompanying this Act:

"Diplomatic and Consular Programs".

"Economic Support Fund".

"Democracy Fund".

"International Narcotics Control and Law Enforcement".

"Migration and Refugee Assistance".

(b) Any proposed increases or decreases to the amounts contained in the tables in the accompanying report shall be subject to the regular notification procedures of the Committees on Appropriations and section 634A of the Foreign Assistance Act of 1961.

SPENDING PLAN AND NOTIFICATION PROCEDURES

SEC. 1809. Not later than 45 days after enactment of this Act the Secretary of State shall submit to the Committees on Appropriations a report detailing planned expenditures for funds appropriated under the headings in this chapter, except for funds appropriated under the heading "International Disaster and Famine Assistance": *Provided,* That funds appropriated under the headings in this chapter, except for funds appropriated under the heading named in this section, shall be subject to the regular notification procedures of the Committees on Appropriations.

CONDITIONS ON ASSISTANCE FOR PAKISTAN

SEC. 1810. None of the funds made available for assistance for the central Government of Pakistan under the heading "Economic Support Fund" in this title may be made available for non-project assistance until the Secretary of State submits to the Committees on Appropriations a report on the oversight mechanisms, performance benchmarks, and implementation processes for such funds: *Provided,* That notwithstanding any other provision of law, funds made available for non-project assistance pursuant to the previous proviso shall be subject to the regular notification procedures of the Committees on Appropriations: *Provided further,* That of the funds made available for assistance for Pakistan under the heading "Economic Support Fund" in this title, $5,000,000 shall be made available for the Human Rights and Democracy Fund of the Bureau of Democracy, Human Rights, and Labor, Department of State, for political party development and election observation programs.

CIVILIAN RESERVE CORPS

SEC. 1811. Of the funds appropriated by this Act under the heading "Diplomatic and Consular Programs", up to $50,000,000 may be made available to support and maintain a civilian reserve corps: *Provided,* That none of the funds for a civilian reserve corps may be obligated without specific authorization in a subsequent Act of Congress: *Provided further,* That funds made available under this section shall be subject to the regular notification procedures of the Committees on Appropriations.

COORDINATOR FOR IRAQ ASSISTANCE

SEC. 1812. (a) COORDINATOR FOR IRAQ ASSISTANCE.—Not later than 30 days after the date of the enactment of this Act, the President shall appoint a Coordinator for Iraq Assistance (hereinafter in this section referred to as the "Coordinator"), by and with the advice and consent of the Senate, who shall report directly to the President.

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

(1) developing and implementing an overall strategy for political, economic, and military assistance for Iraq;

(2) coordinating and ensuring coherence of Iraq assistance programs and policy among all departments and agencies of the Government of the United States that are implementing assistance programs in Iraq, including the Department of State, the United States Agency for International Development, the Department of Defense, the Department of the Treasury, and the Department of Justice;

(3) working with the Government of Iraq in meeting the benchmarks described in section 1904(a) of this Act in order to ensure Iraq continues to be eligible to receive United States assistance described in such section;

(4) coordinating with other donors and international organizations that are providing assistance for Iraq;

(5) ensuring adequate management and accountability of United States assistance programs for Iraq;

(6) resolving policy and program disputes among departments and agencies of the United States Government that are implementing assistance programs in Iraq; and

(7) coordinating United States assistance programs with the reconstruction programs funded and implemented by the Government of Iraq.

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

CHAPTER 9

GENERAL PROVISIONS—THIS TITLE

SEC. 1901. (a) Congress finds that it is Defense Department policy that units should not be deployed for combat unless they are rated "fully mission capable".

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

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

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

SEC. 1902. (a) Congress finds that it is Defense Department policy that Army, Army Reserve, and National Guard units should not be deployed for combat beyond 365 days or that Marine Corps and Marine Corps Reserve units should not be deployed for combat beyond 210 days.

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

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

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

(c) The limitation prescribed in subsection (b) shall not be construed to require force levels in Iraq to be decreased below the total United States force levels in Iraq prior to January 10, 2007.

(d) The President, by certifying in writing to the Committees on Appropriations and the Committees on Armed Services that

the extension of a unit's deployment in Iraq beyond the periods specified in subsection (b) is required for reasons of national security and by submitting along with the certification a report in classified and unclassified form detailing the particular reason or reasons why the unit's extended deployment is necessary, may waive the limitations prescribed in subsection (b) on a unit-by-unit basis.

SEC. 1903. (a) Congress finds that it is Defense Department policy that Army, Army Reserve, and National Guard units should not be redeployed for combat if the unit has been deployed within the previous 365 consecutive days or that Marine Corps and Marine Corps Reserve units should not be redeployed for combat if the unit has been deployed within the previous 210 days.

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

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

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

(c) The limitation prescribed in subsection (b) shall not be construed to require force levels in Iraq to be decreased below the total United States force levels in Iraq prior to January 10, 2007.

(d) The President, by certifying in writing to the Committees on Appropriations and the Committees on Armed Services that the redeployment of a unit to Iraq in advance of the periods specified in subsection (b) is required for reasons of national security and by submitting along with the certification a report in classified and unclassified form detailing the particular reason or reasons why the unit's redeployment is necessary, may waive the limitations prescribed in subsection (b) on a unit-by-unit basis.

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

(1) whether the Government of Iraq has given United States Armed Forces and Iraqi Security Forces the authority to pursue all extremists, including Sunni insurgents and Shiite militias, and is making substantial progress in delivering necessary Iraqi Security Forces for Baghdad and protecting such Forces from political interference; intensifying efforts to build balanced security forces throughout Iraq that provide even-handed security for all Iraqis; ensuring that Iraq's political authorities are not undermining or making false accusations against members of the Iraqi Security Forces; eliminating militia control of local security; establishing a strong militia disarmament program; ensuring fair and just enforcement of laws; establishing political, media, economic, and service committees in support of the Baghdad Security Plan; and eradicating safe havens;

(2) whether the Government of Iraq is making substantial progress in meeting its commitment to pursue reconciliation initiatives, including enactment of a hydro-carbon law; adoption

of legislation necessary for the conduct of provincial and local elections; reform of current laws governing the de-Baathification process; amendment of the Constitution of Iraq; and allocation of Iraqi revenues for reconstruction projects;

(3) whether the Government of Iraq and United States Armed Forces are making substantial progress in reducing the level of sectarian violence in Iraq; and

(4) whether the Government of Iraq is ensuring the rights of minority political parties in the Iraqi Parliament are protected.

(b) If the President fails to make any of the determinations specified in subsection (a), the Secretary of Defense shall commence the redeployment of the Armed Forces from Iraq no later than July 1, 2007, with a goal of completing such redeployment within 180 days.

(c) If the President makes the determinations specified in subsection (a), the Secretary of Defense shall commence the redeployment of the Armed Forces from Iraq not later than October 1, 2007, with a goal of completing such redeployment within 180 days.

(d) Notwithstanding any other provision of law, funds appropriated or otherwise made available in this or any other Act are immediately available for obligation and expenditure to plan and execute a safe and orderly redeployment of the Armed Forces from Iraq, as specified in subsections (b) and (c).

(e) After the conclusion of the redeployment specified in subsections (b) and (c), the Secretary of Defense may not deploy or maintain members of the Armed Forces in Iraq for any purpose other than the following:

(1) Protecting American diplomatic facilities and American citizens, including members of the United States Armed Forces.

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

(3) Engaging in targeted special actions limited in duration and scope to killing or capturing members of al-Qaeda and other terrorist organizations with global reach.

(4) Training and equipping members of the Iraqi Security Forces.

(f) Notwithstanding any other provision of law, 50 percent of the funds appropriated by title I of this Act for assistance to Iraq under each of the headings "Economic Support Fund" and "International Narcotics Control and Law Enforcement" shall be withheld from obligation until the President has made a certification to Congress that the Government of Iraq has enacted a broadly accepted hydro-carbon law that equitably shares oil revenues among all Iraqis; adopted legislation necessary for the conduct of provincial and local elections, taken steps to implement such legislation, and set a schedule to conduct provincial and local elections; reformed current laws governing the de-Baathification process to allow for more equitable treatment of individuals affected by such laws; amended the Constitution of Iraq consistent with the principles contained in Article 137 of such constitution; and allocated and begun expenditure of $10,000,000,000 in Iraqi revenues for reconstruction projects, including delivery of essential services, on an equitable basis.

(g) The requirement to withhold funds from obligation pursuant to subsection (f) shall not apply with respect to funds made available

under the heading "Economic Support Fund" for continued support for the Community Action Program and Community Stabilization Program in Iraq administered by the United States Agency for International Development or for programs and activities to promote democracy in Iraq.

(h) Beginning on September 1, 2007, and every 60 days thereafter, the Commander, Multi-National Forces—Iraq and the United States Ambassador to Iraq shall jointly submit to Congress a report describing and assessing in detail the current progress being made by the Government of Iraq regarding the criteria set forth in subsection (a).

TITLE II

ADDITIONAL HURRICANE DISASTER RELIEF AND RECOVERY

CHAPTER 1

DEPARTMENT OF AGRICULTURE

GENERAL PROVISION—THIS CHAPTER

SEC. 2101. Section 1231(k)(2) of the Food Security Act of 1985 (16 U.S.C. 3831(k)(2)) is amended by striking "During calendar year 2006, the" and inserting "The".

CHAPTER 2

DEPARTMENT OF JUSTICE

OFFICE OF JUSTICE PROGRAMS

STATE AND LOCAL LAW ENFORCEMENT ASSISTANCE

For an additional amount for "State and Local Law Enforcement Assistance", for discretionary grants authorized by subpart 2 of part E, of title I of the Omnibus Crime Control and Safe Streets Act of 1968 as in effect on September 30, 2006, notwithstanding the provisions of section 511 of said Act, $50,000,000, to remain available until expended: *Provided,* That the amount made available under this heading shall be for local law enforcement initiatives in the Gulf Coast region related to the aftermath of Hurricanes Katrina and Rita: *Provided further,* That these funds shall be apportioned among the States in quotient to their level of violent crime as estimated by the Federal Bureau of Investigation's Uniform Crime Report for the year 2005.

DEPARTMENT OF COMMERCE

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

OPERATIONS, RESEARCH, AND FACILITIES

For an additional amount for "Operations, Research, and Facilities", for necessary expenses related to the consequences of Hurricanes Katrina and Rita on the shrimp and fishing industries, $110,000,000, to remain available until September 30, 2008.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

EXPLORATION CAPABILITIES

For an additional amount for "Exploration Capabilities" for necessary expenses related to the consequences of Hurricane Katrina, $35,000,000, to remain available until September 30, 2009.

GENERAL PROVISION—THIS CHAPTER

SEC. 2201. Up to $48,000,000 of amounts made available to the National Aeronautics and Space Administration in Public Law 109–148 and Public Law 109–234 for emergency hurricane and other natural disaster-related expenses may be used to reimburse hurricane-related costs incurred by NASA in fiscal year 2005.

CHAPTER 3

DEPARTMENT OF DEFENSE—CIVIL

DEPARTMENT OF THE ARMY

CORPS OF ENGINEERS—CIVIL

CONSTRUCTION

For an additional amount for "Construction" for necessary expenses related to the consequences of Hurricane Katrina and other hurricanes of the 2005 season, $25,300,000, to remain available until expended, which may be used to continue construction of projects related to interior drainage for the greater New Orleans metropolitan area.

FLOOD CONTROL AND COASTAL EMERGENCIES

For an additional amount for "Flood Control and Coastal Emergencies", as authorized by section 5 of the Act of August 18, 1941 (33 U.S.C. 701n), for necessary expenses relating to the consequences of Hurricanes Katrina and Rita and for other purposes, $1,407,700,000, to remain available until expended: *Provided,* That $1,300,000,000 of the amount provided may be used by the Secretary of the Army to carry out projects and measures for the West Bank and Vicinity and Lake Ponchartrain and Vicinity, Louisiana, projects, as described under the heading "Flood Control and Coastal Emergencies", in chapter 3 of Public Law 109–148: *Provided further,* That $107,700,000 of the amount provided may be used to implement the projects for hurricane storm damage reduction, flood damage reduction, and ecosystem restoration within Hancock, Harrison, and Jackson Counties, Mississippi substantially in accordance with the Report of the Chief of Engineers dated December 31, 2006, and entitled "Mississippi, Coastal Improvements Program Interim Report, Hancock, Harrison, and Jackson Counties, Mississippi": *Provided further,* That projects authorized for implementation under this Chief's report shall be carried out at full Federal expense, except that the non-Federal interests shall be responsible for providing for all costs associated with operation and maintenance of the project: *Provided further,* That any project using funds appropriated under this heading shall be initiated

only after non-Federal interests have entered into binding agreements with the Secretary requiring the non-Federal interests to pay 100 percent of the operation, maintenance, repair, replacement, and rehabilitation costs of the project and to hold and save the United States free from damages due to the construction or operation and maintenance of the project, except for damages due to the fault or negligence of the United States or its contractors: *Provided further*, That the Chief of Engineers, acting through the Assistant Secretary of the Army for Civil Works, shall provide a monthly report to the House and Senate Committees on Appropriations detailing the allocation and obligation of these funds, beginning not later than 60 days after enactment of this Act.

GENERAL PROVISIONS—THIS CHAPTER

SEC. 2301. The Secretary is authorized and directed to determine the value of eligible reimbursable expenses incurred by local governments in storm-proofing pumping stations, constructing safe houses for operators, and other interim flood control measures in and around the New Orleans metropolitan area that the Secretary determines to be integral to the overall plan to ensure operability of the stations during hurricanes, storms and high water events and the flood control plan for the area.

SEC. 2302. (a) The Secretary of the Army is authorized and directed to utilize funds remaining available for obligation from the amounts appropriated in chapter 3 of Public Law 109–234 under the heading "Flood Control and Coastal Emergencies" for projects in the greater New Orleans metropolitan area to prosecute these projects in a manner which promotes the goal of continuing work at an optimal pace, while maximizing, to the greatest extent practicable, levels of protection to reduce the risk of storm damage to people and property.

(b) The expenditure of funds as provided in subsection (a) may be made without regard to individual amounts or purposes specified in chapter 3 of Public Law 109–234.

(c) Any reallocation of funds that are necessary to accomplish the goal established in subsection (a) are authorized, subject to the approval of the House and Senate Committees on Appropriation.

SEC. 2303. The Chief of Engineers shall investigate the overall technical advantages, disadvantages and operational effectiveness of operating the new pumping stations at the mouths of the 17th Street, Orleans Avenue and London Avenue canals in the New Orleans area directed for construction in Public Law 109–234 concurrently or in series with existing pumping stations serving these canals and the advantages, disadvantages and technical operational effectiveness of removing the existing pumping stations and configuring the new pumping stations and associated canals to handle all needed discharges; and the advantages, disadvantages and technical operational effectiveness of replacing or improving the floodwalls and levees adjacent to the three outfall canals: *Provided,* That the analysis should be conducted at Federal expense: *Provided further,* That the analysis shall be completed and furnished to the Congress not later than three months after enactment of this Act.

SEC. 2304. Using funds made available in Chapter 3 under title II of Public Law 109–234, under the heading "Investigations", the Secretary of the Army, in consultation with other agencies

and the State of Louisiana shall accelerate completion as practicable the final report of the Chief of Engineers recommending a comprehensive plan to deauthorize deep draft navigation on the Mississippi River Gulf Outlet: *Provided,* That the plan shall incorporate and build upon the Interim Mississippi River Gulf Outlet Deep-Draft De-Authorization Report submitted to Congress in December 2006 pursuant to Public Law 109–234.

CHAPTER 4

SMALL BUSINESS ADMINISTRATION

DISASTER LOANS PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

Of the unobligated balances under the heading "Small Business Administration, Disaster Loans Program Account", $25,069,000, to remain available until expended, shall be used for administrative expenses to carry out the disaster loan program, which may be transferred to and merged with "Small Business Administration, Salaries and Expenses".

Of the unobligated balances under the heading "Small Business Administration, Disaster Loans Program Account", $25,000,000 shall be used for loans under section 7(b)(2) of the Small Business Act for businesses located in an area for which the President declared a major disaster because of the hurricanes in the Gulf of Mexico in calendar year 2005, of which not to exceed $8,750,000 is for direct administrative expenses and may be transferred to and merged with "Small Business Administration, Salaries and Expenses" to carry out the disaster loan program of the Small Business Administration.

CHAPTER 5

DEPARTMENT OF HOMELAND SECURITY

FEDERAL EMERGENCY MANAGEMENT AGENCY

DISASTER RELIEF

(INCLUDING TRANSFER OF FUNDS)

For an additional amount for "Disaster Relief", $4,610,000,000, to remain available until expended: *Provided,* That $4,000,000 shall be transferred to "Office of Inspector General".

GENERAL PROVISIONS—THIS CHAPTER

SEC. 2501. (a) IN GENERAL.—Notwithstanding any other provision of law, including any agreement, the Federal share of assistance, including direct Federal assistance, provided for the States of Louisiana, Mississippi, Florida, Alabama, and Texas in connection with Hurricanes Katrina, Wilma, Dennis, and Rita under sections 403, 406, 407, and 408 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5170b, 5172, 5173, and 5174) shall be 100 percent of the eligible costs under such sections.

(b) APPLICABILITY.—The Federal share provided by subsection (a) shall apply to disaster assistance applied for before the date of enactment of this Act.

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

(1) IN GENERAL.—Section 2(a) of the Community Disaster Loan Act of 2005 (Public Law 109–88) is amended by striking "*Provided further,* That notwithstanding section 417(c)(1) of the Stafford Act, such loans may not be canceled:".

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

(b) EMERGENCY SUPPLEMENTAL APPROPRIATIONS ACT.—

(1) IN GENERAL.—Chapter 4 of title II of the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Hurricane Recovery, 2006 (Public Law 109–234) is amended under Federal Emergency Management Agency, "Disaster Assistance Direct Loan Program Account" by striking "*Provided further,* That notwithstanding section 417(c)(1) of such Act, such loans may not be canceled:".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall be effective on the date of enactment of the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Hurricane Recovery, 2006 (Public Law 109–234).

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

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

CHAPTER 6

DEPARTMENT OF THE INTERIOR

NATIONAL PARK SERVICE

HISTORIC PRESERVATION FUND

For an additional amount for the "Historic Preservation Fund" for necessary expenses related to the consequences of Hurricane Katrina and other hurricanes of the 2005 season, $10,000,000, to remain available until September 30, 2008: *Provided,* That the funds provided under this heading shall be provided to the State Historic Preservation Officer, after consultation with the National Park Service, for grants for disaster relief in areas of Louisiana impacted by Hurricanes Katrina or Rita: *Provided further,* That grants shall be for the preservation, stabilization, rehabilitation, and repair of historic properties listed in or eligible for the National Register of Historic Places, for planning and technical assistance: *Provided further,* That grants shall only be available for areas that the President determines to be a major disaster under section 102(2) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5122(2)) due to Hurricanes Katrina or Rita: *Provided further,* That individual grants shall not be subject to a non-Federal matching requirement: *Provided further,* That

no more than 5 percent of funds provided under this heading for disaster relief grants may be used for administrative expenses.

GENERAL PROVISION—THIS CHAPTER

(INCLUDING TRANSFER OF FUNDS)

SEC. 2601. Of the disaster relief funds from Public Law 109–234, 120 Stat. 418, 461, (June 30, 2006), chapter 5, "National Park Service—Historic Preservation Fund", for necessary expenses related to the consequences of Hurricane Katrina and other hurricanes of the 2005 season that were allocated to the State of Mississippi by the National Park Service, $500,000 is hereby transferred to the "National Park Service—National Recreation and Preservation" appropriation: *Provided,* That these funds may be used to reconstruct destroyed properties that at the time of destruction were listed in the National Register of Historic Places and are otherwise qualified to receive these funds: *Provided further,* That the State Historic Preservation Officer certifies that, for the community where that destroyed property was located, the property is iconic to or essential to illustrating that community's historic identity, that no other property in that community with the same associative historic value has survived, and that sufficient historical documentation exists to ensure an accurate reproduction.

CHAPTER 7

DEPARTMENT OF EDUCATION

HIGHER EDUCATION

For an additional amount under part B of title VII of the Higher Education Act of 1965 ("HEA") for institutions of higher education (as defined in section 101 or section 102(c) of that Act) that are located in an area in which a major disaster was declared in accordance with section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act related to Hurricanes Katrina or Rita, $30,000,000: *Provided,* That such funds shall be available to the Secretary of Education only for payments to help defray the expenses (which may include lost revenue, reimbursement for expenses already incurred, and construction) incurred by such institutions of higher education that were forced to close, relocate or significantly curtail their activities as a result of damage directly caused by such hurricanes and for payments to enable such institutions to provide grants to students who attend such institutions for academic years beginning on or after July 1, 2006: *Provided further,* That such payments shall be made in accordance with criteria established by the Secretary and made publicly available without regard to section 437 of the General Education Provisions Act, section 553 of title 5, United States Code, or part B of title VII of the HEA.

HURRICANE EDUCATION RECOVERY

For carrying out activities authorized by subpart 1 of part D of title V of the Elementary and Secondary Education Act of 1965, $30,000,000, to remain available until expended, for use by the States of Louisiana, Mississippi, and Alabama primarily for

recruiting, retaining, and compensating new and current teachers, school principals, assistant principals, principal resident directors, assistant directors, and other educators, who commit to work for at least three years in school-based positions in public elementary and secondary schools located in an area with respect to which a major disaster was declared under section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5170) by reason of Hurricane Katrina or Hurricane Rita, including through such mechanisms as paying salary premiums, performance bonuses, housing subsidies, signing bonuses, and relocation costs and providing loan forgiveness, with priority given to teachers and school-based school principals, assistant principals, principal resident directors, assistant directors, and other educators who previously worked or lived in one of the affected areas, are currently employed (or become employed) in such a school in any of the affected areas after those disasters, and commit to continue that employment for at least 3 years, *Provided,* That funds available under this heading to such States may also be used for 1 or more of the following activities: (1) to build the capacity, knowledge, and skill of teachers and school-based school principals, assistant principals, principal resident directors, assistant directors, and other educators in such public elementary and secondary schools to provide an effective education, including the design, adaptation, and implementation of high-quality formative assessments; (2) the establishment of partnerships with nonprofit entities with a demonstrated track record in recruiting and retaining outstanding teachers and other school-based school principals, assistant principals, principal resident directors, and assistant directors; and (3) paid release time for teachers and principals to identify and replicate successful practices from the fastest-improving and highest-performing schools: *Provided further,* That the Secretary of Education shall allocate amounts available under this heading among such States that submit applications; that such allocation shall be based on the number of public elementary and secondary schools in each State that were closed for 19 days or more during the period beginning on August 29, 2005, and ending on December 31, 2005, due to Hurricane Katrina or Hurricane Rita; and that such States shall in turn allocate funds to local educational agencies, with priority given first to such agencies with the highest percentages of public elementary and secondary schools that are closed as a result of such hurricanes as of the date of enactment of this Act and then to such agencies with the highest percentages of public elementary and secondary schools with a student-teacher ratio of at least 25 to 1, and with any remaining amounts to be distributed to such agencies with demonstrated need, as determined by the State Superintendent of Education: *Provided further,* That, in the case of any State that chooses to use amounts available under this heading for performance bonuses, not later than 60 days after the date of enactment of this Act, and in collaboration with local educational agencies, teachers' unions, local principals' organizations, local parents' organizations, local business organizations, and local charter schools organizations, the State educational agency shall develop a plan for a rating system for performance bonuses, and if no agreement has been reached that is satisfactory to all consulting entities by such deadline, the State educational agency shall immediately send a letter notifying Congress and shall, not later than 30 days after such notification, establish and

implement a rating system that shall be based on classroom observation and feedback more than once annually, conducted by multiple sources (including, but not limited to, principals and master teachers), and evaluated against research-based rubrics that use planning, instructional, and learning environment standards to measure teacher performance, except that the requirements of this proviso shall not apply to a State that has enacted a State law in 2006 authorizing performance pay for teachers.

PROGRAMS TO RESTART SCHOOL OPERATIONS

Funds made available under section 102 of the Hurricane Education Recovery Act (title IV of division B of Public Law 109–148) may be used by the States of Louisiana, Mississippi, Alabama, and Texas, in addition to the uses of funds described in section 102(e), for the following costs: (1) recruiting, retaining, and compensating new and current teachers, school principals, assistant principals, principal resident directors, assistant directors, and other educators for school-based positions in public elementary and secondary schools impacted by Hurricane Katrina or Hurricane Rita, including through such mechanisms as paying salary premiums, performance bonuses, housing subsidies, signing bonuses, and relocation costs and providing loan forgiveness; (2) activities to build the capacity, knowledge, and skills of teachers and school-based school principals, assistant principals, principal resident directors, assistant directors, and other educators in such public elementary and secondary schools to provide an effective education, including the design, adaptation, and implementation of high-quality formative assessments; (3) the establishment of partnerships with nonprofit entities with a demonstrated track record in recruiting and retaining outstanding teachers and school-based school principals, assistant principals, principal resident directors, and assistant directors; and (4) paid release time for teachers and principals to identify and replicate successful practices from the fastest-improving and highest-performing schools.

GENERAL PROVISIONS—THIS CHAPTER

SEC. 2701. Section 105(b) of title IV of division B of Public Law 109–148 is amended by adding at the end the following new sentence: "With respect to the program authorized by section 102 of this Act, the waiver authority in subsection (a) of this section shall be available until the end of fiscal year 2008.".

SEC. 2702. Notwithstanding section 2002(c) of the Social Security Act (42 U.S.C. 1397a(c)), funds made available under the heading "Social Services Block Grant" in division B of Public Law 109–148 shall be available for expenditure by the States through the end of fiscal year 2009.

SEC. 2703. (a) In the event that Louisiana, Mississippi, Alabama, or Texas fails to meet its match requirement with funds appropriated in fiscal years 2006 or 2007, for fiscal years 2008 and 2009, the Secretary of Health and Human Services may waive the application of section 2617(d)(4) of the Public Health Service Act for Louisiana, Mississippi, Alabama, and Texas.

(b) The Secretary may not exercise the waiver authority available under subsection (a) to allow a grantee to provide less than a 25 percent matching grant.

(c) For grant years beginning in 2008, Louisiana, Mississippi, Alabama, and Texas and any eligible metropolitan area in Louisiana, Mississippi, Alabama, and Texas shall comply with each of the applicable requirements under title XXVI of the Public Health Service Act (42 U.S.C. 300ff–11 et seq.).

CHAPTER 8

DEPARTMENT OF TRANSPORTATION

FEDERAL HIGHWAY ADMINISTRATION

FEDERAL-AID HIGHWAYS

EMERGENCY RELIEF PROGRAM

(INCLUDING RESCISSION OF FUNDS)

For an additional amount for the Emergency Relief Program as authorized under section 125 of title 23, United States Code, $682,942,000, to remain available until expended: *Provided,* That section 125(d)(1) of title 23, United States Code, shall not apply to emergency relief projects that respond to damage caused by the 2005–2006 winter storms in the State of California: *Provided further,* That of the unobligated balances of funds apportioned to each State under chapter 1 of title 23, United States Code, $682,942,000 are rescinded: *Provided further,* That such rescission shall not apply to the funds distributed in accordance with sections 130(f) and 104(b)(5) of title 23, United States Code; sections 133(d)(1) and 163 of such title, as in effect on the day before the date of enactment of Public Law 109–59; and the first sentence of section 133(d)(3)(A) of such title.

FEDERAL TRANSIT ADMINISTRATION

FORMULA GRANTS

For an additional amount to be allocated by the Secretary to recipients of assistance under chapter 53 of title 49, United States Code, directly affected by Hurricanes Katrina and Rita, $35,000,000, for the operating and capital costs of transit services, to remain available until expended: *Provided,* That the Federal share for any project funded from this amount shall be 100 percent.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

OFFICE OF INSPECTOR GENERAL

For an additional amount for the Office of Inspector General, for the necessary costs related to the consequences of Hurricanes Katrina and Rita, $7,000,000, to remain available until expended.

GENERAL PROVISIONS—THIS CHAPTER

SEC. 2801. The third proviso under the heading "Department of Housing and Urban Development—Public and Indian Housing—Tenant-Based Rental Assistance" in chapter 9 of title I of division B of Public Law 109–148 (119 Stat. 2779) is amended by striking "for up to 18 months" and inserting "until December 31, 2007".

SEC. 2802. Section 21033 of the Continuing Appropriations Resolution, 2007 (division B of Public Law 109–289, as amended by Public Law 110–5) is amended by adding after the third proviso: ": *Provided further,* That notwithstanding the previous proviso, except for applying the 2007 Annual Adjustment Factor and making any other specified adjustments, public housing agencies specified in category 1 below shall receive funding for calendar year 2007 based on the higher of the amounts the agencies would receive under the previous proviso or the amounts the agencies received in calendar year 2006, and public housing agencies specified in categories 2 and 3 below shall receive funding for calendar year 2007 equal to the amounts the agencies received in calendar year 2006, except that public housing agencies specified in categories 1 and 2 below shall receive funding under this proviso only if, and to the extent that, any such public housing agency submits a plan, approved by the Secretary, that demonstrates that the agency can effectively use within 12 months the funding that the agency would receive under this proviso that is in addition to the funding that the agency would receive under the previous proviso: (1) public housing agencies that are eligible for assistance under section 901 in Public Law 109–148 (119 Stat. 2781) or are located in the same counties as those eligible under section 901 and operate voucher programs under section 8(o) of the U.S. Housing Act of 1937 but do not operate public housing under section 9 of such Act, and any public housing agency that otherwise qualifies under this category must demonstrate that they have experienced a loss of rental housing stock as a result of the 2005 hurricanes; (2) public housing agencies that would receive less funding under the previous proviso than they would receive under this proviso and that have been placed in receivership or the Secretary has declared to be in breach of an Annual Contributions Contract by June 1, 2007; and (3) public housing agencies that spent more in calendar year 2006 than the total of the amounts of any such public housing agency's allocation amount for calendar year 2006 and the amount of any such public housing agency's available housing assistance payments undesignated funds balance from calendar year 2005 and the amount of any such public housing agency's available administrative fees undesignated funds balance through calendar year 2006".

SEC. 2803. Section 901 of Public Law 109–148 is amended by deleting "calendar year 2006" and inserting "calendar years 2006 and 2007".

TITLE III

OTHER EMERGENCY APPROPRIATIONS

CHAPTER 1

DEPARTMENT OF COMMERCE

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

OPERATIONS, RESEARCH, AND FACILITIES

For an additional amount for "Operations, Research, and Facilities", $60,400,000, to remain available until September 30, 2008: *Provided,* That the National Marine Fisheries Service shall cause

such amounts to be distributed among eligible recipients of assistance for the commercial fishery failure designated under section 312(a) of the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1861a(a)) and declared by the Secretary of Commerce on August 10, 2006.

CHAPTER 2

DEPARTMENT OF DEFENSE—CIVIL

DEPARTMENT OF THE ARMY

CORPS OF ENGINEERS—CIVIL

OPERATION AND MAINTENANCE

For an additional amount for "Operation and Maintenance" to dredge navigation channels related to the consequences of hurricanes of the 2005 season, $3,000,000, to remain available until expended.

FLOOD CONTROL AND COASTAL EMERGENCIES

For an additional amount for "Flood Control and Coastal Emergencies", as authorized by section 5 of the Act of August 18, 1941 (33 U.S.C. 701n), to support emergency operations, repairs and other activities in response to flood, drought and earthquake emergencies as authorized by law, $150,000,000, to remain available until expended: *Provided*, That the Chief of Engineers, acting through the Assistant Secretary of the Army for Civil Works, shall provide a monthly report to the House and Senate Committees on Appropriations detailing the allocation and obligation of these funds, beginning not later than 60 days after enactment of this Act.

DEPARTMENT OF THE INTERIOR

BUREAU OF RECLAMATION

WATER AND RELATED RESOURCES

For an additional amount for "Water and Related Resources", $18,000,000, to remain available until expended for drought assistance: *Provided,* That drought assistance may be provided under the Reclamation States Drought Emergency Act or other applicable Reclamation authorities to assist drought plagued areas of the West.

CHAPTER 3

DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT

WILDLAND FIRE MANAGEMENT

(INCLUDING TRANSFER OF FUNDS)

For an additional amount for "Wildland Fire Management", $100,000,000, to remain available until expended, for urgent

wildland fire suppression activities: *Provided,* That such funds shall only become available if funds previously provided for wildland fire suppression will be exhausted imminently and the Secretary of the Interior notifies the House and Senate Committees on Appropriations in writing of the need for these additional funds: *Provided further,* That such funds are also available for repayment to other appropriations accounts from which funds were transferred for wildfire suppression.

UNITED STATES FISH AND WILDLIFE SERVICE

RESOURCE MANAGEMENT

For an additional amount for "Resource Management" for the detection of highly pathogenic avian influenza in wild birds, including the investigation of morbidity and mortality events, targeted surveillance in live wild birds, and targeted surveillance in hunter-taken birds, $7,398,000, to remain available until September 30, 2008.

NATIONAL PARK SERVICE

OPERATION OF THE NATIONAL PARK SYSTEM

For an additional amount for "Operation of the National Park System" for the detection of highly pathogenic avian influenza in wild birds, including the investigation of morbidity and mortality events, $525,000, to remain available until September 30, 2008.

UNITED STATES GEOLOGICAL SURVEY

SURVEYS, INVESTIGATIONS, AND RESEARCH

For an additional amount for "Surveys, Investigations, and Research" for the detection of highly pathogenic avian influenza in wild birds, including the investigation of morbidity and mortality events, targeted surveillance in live wild birds, and targeted surveillance in hunter-taken birds, $5,270,000, to remain available until September 30, 2008.

DEPARTMENT OF AGRICULTURE

FOREST SERVICE

NATIONAL FOREST SYSTEM

For an additional amount for "National Forest System" for the implementation of a nationwide initiative to increase protection of national forest lands from drug-trafficking organizations, including funding for additional law enforcement personnel, training, equipment and cooperative agreements, $12,000,000, to remain available until expended.

WILDLAND FIRE MANAGEMENT

(INCLUDING TRANSFER OF FUNDS)

For an additional amount for "Wildland Fire Management", $400,000,000, to remain available until expended, for urgent wildland fire suppression activities: *Provided,* That such funds shall

only become available if funds provided previously for wildland fire suppression will be exhausted imminently and the Secretary of Agriculture notifies the House and Senate Committees on Appropriations in writing of the need for these additional funds: *Provided further,* That such funds are also available for repayment to other appropriation accounts from which funds were transferred for wildfire suppression.

GENERAL PROVISION—THIS CHAPTER

SEC. 3301. (a) For fiscal year 2007, payments shall be made from any revenues, fees, penalties, or miscellaneous receipts described in sections 102(b)(3) and 103(b)(2) of the Secure Rural Schools and Community Self-Determination Act of 2000 (Public Law 106–393; 16 U.S.C. 500 note), not to exceed $100,000,000, and the payments shall be made, to the maximum extent practicable, in the same amounts, for the same purposes, and in the same manner as were made to States and counties in 2006 under that Act.

(b) There is appropriated $425,000,000, to remain available until December 31, 2007, to be used to cover any shortfall for payments made under this section from funds not otherwise appropriated.

(c) Titles II and III of Public Law 106–393 are amended, effective September 30, 2006, by striking "2006" and "2007" each place they appear and inserting "2007" and "2008", respectively.

CHAPTER 4

DEPARTMENT OF HEALTH AND HUMAN SERVICES

CENTERS FOR DISEASE CONTROL AND PREVENTION

DISEASE CONTROL, RESEARCH AND TRAINING

For an additional amount for "Department of Health and Human Services, Centers for Disease Control and Prevention, Disease Control, Research and Training", to carry out section 501 of the Federal Mine Safety and Health Act of 1977 and section 6 of the Mine Improvement and New Emergency Response Act of 2006, $13,000,000 for research to develop mine safety technology, including necessary repairs and improvements to leased laboratories: *Provided,* That progress reports on technology development shall be submitted to the House and Senate Committees on Appropriations and the Committee on Health, Education, Labor and Pensions of the Senate and the Committee on Education and Labor of the House of Representatives on a quarterly basis: *Provided further,* That the amount provided under this heading shall remain available until September 30, 2008.

For an additional amount for "Department of Health and Human Services, Centers for Disease Control and Prevention, Disease Control, Research and Training", to carry out activities under section 5011(b) of the Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006 (Public Law 109–148), $50,000,000, to remain available until expended.

ADMINISTRATION FOR CHILDREN AND FAMILIES

LOW-INCOME HOME ENERGY ASSISTANCE

For an additional amount for "Low-Income Home Energy Assistance" under section 2604(a) through (d) of the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8623(a) through (d)), $200,000,000.

For an additional amount for "Low-Income Home Energy Assistance" under section 2604(e) of the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8623(e)), $200,000,000.

OFFICE OF THE SECRETARY

PUBLIC HEALTH AND SOCIAL SERVICES EMERGENCY FUND

(INCLUDING TRANSFER OF FUNDS)

For an additional amount for "Public Health and Social Services Emergency Fund" to prepare for and respond to an influenza pandemic, $625,000,000, to remain available until expended: *Provided,* That this amount shall be for activities including the development and purchase of vaccine, antivirals, necessary medical supplies, diagnostics, and other surveillance tools: *Provided further,* That products purchased with these funds may, at the discretion of the Secretary of Health and Human Services, be deposited in the Strategic National Stockpile: *Provided further,* That notwithstanding section 496(b) of the Public Health Service Act, funds may be used for the construction or renovation of privately owned facilities for the production of pandemic vaccine and other biologicals, where the Secretary finds such a contract necessary to secure sufficient supplies of such vaccines or biologicals: *Provided further,* That funds appropriated herein may be transferred to other appropriation accounts of the Department of Health and Human Services, as determined by the Secretary to be appropriate, to be used for the purposes specified in this sentence.

COVERED COUNTERMEASURE PROCESS FUND

For carrying out section 319F–4 of the Public Health Service Act (42 U.S.C. 247d–6e) to compensate individuals for injuries caused by H5N1 vaccine, in accordance with the declaration regarding avian influenza viruses issued by the Secretary of Health and Human Services on January 26, 2007, pursuant to section 319F–3(b) of such Act (42 U.S.C. 247d–6d(b)), $25,000,000, to remain available until expended.

GENERAL PROVISIONS—THIS CHAPTER

(INCLUDING RESCISSIONS)

SEC. 3401. (a). From unexpended balances available for the Training and Employment Services account under the Department of Labor, the following amounts are hereby rescinded—

(1) $3,589,000 transferred pursuant to the 2001 Emergency Supplemental Appropriations Act for Recovery from and Response to Terrorist Attacks on the United States (Public Law 107–38);

(2) $834,000 transferred pursuant to the Emergency Supplemental Appropriations Act of 1994 (Public Law 103–211); and

(3) $71,000 for the Consortium for Worker Education pursuant to the Emergency Supplemental Act, 2002 (Public Law 107–117).

(b) From unexpended balances available for the State Unemployment Insurance and Employment Service Operations account under the Department of Labor pursuant to the Emergency Supplemental Act, 2002 (Public Law 107–117), $4,100,000 are hereby rescinded.

SEC. 3402. (a) For an additional amount under "Department of Education, Safe Schools and Citizenship Education", $8,594,000 shall be available for Safe and Drug-Free Schools National Programs for competitive grants to local educational agencies to address youth violence and related issues.

(b) The competition under subsection (a) shall be limited to local educational agencies that operate schools currently identified as persistently dangerous under section 9532 of the Elementary and Secondary Education Act of 1965.

CHAPTER 5

LEGISLATIVE BRANCH

ARCHITECT OF THE CAPITOL

CAPITOL POWER PLANT

For an additional amount for "Capitol Power Plant", $50,000,000, for utility tunnel repairs and asbestos abatement, to remain available until September 30, 2011: *Provided,* That the Architect of the Capitol may not obligate any of the funds appropriated under this heading without approval of an obligation plan by the Committees on Appropriations of the Senate and House of Representatives.

CHAPTER 6

DEPARTMENT OF VETERANS AFFAIRS

VETERANS HEALTH ADMINISTRATION

MEDICAL SERVICES

For an additional amount for "Medical Services", $466,778,000, to remain available until expended, of which $30,000,000 shall be for the establishment of at least one new Level I comprehensive polytrauma center; $9,440,000 shall be for the establishment of polytrauma residential transitional rehabilitation programs; $10,000,000 shall be for additional transition caseworkers; $20,000,000 shall be for substance abuse treatment programs; $20,000,000 shall be for readjustment counseling; $10,000,000 shall be for blind rehabilitation services; $100,000,000 shall be for enhancements to mental health services; $8,000,000 shall be for polytrauma support clinic teams; $5,356,000 shall be for additional polytrauma points of contact; $228,982,000 shall be for treatment

of Operation Enduring Freedom and Operation Iraqi Freedom veterans; and $25,000,000 shall be for prosthetics.

MEDICAL ADMINISTRATION

For an additional amount for "Medical Administration", $250,000,000, to remain available until expended.

MEDICAL FACILITIES

For an additional amount for "Medical Facilities", $595,000,000, to remain available until expended, of which $45,000,000 shall be used for facility and equipment upgrades at the Department of Veterans Affairs polytrauma network sites; and $550,000,000 shall be for non-recurring maintenance as identified in the Department of Veterans Affairs Facility Condition Assessment report: *Provided,* That the amount provided under this heading for non-recurring maintenance shall be allocated in a manner not subject to the Veterans Equitable Resource Allocation: *Provided further,* That within 30 days of enactment of this Act the Secretary shall submit to the Committees on Appropriations of both Houses of Congress an expenditure plan, by project, for non-recurring maintenance prior to obligation: *Provided further,* That semi-annually, on October 1 and April 1, the Secretary shall submit to the Committees on Appropriations of both Houses of Congress a report on the status of funding for non-recurring maintenance, including obligations and unobligated balances for each project identified in the expenditure plan.

MEDICAL AND PROSTHETIC RESEARCH

For an additional amount for "Medical and Prosthetic Research", $32,500,000, to remain available until expended, which shall be used for research related to the unique medical needs of returning Operation Enduring Freedom and Operation Iraqi Freedom veterans.

DEPARTMENTAL ADMINISTRATION

GENERAL OPERATING EXPENSES

(INCLUDING TRANSFER OF FUNDS)

For an additional amount for "General Operating Expenses", $83,200,000, to remain available until expended, of which $1,250,000 shall be for digitization of military records; $60,750,000 shall be for expenses related to hiring and training new claims processing personnel; up to $1,200,000 for an independent study of the organizational structure, management and coordination processes, including seamless transition, utilized by the Department of Veterans Affairs to provide health care and benefits to active duty personnel and veterans, including those returning Operation Enduring Freedom and Operation Iraqi Freedom veterans; and $20,000,000 shall be for disability examinations: *Provided,* That not to exceed $1,250,000 of the amount appropriated under this heading may be transferred to the Department of Defense for the digitization of military records used to verify stressors for benefits claims.

INFORMATION TECHNOLOGY SYSTEMS

For an additional amount for "Information Technology Systems", $35,100,000, to remain available until expended, of which $20,000,000 shall be for information technology support and improvements for processing of Operation Enduring Freedom and Operation Iraqi Freedom veterans benefits claims, including making electronic Department of Defense medical records available for claims processing and enabling electronic benefits applications by veterans; and $15,100,000 shall be for electronic data breach remediation and prevention.

CONSTRUCTION, MINOR PROJECTS

For an additional amount for "Construction, Minor Projects", $326,000,000, to remain available until expended, of which up to $36,000,000 shall be for construction costs associated with the establishment of polytrauma residential transitional rehabilitation programs.

GENERAL PROVISIONS—THIS CHAPTER

SEC. 3601. The Director of the Congressional Budget Office shall, not later than November 15, 2007, submit to the Committees on Appropriations of the House of Representatives and the Senate a report projecting appropriations necessary for the Departments of Defense and Veterans Affairs to continue providing necessary health care to veterans of the conflicts in Iraq and Afghanistan. The projections should span several scenarios for the duration and number of forces deployed in Iraq and Afghanistan, and more generally, for the long-term health care needs of deployed troops engaged in the global war on terrorism over the next ten years.

SEC. 3602. Notwithstanding any other provision of law, appropriations made by Public Law 110–5, which the Secretary of Veterans Affairs contributes to the Department of Defense/Department of Veterans Affairs Health Care Sharing Incentive Fund under the authority of section 8111(d) of title 38, United States Code, shall remain available until expended for any purpose authorized by section 8111 of title 38, United States Code.

SEC. 3603. (a)(1) Notwithstanding any other provision of law, the Secretary of Veterans Affairs (referred to in this section as the "Secretary") may convey to the State of Texas, without consideration, all right, title, and interest of the United States in and to the parcel of real property comprising the location of the Marlin, Texas, Department of Veterans Affairs Medical Center.

(2) The property conveyed under paragraph (1) shall be used by the State of Texas for the purposes of a prison.

(b) In carrying out the conveyance under subsection (a), the Secretary—

(1) shall not be required to comply with, and shall not be held liable under, any Federal law (including a regulation) relating to the environment or historic preservation; but

(2) may, at the discretion of the Secretary, conduct environmental cleanup on the parcel to be conveyed, at a cost not to exceed $500,000, using amounts made available for environmental cleanup of sites under the jurisdiction of the Secretary.

TITLE IV

OTHER MATTERS

CHAPTER 1

DEPARTMENT OF AGRICULTURE

FARM SERVICE AGENCY

SALARIES AND EXPENSES

For an additional amount for "Salaries and Expenses" of the Farm Service Agency, $37,500,000, to remain available until September 30, 2008: *Provided,* That this amount shall only be available for network and database/application stabilization.

GENERAL PROVISIONS—THIS CHAPTER

SEC. 4101. Of the funds made available through appropriations to the Food and Drug Administration for fiscal year 2007, not less than $4,000,000 shall be for the Office of Women's Health of such Administration.

SEC. 4102. None of the funds made available to the Department of Agriculture for fiscal year 2007 may be used to implement the risk-based inspection program in the 30 prototype locations announced on February 22, 2007, by the Under Secretary for Food Safety, or at any other locations, until the USDA Office of Inspector General has provided its findings to the Food Safety and Inspection Service and the Committees on Appropriations of the House of Representatives and the Senate on the data used in support of the development and design of the risk-based inspection program and FSIS has addressed and resolved issues identified by OIG.

CHAPTER 2

GENERAL PROVISIONS—THIS CHAPTER

SEC. 4201. Hereafter, federal employees at the National Energy Technology Laboratory shall be classified as inherently governmental for the purpose of the Federal Activities Inventory Reform Act of 1998 (31 U.S.C. 501 note).

SEC. 4202. PROHIBITION ON CERTAIN USES OF FUNDS BY BPA. None of the funds made available under this or any other Act shall be used during fiscal year 2007 to make, or plan or prepare to make, any payment on bonds issued by the Administrator of the Bonneville Power Administration (referred in this section as the "Administrator") or for an appropriated Federal Columbia River Power System investment, if the payment is both—

(1) greater, during any fiscal year, than the payments calculated in the rate hearing of the Administrator to be made during that fiscal year using the repayment method used to establish the rates of the Administrator as in effect on October 1, 2006; and

(2) based or conditioned on the actual or expected net secondary power sales receipts of the Administrator.

CHAPTER 3

GENERAL PROVISIONS—THIS CHAPTER

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

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

SEC. 4302. The structure of any of the offices or components within the Office of National Drug Control Policy shall remain as they were on October 1, 2006. None of the funds appropriated or otherwise made available in the Continuing Appropriations Resolution, 2007 (Public Law 110–5) may be used to implement a reorganization of offices within the Office of National Drug Control Policy without the explicit approval of the Committees on Appropriations of the House of Representatives and the Senate.

SEC. 4303. From the amount provided by section 21067 of the Continuing Appropriations Resolution, 2007 (Public Law 110–5), the National Archives and Records Administration may obligate monies necessary to carry out the activities of the Public Interest Declassification Board.

SEC. 4304. Notwithstanding the notice requirement of the Transportation, Treasury, Housing and Urban Development, the Judiciary, the District of Columbia, and Independent Agencies Appropriations Act, 2006, 119 Stat. 2509 (Public Law 109–115), as continued in section 104 of the Continuing Appropriations Resolution, 2007 (Public Law 110–5), the District of Columbia Courts may reallocate not more than $1,000,000 of the funds provided for fiscal year 2007 under the Federal Payment to the District of Columbia Courts for facilities among the items and entities funded under that heading for operations.

SEC. 4305. (a) Not later than 90 days after the date of enactment of this Act, the Secretary of the Treasury, in coordination with the Securities and Exchange Commission and in consultation with the Departments of State and Energy, shall prepare and submit to the Senate Committee on Appropriations, the House Committee on Appropriations, the Senate Committee on Banking, Housing, and Urban Affairs, the House Committee on Financial Services, the Senate Foreign Relations Committee, and the House Foreign Affairs Committee a written report, which may include a classified annex, containing the names of companies which either directly or through a parent or subsidiary company, including partly-owned subsidiaries, are known to conduct significant business operations in Sudan relating to natural resource extraction, including oil-related activities and mining of minerals. The reporting provision shall not apply to companies operating under licenses from the Office of Foreign Assets Control or otherwise expressly exempted under United States law from having to obtain such licenses in order to operate in Sudan.

(b) Not later than 45 days following the submission to Congress of the list of companies conducting business operations in Sudan relating to natural resource extraction as required above, the General Services Administration shall determine whether the United States Government has an active contract for the procurement of goods or services with any of the identified companies, and

provide notification to the appropriate committees of Congress, which may include a classified annex, regarding the companies, nature of the contract, and dollar amounts involved.

(INCLUDING RESCISSION)

SEC. 4306. (a) Of the funds provided for the General Services Administration, "Office of Inspector General" in section 21061 of the Continuing Appropriations Resolution, 2007 (division B of Public Law 109–289, as amended by Public Law 110–5), $4,500,000 are rescinded.

(b) For an additional amount for the General Services Administration, "Office of Inspector General", $4,500,000, to remain available until September 30, 2008.

SEC. 4307. Section 21073 of the Continuing Appropriations Resolution, 2007 (Public Law 110–5) is amended by adding a new subsection (j) as follows:

"(j) Notwithstanding section 101, any appropriation or funds made available to the District of Columbia pursuant to this division for 'Federal Payment for Foster Care Improvement in the District of Columbia' shall be available in accordance with an expenditure plan submitted by the Mayor of the District of Columbia not later than 60 days after the enactment of this section which details the activities to be carried out with such Federal Payment.".

CHAPTER 4

DEPARTMENT OF HOMELAND SECURITY

GENERAL PROVISIONS—THIS CHAPTER

SEC. 4401. Not to exceed $30,000,000 from unobligated balances remaining from prior appropriations for United States Coast Guard, "Retired Pay", shall remain available until expended in the account and for the purposes for which the appropriations were provided, including the payment of obligations otherwise chargeable to lapsed or current appropriations for this purpose.

SEC. 4402. (a) IN GENERAL.—Any contract, subcontract, task or delivery order described in subsection (b) shall contain the following:

(1) A requirement for a technical review of all designs, design changes, and engineering change proposals, and a requirement to specifically address all engineering concerns identified in the review before the obligation of further funds may occur.

(2) A requirement that the Coast Guard maintain technical warrant holder authority, or the equivalent, for major assets.

(3) A requirement that no procurement subject to subsection (b) for lead asset production or the implementation of a major design change shall be entered into unless an independent third party with no financial interest in the development, construction, or modification of any component of the asset, selected by the Commandant, determines that such action is advisable.

(4) A requirement for independent life-cycle cost estimates of lead assets and major design and engineering changes.

(5) A requirement for the measurement of contractor and subcontractor performance based on the status of all work

performed. For contracts under the Integrated Deepwater Systems program, such requirement shall include a provision that links award fees to successful acquisition outcomes (which shall be defined in terms of cost, schedule, and performance).

(6) A requirement that the Commandant of the Coast Guard assign an appropriate officer or employee of the Coast Guard to act as chair of each integrated product team and higher-level team assigned to the oversight of each integrated product team.

(7) A requirement that the Commandant of the Coast Guard may not award or issue any contract, task or delivery order, letter contract modification thereof, or other similar contract, for the acquisition or modification of an asset under a procurement subject to subsection (b) unless the Coast Guard and the contractor concerned have formally agreed to all terms and conditions or the head of contracting activity for the Coast Guard determines that a compelling need exists for the award or issue of such instrument.

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

(1) any major procurement contract, first-tier subcontract, delivery or task order entered into by the Coast Guard;

(2) any first-tier subcontract entered into under such a contract; and

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

(c) EXPENDITURE OF DEEPWATER FUNDS.—Of the funds available for the Integrated Deepwater Systems program, $650,000,000 may not be obligated until the Committees on Appropriations of the Senate and the House of Representatives receive an expenditure plan directly from the Coast Guard that—

(1) defines activities, milestones, yearly costs, and life-cycle costs for each procurement of a major asset, including an independent cost estimate for each;

(2) identifies life-cycle staffing and training needs of Coast Guard project managers and of procurement and contract staff;

(3) identifies competition to be conducted in each procurement;

(4) describes procurement plans that do not rely on a single industry entity or contract;

(5) contains very limited indefinite delivery/indefinite quantity contracts and explains the need for any indefinite delivery/indefinite quantity contracts;

(6) complies with all applicable acquisition rules, requirements, and guidelines, and incorporates the best systems acquisition management practices of the Federal Government;

(7) complies with the capital planning and investment control requirements established by the Office of Management and Budget, including circular A–11, part 7;

(8) includes a certification by the head of contracting activity for the Coast Guard and the Chief Procurement Officer of the Department of Homeland Security that the Coast Guard has established sufficient controls and procedures and has sufficient staffing to comply with all contracting requirements, and that any conflicts of interest have been sufficiently addressed;

(9) includes a description of the process used to act upon deviations from the contractually specified performance requirements and clearly explains the actions taken on such deviations;

(10) includes a certification that the Assistant Commandant of the Coast Guard for Engineering and Logistics is designated as the technical authority for all engineering, design, and logistics decisions pertaining to the Integrated Deepwater Systems program; and

(11) identifies progress in complying with the requirements of subsection (a).

(d) REPORTS.—(1) Not later than 30 days after the date of enactment of this Act, the Commandant of the Coast Guard shall submit to the Committees on Appropriations of the Senate and the House of Representatives; the Committee on Commerce, Science and Transportation of the Senate; and the Committee on Transportation and Infrastructure of the House of Representatives: (i) a report on the resources (including training, staff, and expertise) required by the Coast Guard to provide appropriate management and oversight of the Integrated Deepwater Systems program; and (ii) a report on how the Coast Guard will utilize full and open competition for any contract that provides for the acquisition or modification of assets under, or in support of, the Integrated Deepwater Systems program, entered into after the date of enactment of this Act.

(2) Within 30 days following the submission of the expenditure plan required under subsection (c), the Government Accountability Office shall review the plan and brief the Committees on Appropriations of the Senate and the House of Representatives on its findings.

SEC. 4403. None of the funds provided in this Act or any other Act may be used to alter or reduce operations within the Civil Engineering Program of the Coast Guard nationwide, including the civil engineering units, facilities, design and construction centers, maintenance and logistics command centers, the Coast Guard Academy and the Coast Guard Research and Development Center, except as specifically authorized by a statute enacted after the date of enactment of this Act.

(INCLUDING RESCISSIONS OF FUNDS)

SEC. 4404. (a) RESCISSIONS.—The following unobligated balances made available pursuant to section 505 of Public Law 109–90 are rescinded: $1,200,962 from the "Office of the Secretary and Executive Management"; $512,855 from the "Office of the Under Secretary for Management"; $461,874 from the "Office of the Chief Information Officer"; $45,080 from the "Office of the Chief Financial Officer"; $968,211 from Preparedness "Management and Administration"; $1,215,486 from Science and Technology "Management and Administration"; $450,000 from United States Secret Service "Salaries and Expenses"; $450,000 from Federal Emergency Management Agency "Administrative and Regional Operations"; and $25,595,532 from United States Coast Guard "Operating Expenses".

(b) ADDITIONAL APPROPRIATIONS.—

(1) For an additional amount for United States Coast Guard "Acquisition, Construction, and Improvements", $30,000,000, to remain available until September 30, 2009, to mitigate the Service's patrol boat operational gap; and

(2) For an additional amount for the "Office of the Under Secretary for Management", $900,000, for an independent study to compare the Department of Homeland Security senior career and political staffing levels and senior career training programs with those of similarly structured cabinet-level agencies.

SEC. 4405. (a) IN GENERAL.—With respect to contracts entered into after June 1, 2007, and except as provided in subsection (b), no entity performing lead system integrator functions in the acquisition of a major system by the Department of Homeland Security may have any direct financial interest in the development or construction of any individual system or element of any system of systems.

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

(1) the Secretary of Homeland Security certifies to the Committees on Appropriations of the Senate and the House of Representatives, the Committee on Homeland Security of the House of Representatives, the Committee on Transportation and Infrastructure of the House of Representatives, the Committee on Homeland Security and Governmental Affairs of the Senate, and the Committee on Commerce, Science and Transportation of the Senate that—

(A) the entity was selected by the Department of Homeland Security as a contractor to develop or construct the system or element concerned through the use of competitive procedures; and

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

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

(c) CONSTRUCTION.—Nothing in this section shall be construed to preclude an entity described in subsection (a) from performing work necessary to integrate two or more individual systems or elements of a system of systems with each other.

(d) REGULATIONS UPDATE.—Not later than June 1, 2007, the Secretary of Homeland Security shall update the acquisition regulations of the Department of Homeland Security in order to specify fully in such regulations the matters with respect to lead system integrators set forth in this section. Included in such regulations shall be: (1) a precise and comprehensive definition of the term "lead system integrator", modeled after that used by the Department of Defense; and (2) a specification of various types of contracts and fee structures that are appropriate for use by lead system integrators in the production, fielding, and sustainment of complex systems.

CHAPTER 5

GENERAL PROVISIONS—THIS CHAPTER

SEC. 4501. Section 20515 of the Continuing Appropriations Resolution, 2007 (division B of Public Law 109–289, as amended by Public Law 110–5) is amended by inserting before the period: "; and of which, not to exceed $143,628,000 shall be available

for contract support costs under the terms and conditions contained in Public Law 109–54".

SEC. 4502. Section 20512 of the Continuing Appropriations Resolution, 2007 (division B of Public Law 109–289, as amended by Public Law 110–5) is amended by inserting after the first dollar amount: ", of which not to exceed $7,300,000 shall be transferred to the 'Indian Health Facilities' account; the amount in the second proviso shall be $18,000,000; the amount in the third proviso shall be $525,099,000; the amount in the ninth proviso shall be $269,730,000; and the $15,000,000 allocation of funding under the eleventh proviso shall not be required".

SEC. 4503. Section 20501 of the Continuing Appropriations Resolution, 2007 (division B of Public Law 109–289, as amended by Public Law 110–5) is amended by inserting after "$55,663,000" the following: "of which $13,000,000 shall be for Save America's Treasures".

SEC. 4504. Funds made available to the United States Fish and Wildlife Service for fiscal year 2007 under the heading "Land Acquisition" may be used for land conservation partnerships authorized by the Highlands Conservation Act of 2004.

CHAPTER 6

DEPARTMENT OF HEALTH AND HUMAN SERVICES

NATIONAL INSTITUTES OF HEALTH

NATIONAL INSTITUTE OF ALLERGY AND INFECTIOUS DISEASES

(TRANSFER OF FUNDS)

Of the amount provided by the Continuing Appropriations Resolution, 2007 (division B of Public Law 109–289, as amended by Public Law 110–5) for "National Institute of Allergy and Infectious Diseases", $49,500,000 shall be transferred to "Public Health and Social Services Emergency Fund" to carry out activities relating to advanced research and development as provided by section 319L of the Public Health Service Act.

OFFICE OF THE DIRECTOR

(TRANSFER OF FUNDS)

Of the amount provided by the Continuing Appropriations Resolution, 2007 (division B of Public Law 109–289, as amended by Public Law 110–5) for "Office of the Director", $49,500,000 shall be transferred to "Public Health and Social Services Emergency Fund" to carry out activities relating to advanced research and development as provided by section 319L of the Public Health Service Act.

NATIONAL COUNCIL ON DISABILITY

SALARIES AND EXPENSES

For an additional amount for "Salaries and Expenses", $300,000, to remain available until expended, for necessary expenses related to the requirements of the Post-Katrina Emergency Management Reform Act of 2006, as enacted by the Department

of Homeland Security Appropriations Act, 2007 (Public Law 109–295).

GENERAL PROVISIONS—THIS CHAPTER

(INCLUDING TRANSFERS OF FUNDS AND RESCISSION)

SEC. 4601. Section 20602 of the Continuing Appropriations Resolution, 2007 (division B of Public Law 109–289, as amended by Public Law 110–5) is amended by inserting the following after "$5,000,000": "(together with an additional $7,000,000 which shall be transferred by the Pension Benefit Guaranty Corporation as an authorized administrative cost), to remain available through September 30, 2008,".

SEC. 4602. Section 20607 of the Continuing Appropriations Resolution, 2007 (division B of Public Law 109–289, as amended by Public Law 110–5) is amended by inserting "of which $9,666,000 shall be for the Women's Bureau," after "for child labor activities,".

SEC. 4603. Of the amount provided for "Department of Health and Human Services, Health Resources and Services Administration, Health Resources and Services" in the Continuing Appropriations Resolution, 2007 (division B of Public Law 109–289, as amended by Public Law 110–5), $23,000,000 shall be for Poison Control Centers.

SEC. 4604. From the amounts made available by the Continuing Appropriations Resolution, 2007 (division B of Public Law 109–289, as amended by Public Law 110–5) for the Office of the Secretary, General Departmental Management under the Department of Health and Human Services, $1,000,000 are rescinded.

SEC. 4605. Section 20625(b)(1) of the Continuing Appropriations Resolution, 2007 (division B of Public Law 109–289, as amended by Public Law 110–5) is amended by—

(1) striking "$7,172,994,000" and inserting "$7,176,431,000";

(2) amending subparagraph (A) to read as follows: "(A) $5,454,824,000 shall be for basic grants under section 1124 of the Elementary and Secondary Education Act of 1965 (ESEA), of which up to $3,437,000 shall be available to the Secretary of Education on October 1, 2006, to obtain annually updated educational-agency-level census poverty data from the Bureau of the Census;"; and

(3) amending subparagraph (C) to read as follows: "(C) not to exceed $2,352,000 may be available for section 1608 of the ESEA and for a clearinghouse on comprehensive school reform under part D of title V of the ESEA;".

SEC. 4606. The provision in the first proviso under the heading "Rehabilitation Services and Disability Research" in the Department of Education Appropriations Act, 2006, relating to alternative financing programs under section 4(b)(2)(D) of the Assistive Technology Act of 1998 shall not apply to funds appropriated by the Continuing Appropriations Resolution, 2007.

SEC. 4607. Notwithstanding sections 20639 and 20640 of the Continuing Appropriations Resolution, 2007, as amended by section 2 of the Revised Continuing Appropriations Resolution, 2007 (Public Law 110–5), the Chief Executive Officer of the Corporation for National and Community Service may transfer an amount of not more than $1,360,000 from the account under the heading "National and Community Service Programs, Operating Expenses" under the

heading "Corporation for National and Community Service", to the account under the heading "Salaries and Expenses" under the heading "Corporation for National and Community Service".

SEC. 4608. (a) Section 1310.12(a) of title 45, Code of Federal Regulations, shall take effect 30 days after the date of enactment of this Act.

(b)(1) Notwithstanding subsection (a), any vehicle used to transport children for a Head Start program as of January 1, 2007, shall not be subject to a requirement under such section (including a requirement based on the definitions set forth or referenced in section 1310.3 or any other provision set forth or referenced in part 1310 of such title, or any corresponding similar regulation or ruling) regarding rear emergency exit doors, for 1 year after that date of enactment.

(2) Not later than 60 days after the National Highway Traffic Safety Administration of the Department of Transportation submits its study on occupant protection on Head Start transit vehicles (related to Government Accountability Office report GAO–06–767R), the Secretary of Health and Human Services shall review and shall revise as necessary the allowable alternate vehicle standards described in that part 1310 (or any corresponding similar regulation or ruling) relating to allowable alternate vehicles used to transport children for a Head Start program. In making any such revision, the Secretary shall revise the standards to be consistent with the findings contained in such study, including making a determination on the exemption of such a vehicle from Federal seat spacing requirements, and Federal supporting seating requirements related to compartmentalization, if such vehicle meets all other applicable Federal motor vehicle safety standards, including standards for seating systems, occupant crash protection, seat belt assemblies, and child restraint anchorage systems consistent with that part 1310 (or any corresponding similar regulation or ruling).

(3) Notwithstanding subsection (a), until such date as the Secretary of Health and Human Services completes the review and any necessary revision specified in paragraph (2), the provisions of section 1310.12(a) relating to Federal seat spacing requirements, and Federal supporting seating requirements related to compartmentalization, for allowable alternate vehicles used to transport children for a Head Start program, shall not apply to such a vehicle if such vehicle meets all other applicable Federal motor vehicle safety standards, as described in paragraph (2).

CHAPTER 7

LEGISLATIVE BRANCH

HOUSE OF REPRESENTATIVES

PAYMENT TO WIDOWS AND HEIRS OF DECEASED MEMBERS OF CONGRESS

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

CHAPTER 8

GENERAL PROVISIONS—THIS CHAPTER

TECHNICAL AMENDMENT

SEC. 4801. (a) Notwithstanding any other provision of law, subsection (c) under the heading "Assistance for the Independent States of the Former Soviet Union" in Public Law 109–102, shall not apply to funds appropriated by the Continuing Appropriations Resolution, 2007 (Public Law 109–289, division B) as amended by Public Laws 109–369, 109–383, and 110–5.

(b) Section 534(k) of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2006 (Public Law 109–102) is amended, in the second proviso, by inserting after "subsection (b) of that section" the following: "and the requirement that a majority of the members of the board of directors be United States citizens provided in subsection (d)(3)(B) of that section".

(c) Subject to section 101(c)(2) of the Continuing Appropriations Resolution, 2007 (division B of Public Law 109–289, as amended by Public Law 110–5), the amount of funds appropriated for "Foreign Military Financing Program" pursuant to such Resolution shall be construed to be the total of the amount appropriated for such program by section 20401 of that Resolution and the amount made available for such program by section 591 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2006 (Public Law 109–102) which is made applicable to the fiscal year 2007 by the provisions of such Resolution.

SEC. 4802. Notwithstanding any provision of title I of division B of the Continuing Appropriations Resolution, 2007 (division B of Public Law 109–289, as amended by Public Laws 109–369, 109–383, and 110–5), the dollar amount limitation of the first proviso under the heading, "Administration of Foreign Affairs, Diplomatic and Consular Programs", in title IV of the Science, State, Justice, Commerce, and Related Agencies Appropriations Act, 2006 (Public Law 109–108; 119 Stat. 2319) shall not apply to funds appropriated under such heading for fiscal year 2007.

CHAPTER 9

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

OFFICE OF FEDERAL HOUSING ENTERPRISE OVERSIGHT

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

For an additional amount to carry out the Federal Housing Enterprises Financial Safety and Soundness Act of 1992, $6,150,000, to remain available until expended, to be derived from the Federal Housing Enterprises Oversight Fund and to be subject to the same terms and conditions pertaining to funds provided under this heading in Public Law 109–115: *Provided,* That not to exceed the total amount provided for these activities for fiscal year 2007 shall be available from the general fund of the Treasury to the extent necessary to incur obligations and make expenditures pending the receipt of collections to the Fund: *Provided further,*

That the general fund amount shall be reduced as collections are received during the fiscal year so as to result in a final appropriation from the general fund estimated at not more than $0.

GENERAL PROVISIONS—THIS CHAPTER

SEC. 4901. Hereafter, funds limited or appropriated for the Department of Transportation may be obligated or expended to grant authority to a Mexican motor carrier to operate beyond United States municipalities and commercial zones on the United States-Mexico border only to the extent that—

(1) granting such authority is first tested as part of a pilot program;

(2) such pilot program complies with the requirements of section 350 of Public Law 107–87 and the requirements of section 31315(c) of title 49, United States Code, related to pilot programs; and

(3) simultaneous and comparable authority to operate within Mexico is made available to motor carriers domiciled in the United States.

SEC. 4902. Funds provided for the "National Transportation Safety Board, Salaries and Expenses" in section 21031 of the Continuing Appropriations Resolution, 2007 (division B of Public Law 109–289, as amended by Public Law 110–5) include amounts necessary to make lease payments due in fiscal year 2007 only, on an obligation incurred in 2001 under a capital lease.

SEC. 4903. Section 21033 of the Continuing Appropriations Resolution, 2007 (division B of Public Law 109–289, as amended by Public Law 110–5) is amended by adding after the second proviso: ": *Provided further,* That paragraph (2) under such heading in Public Law 109–115 (119 Stat. 2441) shall be funded at $149,300,000, but additional section 8 tenant protection rental assistance costs may be funded in 2007 by using unobligated balances, notwithstanding the purposes for which such amounts were appropriated, including recaptures and carryover, remaining from funds appropriated to the Department of Housing and Urban Development under this heading, the heading 'Annual Contributions for Assisted Housing', the heading 'Housing Certificate Fund', and the heading 'Project-Based Rental Assistance' for fiscal year 2006 and prior fiscal years: *Provided further,* That paragraph (3) under such heading in Public Law 109–115 (119 Stat. 2441) shall be funded at $47,500,000: *Provided further,* That paragraph (4) under such heading in Public Law 109–115 (119 Stat. 2441) shall be funded at $5,900,000: *Provided further,* That paragraph (5) under such heading in Public Law 109–115 (119 Stat. 2441) shall be funded at $1,281,100,000, of which $1,251,100,000 shall be allocated for the calendar year 2007 funding cycle on a pro rata basis to public housing agencies based on the amount public housing agencies were eligible to receive in calendar year 2006, and of which up to $30,000,000 shall be available to the Secretary to allocate to public housing agencies that need additional funds to administer their section 8 programs, with up to $20,000,000 to be for fees associated with section 8 tenant protection rental assistance".

SEC. 4904. Section 232(b) of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2001 (Public Law 106–377) is amended to read as follows:

"(b) APPLICABILITY.—In the case of any dwelling unit that, upon the date of the enactment of this Act, is assisted under a housing assistance payment contract under section 8(o)(13) as in effect before such enactment, or under section 8(d)(2) of the United States Housing Act of 1937 (42 U.S.C. 1437f(d)(2)) as in effect before the enactment of the Quality Housing and Work Responsibility Act of 1998 (title V of Public Law 105–276), assistance may be renewed or extended under such section 8(o)(13), as amended by subsection (a), provided that the initial contract term and rent of such renewed or extended assistance shall be determined pursuant to subparagraphs (F) and (H), and subparagraphs (C) and (D) of such section shall not apply to such extensions or renewals.".

CHAPTER 10

GENERAL PROVISIONS—THIS ACT

AVAILABILITY OF FUNDS

SEC. 4950. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

DESIGNATION FOR TITLE I

SEC. 4951. Amounts in title I are designated as emergency requirements pursuant to section 402 of H. Con. Res. 95 (109th Congress), and as making appropriations for contingency operations directly related to the global war on terrorism and other unanticipated defense-related operations pursuant to section 402 of H. Con. Res. 376 (109th Congress) as made applicable to the House of Representatives by section 511(a)(4) of H. Res. 6 (110th Congress).

EMERGENCY DESIGNATION FOR OTHER TITLES

SEC. 4952. Amounts in titles II, III, V, and VI are designated as emergency requirements pursuant to section 402 of H. Con. Res. 95 (109th Congress), and pursuant to section 501 of H. Con. Res. 376 (109th Congress) as made applicable to the House of Representatives by section 511(a)(4) of H. Res. 6 (110th Congress).

TITLE V

AGRICULTURAL ASSISTANCE

SEC. 5101. CROP DISASTER ASSISTANCE.

(a) ASSISTANCE AVAILABLE.—There are hereby appropriated to the Secretary of Agriculture such sums as are necessary, to remain available until expended, to make emergency financial assistance available to producers on a farm that incurred qualifying quantity or quality losses for the 2005 or 2006 crop, or that part of the 2007 crop year before February 28, 2007, due to damaging weather or any related condition (including losses due to crop diseases, insects, and delayed planting), as determined by the Secretary. However, to be eligible for assistance, the crop subject to the loss must have been planted before February 28, 2007 or, in the case of prevented planting or other total loss, would have been planted

before February 28, 2007 in the absence of the damaging weather or any related condition.

(b) ELECTION OF CROP YEAR.—If a producer incurred qualifying crop losses in more than one of the 2005, 2006, or 2007 crop years, the producer shall elect to receive assistance under this section for losses incurred in only one of such crop years. The producer may not receive assistance under this section for more than one crop year.

(c) ADMINISTRATION.—

(1) IN GENERAL.—Except as provided in paragraph (2), the Secretary of Agriculture shall make assistance available under this section in the same manner as provided under section 815 of the Agriculture, Rural Development, Food and Drug Administration and Related Agencies Appropriations Act, 2001 (Public Law 106–387; 114 Stat. 1549A–55), including using the same loss thresholds for quantity and economic losses as were used in administering that section, except that the payment rate shall be 50 percent of the established price, instead of 65 percent.

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

(d) QUALITY LOSSES.—

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

(A) 65 percent of the payment quantity determined under paragraph (2); by

(B) 50 percent of the payment rate determined under paragraph (3).

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

(A) the actual production of the crop affected by a quality loss of the commodity on the farm; or

(B) the quantity of expected production of the crop affected by a quality loss of the commodity on the farm, using the formula used by the Secretary of Agriculture to determine quantity losses for the crop of the commodity under subsection (a).

(3) PAYMENT RATE.—For the purpose of paragraph (1)(B) and in accordance with paragraphs (5) and (6), the payment rate for quality losses for a crop of a commodity on a farm shall be equal to the difference between—

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

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

(4) ELIGIBILITY.—For producers on a farm to be eligible to obtain a payment for a quality loss for a crop under subsection (a), the amount obtained by multiplying the per unit loss determined under paragraph (1) by the number of units affected by the quality loss shall be at least 25 percent of

the value that all affected production of the crop would have had if the crop had not suffered a quality loss.

(5) MARKETING CONTRACTS.—In the case of any production of a commodity that is sold pursuant to one or more marketing contracts (regardless of whether the contract is entered into by the producers on the farm before or after harvest) and for which appropriate documentation exists, the quantity designated in the contracts shall be eligible for quality loss assistance based on the one or more prices specified in the contracts.

(6) OTHER PRODUCTION.—For any additional production of a commodity for which a marketing contract does not exist or for which production continues to be owned by the producer, quality losses shall be based on the average local market discounts for reduced quality, as determined by the appropriate State committee of the Farm Service Agency.

(7) QUALITY ADJUSTMENTS AND DISCOUNTS.—The appropriate State committee of the Farm Service Agency shall identify the appropriate quality adjustment and discount factors to be considered in carrying out this subsection, including—

(A) the average local discounts actually applied to a crop; and

(B) the discount schedules applied to loans made by the Farm Service Agency or crop insurance coverage under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.).

(8) ELIGIBLE PRODUCTION.—The Secretary of Agriculture shall carry out this subsection in a fair and equitable manner for all eligible production, including the production of fruits and vegetables, other specialty crops, and field crops.

(e) PAYMENT LIMITATIONS.—

(1) LIMIT ON AMOUNT OF ASSISTANCE.—Assistance provided under this section to a producer for losses to a crop, together with the amounts specified in paragraph (2) applicable to the same crop, may not exceed 95 percent of what the value of the crop would have been in the absence of the losses, as estimated by the Secretary of Agriculture.

(2) OTHER PAYMENTS.—In applying the limitation in paragraph (1), the Secretary shall include the following:

(A) Any crop insurance payment made under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) or payment under section 196 of the Federal Agricultural Improvement and Reform Act of 1996 (7 U.S.C. 7333) that the producer receives for losses to the same crop.

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

(f) ELIGIBILITY REQUIREMENTS AND LIMITATIONS.—The producers on a farm shall not be eligible for assistance under this section with respect to losses to an insurable commodity or noninsurable commodity if the producers on the farm—

(1) in the case of an insurable commodity, did not obtain a policy or plan of insurance for the insurable commodity under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) for the crop incurring the losses;

(2) in the case of a noninsurable commodity, did not file the required paperwork, and pay the administrative fee by

the applicable State filing deadline, for the noninsurable commodity under section 196 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7333) for the crop incurring the losses; or

(3) were not in compliance with highly erodible land conservation and wetland conservation provisions.

(g) TIMING.—

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

(2) INTEREST.—If the Secretary does not make payments to the producers on a farm by the date described in paragraph (1), the Secretary shall pay to the producers on a farm interest on the payments at a rate equal to the current (as of the sign-up deadline established by the Secretary) market yield on outstanding, marketable obligations of the United States with maturities of 30 years.

(h) DEFINITIONS.—In this section:

(1) INSURABLE COMMODITY.—The term "insurable commodity" means an agricultural commodity (excluding livestock) for which the producers on a farm are eligible to obtain a policy or plan of insurance under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.).

(2) NONINSURABLE COMMODITY.—The term "noninsurable commodity" means a crop for which the producers on a farm are eligible to obtain assistance under section 196 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7333).

SEC. 5102. LIVESTOCK ASSISTANCE.

(a) LIVESTOCK COMPENSATION PROGRAM.—

(1) AVAILABILITY OF ASSISTANCE.—There are hereby appropriated to the Secretary of Agriculture such sums as are necessary, to remain available until expended, to carry out the livestock compensation program established under subpart B of part 1416 of title 7, Code of Federal Regulations, as announced by the Secretary on February 12, 2007 (72 Fed. Reg. 6443), to provide compensation for livestock losses between January 1, 2005 and February 28, 2007, due to a disaster, as determined by the Secretary (including losses due to blizzards that started in 2006 and continued into January 2007). However, the payment rate for compensation under this subsection shall be 70 percent of the payment rate otherwise applicable under such program. In addition, section 1416.102(b)(2)(ii) of title 7, Code of Federal Regulations (72 Fed. Reg. 6444) shall not apply.

(2) ELIGIBLE APPLICANTS.—In carrying out the program described in paragraph (1), the Secretary shall provide assistance to any applicant that—

(A) conducts a livestock operation that is located in a disaster county with eligible livestock specified in paragraph (1) of section 1416.102(a) of title 7, Code of Federal Regulations (72 Fed. Reg. 6444), an animal described in section 10806(a)(1) of the Farm Security and Rural Investment Act of 2002 (21 U.S.C. 321d(a)(1)), or other animals

designated by the Secretary as livestock for purposes of this subsection; and

(B) meets the requirements of paragraphs (3) and (4) of section 1416.102(a) of title 7, Code of Federal Regulations, and all other eligibility requirements established by the Secretary for the program.

(3) ELECTION OF LOSSES.—

(A) If a producer incurred eligible livestock losses in more than one of the 2005, 2006, or 2007 calendar years, the producer shall elect to receive payments under this subsection for losses incurred in only one of such calendar years, and such losses must have been incurred in a county declared or designated as a disaster county in that same calendar year.

(B) Producers may elect to receive compensation for losses in the calendar year 2007 grazing season that are attributable to wildfires occurring during the applicable period, as determined by the Secretary.

(4) MITIGATION.—In determining the eligibility for or amount of payments for which a producer is eligible under the livestock compensation program, the Secretary shall not penalize a producer that takes actions (recognizing disaster conditions) that reduce the average number of livestock the producer owned for grazing during the production year for which assistance is being provided.

(5) DEFINITIONS.—In this subsection:

(A) DISASTER COUNTY.—The term "disaster county" means—

(i) a county included in the geographic area covered by a natural disaster declaration; and

(ii) each county contiguous to a county described in clause (i).

(B) NATURAL DISASTER DECLARATION.—The term "natural disaster declaration" means—

(i) a natural disaster declared by the Secretary between January 1, 2005 and February 28, 2007, under section 321(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1961(a));

(ii) a major disaster or emergency designated by the President between January 1, 2005 and February 28, 2007, under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.); or

(iii) a determination of a Farm Service Agency Administrator's Physical Loss Notice if such notice applies to a county included under (ii).

(b) LIVESTOCK INDEMNITY PAYMENTS.—

(1) AVAILABILITY OF ASSISTANCE.—There are hereby appropriated to the Secretary of Agriculture such sums as are necessary, to remain available until expended, to make livestock indemnity payments to producers on farms that have incurred livestock losses between January 1, 2005 and February 28, 2007, due to a disaster, as determined by the Secretary (including losses due to blizzards that started in 2006 and continued into January 2007) in a disaster county. To be eligible for assistance, applicants must meet all eligibility requirements established by the Secretary for the program.

(2) ELECTION OF LOSSES.—If a producer incurred eligible livestock losses in more than one of the 2005, 2006, or 2007 calendar years, the producer shall elect to receive payments under this subsection for losses incurred in only one of such calendar years. The producer may not receive payments under this subsection for more than one calendar year.

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

(4) LIVESTOCK DEFINED.—In this subsection, the term "livestock" means an animal that—

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

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

(5) DEFINITIONS.—In this subsection:

(A) DISASTER COUNTY.—The term "disaster county" means—

(i) a county included in the geographic area covered by a natural disaster declaration; and

(ii) each county contiguous to a county described in clause (i).

(B) NATURAL DISASTER DECLARATION.—The term "natural disaster declaration" means—

(i) a natural disaster declared by the Secretary between January 1, 2005 and February 28, 2007 under section 321(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1961(a));

(ii) a major disaster or emergency designated by the President between January 1, 2005 and February 28, 2007 under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.); or

(iii) a determination of a Farm Service Agency Administrator's Physical Loss Notice if such notice applies to a county included under (ii).

SEC. 5103. EMERGENCY CONSERVATION PROGRAM.

There is hereby appropriated to the Secretary of Agriculture $20,000,000, to remain available until expended, to provide assistance under the Emergency Conservation Program under title IV of the Agriculture Credit Act of 1978 (16 U.S.C. 2201 et seq.) for the cleanup and restoration of farm and agricultural production lands.

SEC. 5104. PAYMENT LIMITATIONS.

(a) REDUCTION IN PAYMENTS TO REFLECT PAYMENTS FOR SAME OR SIMILAR LOSSES.—The amount of any payment for which a producer is eligible under sections 5101 and 5102 shall be reduced by any amount received by the producer for the same loss or any similar loss under—

(1) the Department of Defense, Emergency Supplemental Appropriations to Address Hurricanes in the Gulf of Mexico,

and Pandemic Influenza Act, 2006 (Public Law 109–148; 119 Stat. 2680);

(2) an agricultural disaster assistance provision contained in the announcement of the Secretary on January 26, 2006, or August 29, 2006; or

(3) the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Hurricane Recovery, 2006 (Public Law 109–234; 120 Stat. 418).

(b) ADJUSTED GROSS INCOME LIMITATION.—Section 1001D of the Food Security Act of 1985 (7 U.S.C. 1308–3a) shall apply with respect to assistance provided under sections 5101, 5102, and 5103.

SEC. 5105. ADMINISTRATION.

(a) REGULATIONS.—The Secretary of Agriculture may promulgate such regulations as are necessary to implement sections 5101 and 5102.

(b) PROCEDURE.—The promulgation of the implementing regulations and the administration of sections 5101 and 5102 shall be made without regard to—

(1) the notice and comment provisions of section 553 of title 5, United States Code;

(2) the Statement of Policy of the Secretary of Agriculture effective July 24, 1971 (36 Fed. Reg. 13804), relating to notices of proposed rulemaking and public participation in rulemaking; and

(3) chapter 35 of title 44, United States Code (commonly known as the "Paperwork Reduction Act").

(c) CONGRESSIONAL REVIEW OF AGENCY RULEMAKING.—In carrying out this section, the Secretary of Agriculture shall use the authority provided under section 808 of title 5, United States Code.

(d) USE OF COMMODITY CREDIT CORPORATION; LIMITATION.—In implementing sections 5101 and 5102, the Secretary of Agriculture may use the facilities, services, and authorities of the Commodity Credit Corporation. The Corporation shall not make any expenditures to carry out sections 5101 and 5102 unless funds have been specifically appropriated for such purpose.

SEC. 5106. MILK INCOME LOSS CONTRACT PROGRAM.

Section 1502(c)(3) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 7982(c)(3)) is amended—

(1) in subparagraph (A), by adding "and" at the end;

(2) in subparagraph (B), by striking "August" and all that follows through the end and inserting "September 30, 2007, 34 percent."; and

(3) by striking subparagraph (C).

SEC. 5107. DAIRY ASSISTANCE.

There is hereby appropriated $20,000,000 to make payments to dairy producers for dairy production losses in disaster counties, as defined in section 5102 of this title, to remain available until expended.

SEC. 5108. NONINSURED CROP ASSISTANCE PROGRAM.

For states in which there is a shortage of claims adjustors, as determined by the Secretary, the Secretary shall permit the use of one claims adjustor certified by the Secretary in carrying out 7 CFR 1437.401.

SEC. 5109. EMERGENCY GRANTS TO ASSIST LOW-INCOME MIGRANT AND SEASONAL FARMWORKERS.

There is hereby appropriated $21,000,000 to carry out section 2281 of the Food, Agriculture, Conservation and Trade Act of 1990 (42 U.S.C. 5177a), to remain available until expended.

SEC. 5110. CONSERVATION SECURITY PROGRAM.

Section 20115 of Public Law 110–5 is amended by striking "section 726" and inserting in lieu thereof "section 726; section 741".

SEC. 5111. ADMINISTRATIVE EXPENSES.

There is hereby appropriated $30,000,000 for the "Farm Service Agency, Salaries and Expenses", to remain available until September 30, 2008.

SEC. 5112. CONTRACT WAIVER.

In carrying out crop disaster and livestock assistance in this title, the Secretary shall require forage producers to have participated in a crop insurance pilot program or the Non-Insured Crop Disaster Assistance Program during the crop year for which compensation is received.

TITLE VI

ELIMINATION OF SCHIP SHORTFALL AND OTHER MATTERS

DEPARTMENT OF HEALTH AND HUMAN SERVICES

CENTERS FOR MEDICARE AND MEDICAID SERVICES STATE CHILDREN'S HEALTH INSURANCE FUND

For an additional amount to provide additional allotments to remaining shortfall States under section 2104(h)(4) of the Social Security Act, as inserted by section 6001, such sums as may be necessary, but not to exceed $650,000,000 for fiscal year 2007, to remain available until expended.

SEC. 6001. ELIMINATION OF REMAINDER OF SCHIP FUNDING SHORTFALLS FOR FISCAL YEAR 2007.

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

(1) in the heading for paragraph (2), by striking "REMAINDER OF REDUCTION" and inserting "PART"; and

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

"(4) ADDITIONAL AMOUNTS TO ELIMINATE REMAINDER OF FISCAL YEAR 2007 FUNDING SHORTFALLS.—

"(A) IN GENERAL.—From the amounts provided in advance in appropriations Acts, the Secretary shall allot to each remaining shortfall State described in subparagraph (B) such amount as the Secretary determines will eliminate the estimated shortfall described in such subparagraph for the State for fiscal year 2007.

"(B) REMAINING SHORTFALL STATE DESCRIBED.—For purposes of subparagraph (A), a remaining shortfall State

is a State with a State child health plan approved under this title for which the Secretary estimates, on the basis of the most recent data available to the Secretary as of the date of the enactment of this paragraph, that the projected Federal expenditures under such plan for the State for fiscal year 2007 will exceed the sum of—

"(i) the amount of the State's allotments for each of fiscal years 2005 and 2006 that will not be expended by the end of fiscal year 2006;

"(ii) the amount of the State's allotment for fiscal year 2007; and

"(iii) the amounts, if any, that are to be redistributed to the State during fiscal year 2007 in accordance with paragraphs (1) and (2).".

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

(1) in paragraph (1)(B), by striking "subject to paragraph (4)(B) and";

(2) in paragraph (2)(B), by striking "subject to paragraph (4)(B) and";

(3) in paragraph (5)(A), by striking "and (3)" and inserting "(3), and (4)"; and

(4) in paragraph (6)—

(A) in the first sentence—

(i) by inserting "or allotted" after "redistributed"; and

(ii) by inserting "or allotments" after "redistributions"; and

(B) by striking "and (3)" and inserting "(3), and (4)".

SEC. 6002. (a) PROHIBITION.—

(1) LIMITATION ON SECRETARIAL AUTHORITY.—Notwithstanding any other provision of law, the Secretary of Health and Human Services shall not, prior to the date that is 1 year after the date of enactment of this Act, take any action (through promulgation of regulation, issuance of regulatory guidance, or other administrative action) to—

(A) finalize or otherwise implement provisions contained in the proposed rule published on January 18, 2007, on pages 2236 through 2248 of volume 72, Federal Register (relating to parts 433, 447, and 457 of title 42, Code of Federal Regulations);

(B) promulgate or implement any rule or provisions similar to the provisions described in subparagraph (A) pertaining to the Medicaid program established under title XIX of the Social Security Act or the State Children's Health Insurance Program established under title XXI of such Act; or

(C) promulgate or implement any rule or provisions restricting payments for graduate medical education under the Medicaid program.

(2) CONTINUATION OF OTHER SECRETARIAL AUTHORITY.—The Secretary of Health and Human Service shall not be prohibited during the period described in paragraph (1) from taking any action (through promulgation of regulation, issuance of regulatory guidance, or other administrative action) to enforce a provision of law in effect as of the date of enactment of this Act with respect to the Medicaid program or the State

Children's Health Insurance Program, or to promulgate or implement a new rule or provision during such period with respect to such programs, other than a rule or provision described in paragraph (1) and subject to the prohibition set forth in that paragraph.

(b) REQUIREMENT FOR USE OF TAMPER-RESISTANT PRESCRIPTION PADS UNDER THE MEDICAID PROGRAM.—

(1) IN GENERAL.—Section 1903(i) of the Social Security Act (42 U.S.C. 1396b(i)) is amended—

(A) by striking "or" at the end of paragraph (21);

(B) by striking the period at the end of paragraph (22) and inserting "; or"; and

(C) by inserting after paragraph (22) the following new paragraph:

"(23) with respect to amounts expended for medical assistance for covered outpatient drugs (as defined in section 1927(k)(2)) for which the prescription was executed in written (and non-electronic) form unless the prescription was executed on a tamper-resistant pad.".

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall apply to prescriptions executed after September 30, 2007.

(c) EXTENSION OF CERTAIN PHARMACY PLUS WAIVERS.—

(1) AUTHORITY TO CONTINUE TO OPERATE WAIVERS.—Notwithstanding any other provision of law, any State that is operating a Pharmacy Plus waiver described in paragraph (2) which would otherwise expire on June 30, 2007, may elect to continue to operate the waiver through December 31, 2009.

(2) PHARMACY PLUS WAIVER DESCRIBED.—For purposes of paragraph (1), a Pharmacy Plus waiver described in this paragraph is a waiver approved by the Secretary of Health and Human Services under the authority of section 1115 of the Social Security Act (42 U.S.C. 1315) that provides coverage for prescription drugs for individuals who have attained age 65 and whose family income does not exceed 200 percent of the poverty line (as defined in section 2110(c)(5) of such Act (42 U.S.C. 1397jj(c)(5)).

TITLE VII

FAIR MINIMUM WAGE AND TAX RELIEF

Subtitle A—Fair Minimum Wage

SEC. 7000. SHORT TITLE.

This subtitle may be cited as the "Fair Minimum Wage Act of 2007".

SEC. 7001. MINIMUM WAGE.

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

"(1) except as otherwise provided in this section, not less than—

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

"(B) $6.55 an hour, beginning 12 months after that 60th day; and

"(C) $7.25 an hour, beginning 24 months after that 60th day;".

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

SEC. 7002. APPLICABILITY OF MINIMUM WAGE TO AMERICAN SAMOA AND THE COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS.

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

(b) TRANSITION.—Notwithstanding subsection (a)—

(1) the minimum wage applicable to the Commonwealth of the Northern Mariana Islands under section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)) shall be—

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

(B) increased by $0.50 an hour (or such lesser amount as may be necessary to equal the minimum wage under section 6(a)(1) of such Act), beginning 1 year after the date of enactment of this Act and each year thereafter until the minimum wage applicable to the Commonwealth of the Northern Mariana Islands under this paragraph is equal to the minimum wage set forth in such section; and

(2) the minimum wage applicable to American Samoa under section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)) shall be—

(A) the applicable wage rate in effect for each industry and classification under section 697 of title 29, Code of Federal Regulations, on the date of enactment of this Act;

(B) increased by $0.50 an hour, beginning on the 60th day after the date of enactment of this Act; and

(C) increased by $0.50 an hour (or such lesser amount as may be necessary to equal the minimum wage under section 6(a)(1) of such Act), beginning 1 year after the date of enactment of this Act and each year thereafter until the minimum wage applicable to American Samoa under this paragraph is equal to the minimum wage set forth in such section.

(c) CONFORMING AMENDMENTS.—

(1) IN GENERAL.—The Fair Labor Standards Act of 1938 is amended—

(A) by striking sections 5 and 8; and

(B) in section 6(a), by striking paragraph (3) and redesignating paragraphs (4) and (5) as paragraphs (3) and (4), respectively.

(2) EFFECTIVE DATE.—The amendments made by this subsection shall take effect 60 days after the date of enactment of this Act.

SEC. 7003. STUDY ON PROJECTED IMPACT.

(a) STUDY.—Beginning on the date that is 26 months after the date of enactment of this Act, the Secretary of Labor shall, through the Bureau of Labor Statistics, conduct a study to—

(1) assess the assess the impact of the wage increases required by this Act through such date; and

(2) to project the impact of any further wage increase, on living standards and rates of employment in American Samoa and the Commonwealth of the Northern Mariana Islands.

(b) REPORT.—Not later than the date that is 32 months after the date of enactment of this Act, the Secretary of Labor shall transmit to Congress a report on the findings of the study required by subsection (a).

Subtitle B—Small Business Incentives

SEC. 7004. SHORT TITLE.

This subtitle may be cited as the "Small Business and Work Opportunity Act of 2007".

SEC. 7005. ENHANCED COMPLIANCE ASSISTANCE FOR SMALL BUSINESSES.

(a) IN GENERAL.—Section 212 of the Small Business Regulatory Enforcement Fairness Act of 1996 (5 U.S.C. 601 note) is amended by striking subsection (a) and inserting the following:

"(a) COMPLIANCE GUIDE.—

"(1) IN GENERAL.—For each rule or group of related rules for which an agency is required to prepare a final regulatory flexibility analysis under section 605(b) of title 5, United States Code, the agency shall publish 1 or more guides to assist small entities in complying with the rule and shall entitle such publications 'small entity compliance guides'.

"(2) PUBLICATION OF GUIDES.—The publication of each guide under this subsection shall include—

"(A) the posting of the guide in an easily identified location on the website of the agency; and

"(B) distribution of the guide to known industry contacts, such as small entities, associations, or industry leaders affected by the rule.

"(3) PUBLICATION DATE.—An agency shall publish each guide (including the posting and distribution of the guide as described under paragraph (2))—

"(A) on the same date as the date of publication of the final rule (or as soon as possible after that date); and

"(B) not later than the date on which the requirements of that rule become effective.

"(4) COMPLIANCE ACTIONS.—

"(A) IN GENERAL.—Each guide shall explain the actions a small entity is required to take to comply with a rule.

"(B) EXPLANATION.—The explanation under subparagraph (A)—

"(i) shall include a description of actions needed to meet the requirements of a rule, to enable a small entity to know when such requirements are met; and

"(ii) if determined appropriate by the agency, may include a description of possible procedures, such as conducting tests, that may assist a small entity in meeting such requirements, except that, compliance with any procedures described pursuant to this section

does not establish compliance with the rule, or establish a presumption or inference of such compliance.

"(C) PROCEDURES.—Procedures described under subparagraph (B)(ii)—

"(i) shall be suggestions to assist small entities; and

"(ii) shall not be additional requirements, or diminish requirements, relating to the rule.

"(5) AGENCY PREPARATION OF GUIDES.—The agency shall, in its sole discretion, taking into account the subject matter of the rule and the language of relevant statutes, ensure that the guide is written using sufficiently plain language likely to be understood by affected small entities. Agencies may prepare separate guides covering groups or classes of similarly affected small entities and may cooperate with associations of small entities to develop and distribute such guides. An agency may prepare guides and apply this section with respect to a rule or a group of related rules.

"(6) REPORTING.—Not later than 1 year after the date of enactment of the Fair Minimum Wage Act of 2007, and annually thereafter, the head of each agency shall submit a report to the Committee on Small Business and Entrepreneurship of the Senate, the Committee on Small Business of the House of Representatives, and any other committee of relevant jurisdiction describing the status of the agency's compliance with paragraphs (1) through (5).".

(b) TECHNICAL AND CONFORMING AMENDMENT.—Section 211(3) of the Small Business Regulatory Enforcement Fairness Act of 1996 (5 U.S.C. 601 note) is amended by inserting "and entitled" after "designated".

SEC. 7006. SMALL BUSINESS CHILD CARE GRANT PROGRAM.

(a) ESTABLISHMENT.—The Secretary of Health and Human Services (referred to in this section as the "Secretary") shall establish a program to award grants to States, on a competitive basis, to assist States in providing funds to encourage the establishment and operation of employer-operated child care programs.

(b) APPLICATION.—To be eligible to receive a grant under this section, a State shall prepare and submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require, including an assurance that the funds required under subsection (e) will be provided.

(c) AMOUNT AND PERIOD OF GRANT.—The Secretary shall determine the amount of a grant to a State under this section based on the population of the State as compared to the population of all States receiving grants under this section. The Secretary shall make the grant for a period of 3 years.

(d) USE OF FUNDS.—

(1) IN GENERAL.—A State shall use amounts provided under a grant awarded under this section to provide assistance to small businesses (or consortia formed in accordance with paragraph (3)) located in the State to enable the small businesses (or consortia) to establish and operate child care programs. Such assistance may include—

(A) technical assistance in the establishment of a child care program;

(B) assistance for the startup costs related to a child care program;

(C) assistance for the training of child care providers;

(D) scholarships for low-income wage earners;

(E) the provision of services to care for sick children or to provide care to school-aged children;

(F) the entering into of contracts with local resource and referral organizations or local health departments;

(G) assistance for care for children with disabilities;

(H) payment of expenses for renovation or operation of a child care facility; or

(I) assistance for any other activity determined appropriate by the State.

(2) APPLICATION.—In order for a small business or consortium to be eligible to receive assistance from a State under this section, the small business involved shall prepare and submit to the State an application at such time, in such manner, and containing such information as the State may require.

(3) PREFERENCE.—

(A) IN GENERAL.—In providing assistance under this section, a State shall give priority to an applicant that desires to form a consortium to provide child care in a geographic area within the State where such care is not generally available or accessible.

(B) CONSORTIUM.—For purposes of subparagraph (A), a consortium shall be made up of 2 or more entities that shall include small businesses and that may include large businesses, nonprofit agencies or organizations, local governments, or other appropriate entities.

(4) LIMITATIONS.—With respect to grant funds received under this section, a State may not provide in excess of $500,000 in assistance from such funds to any single applicant.

(e) MATCHING REQUIREMENT.—To be eligible to receive a grant under this section, a State shall provide assurances to the Secretary that, with respect to the costs to be incurred by a covered entity receiving assistance in carrying out activities under this section, the covered entity will make available (directly or through donations from public or private entities) non-Federal contributions to such costs in an amount equal to—

(1) for the first fiscal year in which the covered entity receives such assistance, not less than 50 percent of such costs ($1 for each $1 of assistance provided to the covered entity under the grant);

(2) for the second fiscal year in which the covered entity receives such assistance, not less than 66⅔ percent of such costs ($2 for each $1 of assistance provided to the covered entity under the grant); and

(3) for the third fiscal year in which the covered entity receives such assistance, not less than 75 percent of such costs ($3 for each $1 of assistance provided to the covered entity under the grant).

(f) REQUIREMENTS OF PROVIDERS.—To be eligible to receive assistance under a grant awarded under this section, a child care provider—

(1) who receives assistance from a State shall comply with all applicable State and local licensing and regulatory requirements and all applicable health and safety standards in effect in the State; and

(2) who receives assistance from an Indian tribe or tribal organization shall comply with all applicable regulatory standards.

(g) STATE-LEVEL ACTIVITIES.—A State may not retain more than 3 percent of the amount described in subsection (c) for State administration and other State-level activities.

(h) ADMINISTRATION.—

(1) STATE RESPONSIBILITY.—A State shall have responsibility for administering a grant awarded for the State under this section and for monitoring covered entities that receive assistance under such grant.

(2) AUDITS.—A State shall require each covered entity receiving assistance under the grant awarded under this section to conduct an annual audit with respect to the activities of the covered entity. Such audits shall be submitted to the State.

(3) MISUSE OF FUNDS.—

(A) REPAYMENT.—If the State determines, through an audit or otherwise, that a covered entity receiving assistance under a grant awarded under this section has misused the assistance, the State shall notify the Secretary of the misuse. The Secretary, upon such a notification, may seek from such a covered entity the repayment of an amount equal to the amount of any such misused assistance plus interest.

(B) APPEALS PROCESS.—The Secretary shall by regulation provide for an appeals process with respect to repayments under this paragraph.

(i) REPORTING REQUIREMENTS.—

(1) 2-YEAR STUDY.—

(A) IN GENERAL.—Not later than 2 years after the date on which the Secretary first awards grants under this section, the Secretary shall conduct a study to determine—

(i) the capacity of covered entities to meet the child care needs of communities within States;

(ii) the kinds of consortia that are being formed with respect to child care at the local level to carry out programs funded under this section; and

(iii) who is using the programs funded under this section and the income levels of such individuals.

(B) REPORT.—Not later than 28 months after the date on which the Secretary first awards grants under this section, the Secretary shall prepare and submit to the appropriate committees of Congress a report on the results of the study conducted in accordance with subparagraph (A).

(2) 4-YEAR STUDY.—

(A) IN GENERAL.—Not later than 4 years after the date on which the Secretary first awards grants under this section, the Secretary shall conduct a study to determine the number of child care facilities that are funded through covered entities that received assistance through a grant awarded under this section and that remain in

operation, and the extent to which such facilities are meeting the child care needs of the individuals served by such facilities.

(B) REPORT.—Not later than 52 months after the date on which the Secretary first awards grants under this section, the Secretary shall prepare and submit to the appropriate committees of Congress a report on the results of the study conducted in accordance with subparagraph (A).

(j) DEFINITIONS.—In this section:

(1) COVERED ENTITY.—The term "covered entity" means a small business or a consortium formed in accordance with subsection (d)(3).

(2) INDIAN COMMUNITY.—The term "Indian community" means a community served by an Indian tribe or tribal organization.

(3) INDIAN TRIBE; TRIBAL ORGANIZATION.—The terms "Indian tribe" and "tribal organization" have the meanings given the terms in section 658P of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858n).

(4) SMALL BUSINESS.—The term "small business" means an employer who employed an average of at least 2 but not more than 50 employees on the business days during the preceding calendar year.

(5) STATE.—The term "State" has the meaning given the term in section 658P of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858n).

(k) APPLICATION TO INDIAN TRIBES AND TRIBAL ORGANIZATIONS.—In this section:

(1) IN GENERAL.—Except as provided in subsection (f)(1), and in paragraphs (2) and (3), the term "State" includes an Indian tribe or tribal organization.

(2) GEOGRAPHIC REFERENCES.—The term "State" includes an Indian community in subsections (c) (the second and third place the term appears), (d)(1) (the second place the term appears), (d)(3)(A) (the second place the term appears), and (i)(1)(A)(i).

(3) STATE-LEVEL ACTIVITIES.—The term "State-level activities" includes activities at the tribal level.

(l) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—There is authorized to be appropriated to carry out this section, $50,000,000 for the period of fiscal years 2008 through 2012.

(2) STUDIES AND ADMINISTRATION.—With respect to the total amount appropriated for such period in accordance with this subsection, not more than $2,500,000 of that amount may be used for expenditures related to conducting studies required under, and the administration of, this section.

(m) TERMINATION OF PROGRAM.—The program established under subsection (a) shall terminate on September 30, 2012.

SEC. 7007. STUDY OF UNIVERSAL USE OF ADVANCE PAYMENT OF EARNED INCOME CREDIT.

Not later than 180 days after the date of the enactment of this Act, the Secretary of the Treasury shall report to Congress on a study of the benefits, costs, risks, and barriers to workers and to businesses (with a special emphasis on small businesses)

if the advance earned income tax credit program (under section 3507 of the Internal Revenue Code of 1986) included all recipients of the earned income tax credit (under section 32 of such Code) and what steps would be necessary to implement such inclusion.

SEC. 7008. RENEWAL GRANTS FOR WOMEN'S BUSINESS CENTERS.

(a) IN GENERAL.—Section 29 of the Small Business Act (15 U.S.C. 656) is amended by adding at the end the following:

"(m) CONTINUED FUNDING FOR CENTERS.—

"(1) IN GENERAL.—A nonprofit organization described in paragraph (2) shall be eligible to receive, subject to paragraph (3), a 3-year grant under this subsection.

"(2) APPLICABILITY.—A nonprofit organization described in this paragraph is a nonprofit organization that has received funding under subsection (b) or (l).

"(3) APPLICATION AND APPROVAL CRITERIA.—

"(A) CRITERIA.—Subject to subparagraph (B), the Administrator shall develop and publish criteria for the consideration and approval of applications by nonprofit organizations under this subsection.

"(B) CONTENTS.—Except as otherwise provided in this subsection, the conditions for participation in the grant program under this subsection shall be the same as the conditions for participation in the program under subsection (l), as in effect on the date of enactment of this Act.

"(C) NOTIFICATION.—Not later than 60 days after the date of the deadline to submit applications for each fiscal year, the Administrator shall approve or deny any application under this subsection and notify the applicant for each such application.

"(4) AWARD OF GRANTS.—

"(A) IN GENERAL.—Subject to the availability of appropriations, the Administrator shall make a grant for the Federal share of the cost of activities described in the application to each applicant approved under this subsection.

"(B) AMOUNT.—A grant under this subsection shall be for not more than $150,000, for each year of that grant.

"(C) FEDERAL SHARE.—The Federal share under this subsection shall be not more than 50 percent.

"(D) PRIORITY.—In allocating funds made available for grants under this section, the Administrator shall give applications under this subsection or subsection (l) priority over first-time applications under subsection (b).

"(5) RENEWAL.—

"(A) IN GENERAL.—The Administrator may renew a grant under this subsection for additional 3-year periods, if the nonprofit organization submits an application for such renewal at such time, in such manner, and accompanied by such information as the Administrator may establish.

"(B) UNLIMITED RENEWALS.—There shall be no limitation on the number of times a grant may be renewed under subparagraph (A).

"(n) PRIVACY REQUIREMENTS.—

"(1) IN GENERAL.—A women's business center may not disclose the name, address, or telephone number of any individual or small business concern receiving assistance under this section without the consent of such individual or small business concern, unless—

"(A) the Administrator is ordered to make such a disclosure by a court in any civil or criminal enforcement action initiated by a Federal or State agency; or

"(B) the Administrator considers such a disclosure to be necessary for the purpose of conducting a financial audit of a women's business center, but a disclosure under this subparagraph shall be limited to the information necessary for such audit.

"(2) ADMINISTRATION USE OF INFORMATION.—This subsection shall not—

"(A) restrict Administration access to program activity data; or

"(B) prevent the Administration from using client information (other than the information described in subparagraph (A)) to conduct client surveys.

"(3) REGULATIONS.—The Administrator shall issue regulations to establish standards for requiring disclosures during a financial audit under paragraph (1)(B).".

(b) REPEAL.—Section 29(l) of the Small Business Act (15 U.S.C. 656(l)) is repealed effective October 1 of the first full fiscal year after the date of enactment of this Act.

(c) TRANSITIONAL RULE.—Notwithstanding any other provision of law, a grant or cooperative agreement that was awarded under subsection (l) of section 29 of the Small Business Act (15 U.S.C. 656), on or before the day before the date described in subsection (b) of this section, shall remain in full force and effect under the terms, and for the duration, of such grant or agreement.

SEC. 7009. REPORTS ON ACQUISITIONS OF ARTICLES, MATERIALS, AND SUPPLIES MANUFACTURED OUTSIDE THE UNITED STATES.

Section 2 of the Buy American Act (41 U.S.C. 10a) is amended—

(1) by striking "Notwithstanding" and inserting the following:

"(a) IN GENERAL.—Notwithstanding"; and

(2) by adding at the end the following:

"(b) REPORTS.—

"(1) IN GENERAL.—Not later than 180 days after the end of each of fiscal years 2007 through 2011, the head of each Federal agency shall submit to the Committee on Homeland Security and Governmental Affairs of the Senate and the Committee on Oversight and Government Reform of the House of Representatives a report on the amount of the acquisitions made by the agency in that fiscal year of articles, materials, or supplies purchased from entities that manufacture the articles, materials, or supplies outside of the United States.

"(2) CONTENTS OF REPORT.—The report required by paragraph (1) shall separately include, for the fiscal year covered by such report—

"(A) the dollar value of any articles, materials, or supplies that were manufactured outside the United States;

"(B) an itemized list of all waivers granted with respect to such articles, materials, or supplies under this Act, and a citation to the treaty, international agreement, or other law under which each waiver was granted;

"(C) if any articles, materials, or supplies were acquired from entities that manufacture articles, materials, or supplies outside the United States, the specific exception under this section that was used to purchase such articles, materials, or supplies; and

"(D) a summary of—

"(i) the total procurement funds expended on articles, materials, and supplies manufactured inside the United States; and

"(ii) the total procurement funds expended on articles, materials, and supplies manufactured outside the United States.

"(3) PUBLIC AVAILABILITY.—The head of each Federal agency submitting a report under paragraph (1) shall make the report publicly available to the maximum extent practicable.

"(4) EXCEPTION FOR INTELLIGENCE COMMUNITY.—This subsection shall not apply to acquisitions made by an agency, or component thereof, that is an element of the intelligence community as specified in, or designated under, section 3(4) of the National Security Act of 1947 (50 U.S.C. 401a(4)).".

Subtitle C—Small Business Tax Incentives

SEC. 7510. SHORT TITLE; AMENDMENT OF CODE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This subtitle may be cited as the "Small Business and Work Opportunity Tax Act of 2007".

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this subtitle an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

(c) TABLE OF CONTENTS.—The table of contents of this subtitle is as follows:

Subtitle C—Small Business Tax Incentives

Sec. 7510. Short title; amendment of Code; table of contents.

PART I—SMALL BUSINESS TAX RELIEF PROVISIONS

SUBPART A—GENERAL PROVISIONS

Sec. 7511. Extension and modification of work opportunity tax credit.
Sec. 7512. Extension and increase of expensing for small business.
Sec. 7513. Determination of credit for certain taxes paid with respect to employee cash tips.
Sec. 7514. Waiver of individual and corporate alternative minimum tax limits on work opportunity credit and credit for taxes paid with respect to employee cash tips.
Sec. 7515. Family business tax simplification.

SUBPART B—GULF OPPORTUNITY ZONE TAX INCENTIVES

Sec. 7521. Extension of increased expensing for qualified section 179 Gulf Opportunity Zone property.
Sec. 7522. Extension and expansion of low-income housing credit rules for buildings in the GO Zones.
Sec. 7523. Special tax-exempt bond financing rule for repairs and reconstructions of residences in the GO Zones.

Sec. 7524. GAO study of practices employed by State and local governments in allocating and utilizing tax incentives provided pursuant to the Gulf Opportunity Zone Act of 2005.

SUBPART C—SUBCHAPTER S PROVISIONS

Sec. 7531. Capital gain of S corporation not treated as passive investment income.
Sec. 7532. Treatment of bank director shares.
Sec. 7533. Special rule for bank required to change from the reserve method of accounting on becoming S corporation.
Sec. 7534. Treatment of the sale of interest in a qualified subchapter S subsidiary.
Sec. 7535. Elimination of all earnings and profits attributable to pre-1983 years for certain corporations.
Sec. 7536. Deductibility of interest expense on indebtedness incurred by an electing small business trust to acquire S corporation stock.

PART II—REVENUE PROVISIONS

Sec. 7541. Increase in age of minor children whose unearned income is taxed as if parent's income.
Sec. 7542. Suspension of certain penalties and interest.
Sec. 7543. Modification of collection due process procedures for employment tax liabilities.
Sec. 7544. Permanent extension of IRS user fees.
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PART I—SMALL BUSINESS TAX RELIEF PROVISIONS

Subpart A—General Provisions

SEC. 7511. EXTENSION AND MODIFICATION OF WORK OPPORTUNITY TAX CREDIT.

(a) EXTENSION.—Section 51(c)(4)(B) (relating to termination) is amended by striking "December 31, 2007" and inserting "August 31, 2011".

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

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

"(5) DESIGNATED COMMUNITY RESIDENTS.—

"(A) IN GENERAL.—The term 'designated community resident' means any individual who is certified by the designated local agency—

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

"(ii) as having his principal place of abode within an empowerment zone, enterprise community, renewal community, or rural renewal county.

"(B) INDIVIDUAL MUST CONTINUE TO RESIDE IN ZONE, COMMUNITY, OR COUNTY.—In the case of a designated community resident, the term 'qualified wages' shall not include wages paid or incurred for services performed while the individual's principal place of abode is outside an empowerment zone, enterprise community, renewal community, or rural renewal county.

"(C) RURAL RENEWAL COUNTY.—For purposes of this paragraph, the term 'rural renewal county' means any county which—

"(i) is outside a metropolitan statistical area (defined as such by the Office of Management and Budget), and

"(ii) during the 5-year periods 1990 through 1994 and 1995 through 1999 had a net population loss.".

(2) CONFORMING AMENDMENT.—Subparagraph (D) of section 51(d)(1) is amended to read as follows:

"(D) a designated community resident,".

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

"(iii) an individual work plan developed and implemented by an employment network pursuant to subsection (g) of section 1148 of the Social Security Act with respect to which the requirements of such subsection are met.".

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

(1) DISABLED VETERANS TREATED AS MEMBERS OF TARGETED GROUP.—

(A) IN GENERAL.—Subparagraph (A) of section 51(d)(3) (relating to qualified veteran) is amended by striking "agency as being a member of a family" and all that follows and inserting "agency as—

"(i) being a member of a family receiving assistance under a food stamp program under the Food Stamp Act of 1977 for at least a 3-month period ending during the 12-month period ending on the hiring date, or

"(ii) entitled to compensation for a service-connected disability, and—

"(I) having a hiring date which is not more that 1 year after having been discharged or released from active duty in the Armed Forces of the United States, or

"(II) having aggregate periods of unemployment during the 1-year period ending on the hiring date which equal or exceed 6 months.".

(B) DEFINITIONS.—Paragraph (3) of section 51(d) is amended by adding at the end the following new subparagraph:

"(C) OTHER DEFINITIONS.—For purposes of subparagraph (A), the terms 'compensation' and 'service-connected' have the meanings given such terms under section 101 of title 38, United States Code.".

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

(A) by inserting "($12,000 per year in the case of any individual who is a qualified veteran by reason of subsection (d)(3)(A)(ii))" before the period at the end, and

(B) by striking "ONLY FIRST $6,000 OF" in the heading and inserting "LIMITATION ON".

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

SEC. 7512. EXTENSION AND INCREASE OF EXPENSING FOR SMALL BUSINESS.

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

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

(1) by striking "$100,000 in the case of taxable years beginning after 2002" in paragraph (1) and inserting "$125,000 in the case of taxable years beginning after 2006", and

(2) by striking "$400,000 in the case of taxable years beginning after 2002" in paragraph (2) and inserting "$500,000 in the case of taxable years beginning after 2006".

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

(1) by striking "2003" and inserting "2007",

(2) by striking "$100,000 and $400,000" and inserting "$125,000 and $500,000", and

(3) by striking "2002" in clause (ii) and inserting "2006".

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

SEC. 7513. DETERMINATION OF CREDIT FOR CERTAIN TAXES PAID WITH RESPECT TO EMPLOYEE CASH TIPS.

(a) IN GENERAL.—Subparagraph (B) of section 45B(b)(1) is amended by inserting "as in effect on January 1, 2007, and" before "determined without regard to".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to tips received for services performed after December 31, 2006.

SEC. 7514. WAIVER OF INDIVIDUAL AND CORPORATE ALTERNATIVE MINIMUM TAX LIMITS ON WORK OPPORTUNITY CREDIT AND CREDIT FOR TAXES PAID WITH RESPECT TO EMPLOYEE CASH TIPS.

(a) ALLOWANCE AGAINST ALTERNATIVE MINIMUM TAX.—Subparagraph (B) of section 38(c)(4) is amended by striking "and" at the end of clause (i), by inserting a comma at the end of clause (ii), and by adding at the end the following new clauses:

"(iii) the credit determined under section 45B, and

"(iv) the credit determined under section 51.".

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

SEC. 7515. FAMILY BUSINESS TAX SIMPLIFICATION.

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

"(f) QUALIFIED JOINT VENTURE.—

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

"(A) such joint venture shall not be treated as a partnership,

"(B) all items of income, gain, loss, deduction, and credit shall be divided between the spouses in accordance with their respective interests in the venture, and

"(C) each spouse shall take into account such spouse's respective share of such items as if they were attributable to a trade or business conducted by such spouse as a sole proprietor.

"(2) QUALIFIED JOINT VENTURE.—For purposes of paragraph (1), the term 'qualified joint venture' means any joint venture involving the conduct of a trade or business if—

"(A) the only members of such joint venture are a husband and wife,

"(B) both spouses materially participate (within the meaning of section 469(h) without regard to paragraph (5) thereof) in such trade or business, and

"(C) both spouses elect the application of this subsection.".

(b) NET EARNINGS FROM SELF-EMPLOYMENT.—

(1) Subsection (a) of section 1402 (defining net earnings from self-employment) is amended by striking ", and" at the end of paragraph (15) and inserting a semicolon, by striking the period at the end of paragraph (16) and inserting "; and", and by inserting after paragraph (16) the following new paragraph:

"(17) notwithstanding the preceding provisions of this subsection, each spouse's share of income or loss from a qualified joint venture shall be taken into account as provided in section 761(f) in determining net earnings from self-employment of such spouse.".

(2) Subsection (a) of section 211 of the Social Security Act (defining net earnings from self-employment) is amended by striking "and" at the end of paragraph (14), by striking the period at the end of paragraph (15) and inserting "; and", and by inserting after paragraph (15) the following new paragraph:

"(16) Notwithstanding the preceding provisions of this subsection, each spouse's share of income or loss from a qualified joint venture shall be taken into account as provided in section 761(f) of the Internal Revenue Code of 1986 in determining net earnings from self-employment of such spouse.".

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

Subpart B—Gulf Opportunity Zone Tax Incentives

SEC. 7521. EXTENSION OF INCREASED EXPENSING FOR QUALIFIED SECTION 179 GULF OPPORTUNITY ZONE PROPERTY.

Paragraph (2) of section 1400N(e) (relating to qualified section 179 Gulf Opportunity Zone property) is amended—

(1) by striking "this subsection, the term" and inserting "this subsection—

"(A) IN GENERAL.—The term", and

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

"(B) EXTENSION FOR CERTAIN PROPERTY.—In the case of property substantially all of the use of which is in one or more specified portions of the GO Zone (as defined by subsection (d)(6)), such term shall include section 179

property (as so defined) which is described in subsection (d)(2), determined—

"(i) without regard to subsection (d)(6), and

"(ii) by substituting '2008' for '2007' in subparagraph (A)(v) thereof.".

SEC. 7522. EXTENSION AND EXPANSION OF LOW-INCOME HOUSING CREDIT RULES FOR BUILDINGS IN THE GO ZONES.

(a) TIME FOR MAKING LOW-INCOME HOUSING CREDIT ALLOCATIONS.—Subsection (c) of section 1400N (relating to low-income housing credit) is amended by redesignating paragraph (5) as paragraph (6) and by inserting after paragraph (4) the following new paragraph:

"(5) TIME FOR MAKING LOW-INCOME HOUSING CREDIT ALLOCATIONS.—Section 42(h)(1)(B) shall not apply to an allocation of housing credit dollar amount to a building located in the Gulf Opportunity Zone, the Rita GO Zone, or the Wilma GO Zone, if such allocation is made in 2006, 2007, or 2008, and such building is placed in service before January 1, 2011.".

(b) EXTENSION OF PERIOD FOR TREATING GO ZONES AS DIFFICULT DEVELOPMENT AREAS.—

(1) IN GENERAL.—Subparagraph (A) of section 1400N(c)(3) is amended by striking "2006, 2007, or 2008" and inserting "the period beginning on January 1, 2006, and ending on December 31, 2010".

(2) CONFORMING AMENDMENT.—Clause (ii) of section 1400N(c)(3)(B) is amended by striking "such period" and inserting "the period described in subparagraph (A)".

(c) COMMUNITY DEVELOPMENT BLOCK GRANTS NOT TAKEN INTO ACCOUNT IN DETERMINING IF BUILDINGS ARE FEDERALLY SUBSIDIZED.—Subsection (c) of section 1400N (relating to low-income housing credit), as amended by this Act, is amended by redesignating paragraph (6) as paragraph (7) and by inserting after paragraph (5) the following new paragraph:

"(6) COMMUNITY DEVELOPMENT BLOCK GRANTS NOT TAKEN INTO ACCOUNT IN DETERMINING IF BUILDINGS ARE FEDERALLY SUBSIDIZED.—For purpose of applying section 42(i)(2)(D) to any building which is placed in service in the Gulf Opportunity Zone, the Rita GO Zone, or the Wilma GO Zone during the period beginning on January 1, 2006, and ending on December 31, 2010, a loan shall not be treated as a below market Federal loan solely by reason of any assistance provided under section 106, 107, or 108 of the Housing and Community Development Act of 1974 by reason of section 122 of such Act or any provision of the Department of Defense Appropriations Act, 2006, or the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Hurricane Recovery, 2006.".

SEC. 7523. SPECIAL TAX-EXEMPT BOND FINANCING RULE FOR REPAIRS AND RECONSTRUCTIONS OF RESIDENCES IN THE GO ZONES.

Subsection (a) of section 1400N (relating to tax-exempt bond financing) is amended by adding at the end the following new paragraph:

"(7) SPECIAL RULE FOR REPAIRS AND RECONSTRUCTIONS.—

"(A) IN GENERAL.—For purposes of section 143 and this subsection, any qualified GO Zone repair or reconstruction shall be treated as a qualified rehabilitation.

"(B) QUALIFIED GO ZONE REPAIR OR RECONSTRUCTION.—For purposes of subparagraph (A), the term 'qualified GO Zone repair or reconstruction' means any repair of damage caused by Hurricane Katrina, Hurricane Rita, or Hurricane Wilma to a building located in the Gulf Opportunity Zone, the Rita GO Zone, or the Wilma GO Zone (or reconstruction of such building in the case of damage constituting destruction) if the expenditures for such repair or reconstruction are 25 percent or more of the mortgagor's adjusted basis in the residence. For purposes of the preceding sentence, the mortgagor's adjusted basis shall be determined as of the completion of the repair or reconstruction or, if later, the date on which the mortgagor acquires the residence.

"(C) TERMINATION.—This paragraph shall apply only to owner-financing provided after the date of the enactment of this paragraph and before January 1, 2011.".

SEC. 7524. GAO STUDY OF PRACTICES EMPLOYED BY STATE AND LOCAL GOVERNMENTS IN ALLOCATING AND UTILIZING TAX INCENTIVES PROVIDED PURSUANT TO THE GULF OPPORTUNITY ZONE ACT OF 2005.

(a) IN GENERAL.—The Comptroller General of the United States shall conduct a study of the practices employed by State and local governments, and subdivisions thereof, in allocating and utilizing tax incentives provided pursuant to the Gulf Opportunity Zone Act of 2005 and this Act.

(b) SUBMISSION OF REPORT.—Not later than one year after the date of the enactment of this Act, the Comptroller General shall submit a report on the findings of the study conducted under subsection (a) and shall include therein recommendations (if any) relating to such findings. The report shall be submitted to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate.

(c) CONGRESSIONAL HEARINGS.—In the case that the report submitted under this section includes findings of significant fraud, waste or abuse, each Committee specified in subsection (b) shall, within 60 days after the date the report is submitted under subsection (b), hold a public hearing to review such findings.

Subpart C—Subchapter S Provisions

SEC. 7531. CAPITAL GAIN OF S CORPORATION NOT TREATED AS PASSIVE INVESTMENT INCOME.

(a) IN GENERAL.—Section 1362(d)(3) is amended by striking subparagraphs (B), (C), (D), (E), and (F) and inserting the following new subparagraph:

"(B) PASSIVE INVESTMENT INCOME DEFINED.—

"(i) IN GENERAL.—Except as otherwise provided in this subparagraph, the term 'passive investment income' means gross receipts derived from royalties, rents, dividends, interest, and annuities.

"(ii) EXCEPTION FOR INTEREST ON NOTES FROM SALES OF INVENTORY.—The term 'passive investment income' shall not include interest on any obligation acquired in the ordinary course of the corporation's trade or business from its sale of property described in section 1221(a)(1).

"(iii) TREATMENT OF CERTAIN LENDING OR FINANCE COMPANIES.—If the S corporation meets the requirements of section 542(c)(6) for the taxable year, the term 'passive investment income' shall not include gross receipts for the taxable year which are derived directly from the active and regular conduct of a lending or finance business (as defined in section 542(d)(1)).

"(iv) TREATMENT OF CERTAIN DIVIDENDS.—If an S corporation holds stock in a C corporation meeting the requirements of section 1504(a)(2), the term 'passive investment income' shall not include dividends from such C corporation to the extent such dividends are attributable to the earnings and profits of such C corporation derived from the active conduct of a trade or business.

"(v) EXCEPTION FOR BANKS, ETC.—In the case of a bank (as defined in section 581) or a depository institution holding company (as defined in section 3(w)(1) of the Federal Deposit Insurance Act (12 U.S.C. 1813(w)(1)), the term 'passive investment income' shall not include—

"(I) interest income earned by such bank or company, or

"(II) dividends on assets required to be held by such bank or company, including stock in the Federal Reserve Bank, the Federal Home Loan Bank, or the Federal Agricultural Mortgage Bank or participation certificates issued by a Federal Intermediate Credit Bank.".

(b) CONFORMING AMENDMENT.—Clause (i) of section 1042(c)(4)(A) is amended by striking "section 1362(d)(3)(C)" and inserting "section 1362(d)(3)(B)".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

SEC. 7532. TREATMENT OF BANK DIRECTOR SHARES.

(a) IN GENERAL.—Section 1361 (defining S corporation) is amended by adding at the end the following new subsection:

"(f) RESTRICTED BANK DIRECTOR STOCK.—

"(1) IN GENERAL.—Restricted bank director stock shall not be taken into account as outstanding stock of the S corporation in applying this subchapter (other than section 1368(f)).

"(2) RESTRICTED BANK DIRECTOR STOCK.—For purposes of this subsection, the term 'restricted bank director stock' means stock in a bank (as defined in section 581) or a depository institution holding company (as defined in section 3(w)(1) of the Federal Deposit Insurance Act (12 U.S.C. 1813(w)(1)), if such stock—

"(A) is required to be held by an individual under applicable Federal or State law in order to permit such individual to serve as a director, and

"(B) is subject to an agreement with such bank or company (or a corporation which controls (within the meaning of section 368(c)) such bank or company) pursuant to which the holder is required to sell back such stock

(at the same price as the individual acquired such stock) upon ceasing to hold the office of director.

"(3) CROSS REFERENCE.—

"For treatment of certain distributions with respect to restricted bank director stock, see section 1368(f)".

(b) DISTRIBUTIONS.—Section 1368 (relating to distributions) is amended by adding at the end the following new subsection:

"(f) RESTRICTED BANK DIRECTOR STOCK.—If a director receives a distribution (not in part or full payment in exchange for stock) from an S corporation with respect to any restricted bank director stock (as defined in section 1361(f)), the amount of such distribution—

"(1) shall be includible in gross income of the director, and

"(2) shall be deductible by the corporation for the taxable year of such corporation in which or with which ends the taxable year in which such amount in included in the gross income of the director.".

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by this section shall apply to taxable years beginning after December 31, 2006.

(2) SPECIAL RULE FOR TREATMENT AS SECOND CLASS OF STOCK.—In the case of any taxable year beginning after December 31, 1996, restricted bank director stock (as defined in section 1361(f) of the Internal Revenue Code of 1986, as added by this section) shall not be taken into account in determining whether an S corporation has more than 1 class of stock.

SEC. 7533. SPECIAL RULE FOR BANK REQUIRED TO CHANGE FROM THE RESERVE METHOD OF ACCOUNTING ON BECOMING S CORPORATION.

(a) IN GENERAL.—Section 1361, as amended by this Act, is amended by adding at the end the following new subsection:

"(g) SPECIAL RULE FOR BANK REQUIRED TO CHANGE FROM THE RESERVE METHOD OF ACCOUNTING ON BECOMING S CORPORATION.—In the case of a bank which changes from the reserve method of accounting for bad debts described in section 585 or 593 for its first taxable year for which an election under section 1362(a) is in effect, the bank may elect to take into account any adjustments under section 481 by reason of such change for the taxable year immediately preceding such first taxable year.".

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

SEC. 7534. TREATMENT OF THE SALE OF INTEREST IN A QUALIFIED SUBCHAPTER S SUBSIDIARY.

(a) IN GENERAL.—Subparagraph (C) of section 1361(b)(3) (relating to treatment of terminations of qualified subchapter S subsidiary status) is amended—

(1) by striking "For purposes of this title," and inserting the following:

"(i) IN GENERAL.—For purposes of this title,", and

(2) by inserting at the end the following new clause:

"(ii) TERMINATION BY REASON OF SALE OF STOCK.—If the failure to meet the requirements of subparagraph (B) is by reason of the sale of stock of a corporation

which is a qualified subchapter S subsidiary, the sale of such stock shall be treated as if—

"(I) the sale were a sale of an undivided interest in the assets of such corporation (based on the percentage of the corporation's stock sold), and

"(II) the sale were followed by an acquisition by such corporation of all of its assets (and the assumption by such corporation of all of its liabilities) in a transaction to which section 351 applies.".

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

SEC. 7535. ELIMINATION OF ALL EARNINGS AND PROFITS ATTRIBUTABLE TO PRE-1983 YEARS FOR CERTAIN CORPORATIONS.

In the case of a corporation which is—

(1) described in section 1311(a)(1) of the Small Business Job Protection Act of 1996, and

(2) not described in section 1311(a)(2) of such Act,

the amount of such corporation's accumulated earnings and profits (for the first taxable year beginning after the date of the enactment of this Act) shall be reduced by an amount equal to the portion (if any) of such accumulated earnings and profits which were accumulated in any taxable year beginning before January 1, 1983, for which such corporation was an electing small business corporation under subchapter S of the Internal Revenue Code of 1986.

SEC. 7536. DEDUCTIBILITY OF INTEREST EXPENSE ON INDEBTEDNESS INCURRED BY AN ELECTING SMALL BUSINESS TRUST TO ACQUIRE S CORPORATION STOCK.

(a) IN GENERAL.—Subparagraph (C) of section 641(c)(2) (relating to modifications) is amended by inserting after clause (iii) the following new clause:

"(iv) Any interest expense paid or accrued on indebtedness incurred to acquire stock in an S corporation.".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2006.

PART II—REVENUE PROVISIONS

SEC. 7541. INCREASE IN AGE OF MINOR CHILDREN WHOSE UNEARNED INCOME IS TAXED AS IF PARENT'S INCOME.

(a) IN GENERAL.—Subparagraph (A) of section 1(g)(2) (relating to child to whom subsection applies) is amended to read as follows:

"(A) such child—

"(i) has not attained age 18 before the close of the taxable year, or

"(ii)(I) has attained age 18 before the close of the taxable year and meets the age requirements of section 152(c)(3) (determined without regard to subparagraph (B) thereof), and

"(II) whose earned income (as defined in section 911(d)(2)) for such taxable year does not exceed one-half of the amount of the individual's support (within

the meaning of section 152(c)(1)(D) after the application of section 152(f)(5) (without regard to subparagraph (A) thereof)) for such taxable year,".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

SEC. 7542. SUSPENSION OF CERTAIN PENALTIES AND INTEREST.

(a) IN GENERAL.—Paragraphs (1)(A) and (3)(A) of section 6404(g) are each amended by striking "18-month period" and inserting "36-month period".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to notices provided by the Secretary of the Treasury, or his delegate, after the date which is 6 months after the date of the enactment of this Act.

SEC. 7543. MODIFICATION OF COLLECTION DUE PROCESS PROCEDURES FOR EMPLOYMENT TAX LIABILITIES.

(a) IN GENERAL.—Section 6330(f) (relating to jeopardy and State refund collection) is amended—

(1) by striking "; or" at the end of paragraph (1) and inserting a comma,

(2) by adding "or" at the end of paragraph (2), and

(3) by inserting after paragraph (2) the following new paragraph:

"(3) the Secretary has served a disqualified employment tax levy,".

(b) DISQUALIFIED EMPLOYMENT TAX LEVY.—Section 6330 of such Code (relating to notice and opportunity for hearing before levy) is amended by adding at the end the following new subsection:

"(h) DISQUALIFIED EMPLOYMENT TAX LEVY.—For purposes of subsection (f), a disqualified employment tax levy is any levy in connection with the collection of employment taxes for any taxable period if the person subject to the levy (or any predecessor thereof) requested a hearing under this section with respect to unpaid employment taxes arising in the most recent 2-year period before the beginning of the taxable period with respect to which the levy is served. For purposes of the preceding sentence, the term 'employment taxes' means any taxes under chapter 21, 22, 23, or 24.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to levies served on or after the date that is 120 days after the date of the enactment of this Act.

SEC. 7544. PERMANENT EXTENSION OF IRS USER FEES.

Section 7528 (relating to Internal Revenue Service user fees) is amended by striking subsection (c).

SEC. 7545. INCREASE IN PENALTY FOR BAD CHECKS AND MONEY ORDERS.

(a) IN GENERAL.—Section 6657 (relating to bad checks) is amended—

(1) by striking "$750" and inserting "$1,250", and

(2) by striking "$15" and inserting "$25".

(b) EFFECTIVE DATE.—The amendments made by this section apply to checks or money orders received after the date of the enactment of this Act.

SEC. 7546. UNDERSTATEMENT OF TAXPAYER LIABILITY BY RETURN PREPARERS.

(a) APPLICATION OF RETURN PREPARER PENALTIES TO ALL TAX RETURNS.—

(1) DEFINITION OF TAX RETURN PREPARER.—Paragraph (36) of section 7701(a) (relating to income tax preparer) is amended—

(A) by striking "income" each place it appears in the heading and the text, and

(B) in subparagraph (A), by striking "subtitle A" each place it appears and inserting "this title".

(2) CONFORMING AMENDMENTS.—

(A)(i) Section 6060 is amended by striking "**INCOME TAX RETURN PREPARERS**" in the heading and inserting "**TAX RETURN PREPARERS**".

(ii) Section 6060(a) is amended—

(I) by striking "an income tax return preparer" each place it appears and inserting "a tax return preparer",

(II) by striking "each income tax return preparer" and inserting "each tax return preparer", and

(III) by striking "another income tax return preparer" and inserting "another tax return preparer".

(iii) The item relating to section 6060 in the table of sections for subpart F of part III of subchapter A of chapter 61 is amended by striking "income tax return preparers" and inserting "tax return preparers".

(iv) Subpart F of part III of subchapter A of chapter 61 is amended by striking "**Income Tax Return Preparers**" in the heading and inserting "**Tax Return Preparers**".

(v) The item relating to subpart F in the table of subparts for part III of subchapter A of chapter 61 is amended by striking "income tax return preparers" and inserting "tax return preparers".

(B) Section 6103(k)(5) is amended—

(i) by striking "income tax return preparer" each place it appears and inserting "tax return preparer", and

(ii) by striking "income tax return preparers" each place it appears and inserting "tax return preparers".

(C)(i) Section 6107 is amended—

(I) by striking "**INCOME TAX RETURN PREPARER**" in the heading and inserting "**TAX RETURN PREPARER**",

(II) by striking "an income tax return preparer" each place it appears in subsections (a) and (b) and inserting "a tax return preparer",

(III) by striking "INCOME TAX RETURN PREPARER" in the heading for subsection (b) and inserting "TAX RETURN PREPARER", and

(IV) in subsection (c), by striking "income tax return preparers" and inserting "tax return preparers".

(ii) The item relating to section 6107 in the table of sections for subchapter B of chapter 61 is amended by striking "Income tax return preparer" and inserting "Tax return preparer".

(D) Section 6109(a)(4) is amended—

(i) by striking "an income tax return preparer" and inserting "a tax return preparer", and

(ii) by striking "INCOME RETURN PREPARER" in the heading and inserting "TAX RETURN PREPARER".

(E) Section 6503(k)(4) is amended by striking "Income tax return preparers" and inserting "Tax return preparers".

(F)(i) Section 6694 is amended—

(I) by striking "**INCOME TAX RETURN PREPARER**" in the heading and inserting "**TAX RETURN PREPARER**",

(II) by striking "an income tax return preparer" each place it appears and inserting "a tax return preparer",

(III) in subsection (c)(2), by striking "the income tax return preparer" and inserting "the tax return preparer",

(IV) in subsection (e), by striking "subtitle A" and inserting "this title", and

(V) in subsection (f), by striking "income tax return preparer" and inserting "tax return preparer".

(ii) The item relating to section 6694 in the table of sections for part I of subchapter B of chapter 68 is amended by striking "income tax return preparer" and inserting "tax return preparer".

(G)(i) Section 6695 is amended—

(I) by striking "**INCOME**" in the heading, and

(II) by striking "an income tax return preparer" each place it appears and inserting "a tax return preparer".

(ii) Section 6695(f) is amended—

(I) by striking "subtitle A" and inserting "this title", and

(II) by striking "the income tax return preparer" and inserting "the tax return preparer".

(iii) The item relating to section 6695 in the table of sections for part I of subchapter B of chapter 68 is amended by striking "income".

(H) Section 6696(e) is amended by striking "subtitle A" each place it appears and inserting "this title".

(I)(i) Section 7407 is amended—

(I) by striking "**INCOME TAX RETURN PREPARERS**" in the heading and inserting "**TAX RETURN PREPARERS**",

(II) by striking "an income tax return preparer" each place it appears and inserting "a tax return preparer",

(III) by striking "income tax preparer" both places it appears in subsection (a) and inserting "tax return preparer", and

(IV) by striking "income tax return" in subsection (a) and inserting "tax return".

(ii) The item relating to section 7407 in the table of sections for subchapter A of chapter 76 is amended by striking "income tax return preparers" and inserting "tax return preparers".

(J)(i) Section 7427 is amended—

(I) by striking "**INCOME TAX RETURN PREPARERS**" in the heading and inserting "**TAX RETURN PREPARERS**", and

(II) by striking "an income tax return preparer" and inserting "a tax return preparer".

(ii) The item relating to section 7427 in the table of sections for subchapter B of chapter 76 is amended to read as follows:

"Sec. 7427. Tax return preparers.".

(b) MODIFICATION OF PENALTY FOR UNDERSTATEMENT OF TAXPAYER'S LIABILITY BY TAX RETURN PREPARER.—Subsections (a) and (b) of section 6694 are amended to read as follows:

"(a) UNDERSTATEMENT DUE TO UNREASONABLE POSITIONS.—

"(1) IN GENERAL.—Any tax return preparer who prepares any return or claim for refund with respect to which any part of an understatement of liability is due to a position described in paragraph (2) shall pay a penalty with respect to each such return or claim in an amount equal to the greater of—

"(A) $1,000, or

"(B) 50 percent of the income derived (or to be derived) by the tax return preparer with respect to the return or claim.

"(2) UNREASONABLE POSITION.—A position is described in this paragraph if—

"(A) the tax return preparer knew (or reasonably should have known) of the position,

"(B) there was not a reasonable belief that the position would more likely than not be sustained on its merits, and

"(C)(i) the position was not disclosed as provided in section 6662(d)(2)(B)(ii), or

"(ii) there was no reasonable basis for the position.

"(3) REASONABLE CAUSE EXCEPTION.—No penalty shall be imposed under this subsection if it is shown that there is reasonable cause for the understatement and the tax return preparer acted in good faith.

"(b) UNDERSTATEMENT DUE TO WILLFUL OR RECKLESS CONDUCT.—

"(1) IN GENERAL.—Any tax return preparer who prepares any return or claim for refund with respect to which any part of an understatement of liability is due to a conduct described in paragraph (2) shall pay a penalty with respect to each such return or claim in an amount equal to the greater of—

"(A) $5,000, or

"(B) 50 percent of the income derived (or to be derived) by the tax return preparer with respect to the return or claim.

"(2) WILLFUL OR RECKLESS CONDUCT.—Conduct described in this paragraph is conduct by the tax return preparer which is—

"(A) a willful attempt in any manner to understate the liability for tax on the return or claim, or

"(B) a reckless or intentional disregard of rules or regulations.

"(3) REDUCTION IN PENALTY.—The amount of any penalty payable by any person by reason of this subsection for any return or claim for refund shall be reduced by the amount of the penalty paid by such person by reason of subsection (a).".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to returns prepared after the date of the enactment of this Act.

SEC. 7547. PENALTY FOR FILING ERRONEOUS REFUND CLAIMS.

(a) IN GENERAL.—Part I of subchapter B of chapter 68 (relating to assessable penalties) is amended by inserting after section 6675 the following new section:

"SEC. 6676. ERRONEOUS CLAIM FOR REFUND OR CREDIT.

"(a) CIVIL PENALTY.—If a claim for refund or credit with respect to income tax (other than a claim for a refund or credit relating to the earned income credit under section 32) is made for an excessive amount, unless it is shown that the claim for such excessive amount has a reasonable basis, the person making such claim shall be liable for a penalty in an amount equal to 20 percent of the excessive amount.

"(b) EXCESSIVE AMOUNT.—For purposes of this section, the term 'excessive amount' means in the case of any person the amount by which the amount of the claim for refund or credit for any taxable year exceeds the amount of such claim allowable under this title for such taxable year.

"(c) COORDINATION WITH OTHER PENALTIES.—This section shall not apply to any portion of the excessive amount of a claim for refund or credit which is subject to a penalty imposed under part II of subchapter A of chapter 68.".

(b) CONFORMING AMENDMENT.—The table of sections for part I of subchapter B of chapter 68 is amended by inserting after the item relating to section 6675 the following new item:

"Sec. 6676. Erroneous claim for refund or credit.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to any claim filed or submitted after the date of the enactment of this Act.

SEC. 7548. TIME FOR PAYMENT OF CORPORATE ESTIMATED TAXES.

Subparagraph (B) of section 401(1) of the Tax Increase Prevention and Reconciliation Act of 2005 is amended by striking "106.25 percent" and inserting "114.25 percent".

This Act may be cited as the "U.S. Troop Readiness, Veterans' Care, Katrina Recovery, and Iraq Accountability Appropriations Act, 2007".

Nancy Pelosi

Speaker of the House of Representatives.

Robert C. Byrd

Vice President of the United States and President of the Senate.

President pro tempore of the Senate

[Endorsement on back of bill:]

I certify that this Act originated in the House of Representatives.

Lorraine C. Miller,

Clerk

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